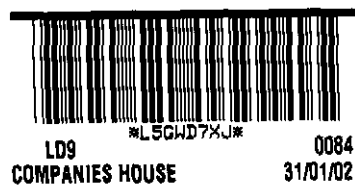


THE CHARISMA MUSIC PUBLISHING COMPANY LIMITED

REPORT AND ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2001

REGISTERED NUMBER 1211507



THE CHARISMA MUSIC PUBLISHING COMPANY LIMITED

Directors: Mr M N Bandier
Mr P H C Reichardt
Mr T J Foster-Key
Mr T F Bradley
Ms S D Perryman
Mr P J Cox
Mr C Milesen
Mr J C Channon
Mr J A Smith
Mr C R Moore

Secretary: Mr C Milesen

Registered Office: Publishing House, 127 Charing Cross Road, London WC2H 0QY

REPORT OF THE DIRECTORS

The directors submit the audited accounts for the year ended 31st March 2001. The profit for the year amounted to £47,343 (2000 - £94,582). The directors recommend no dividend be paid (2000 - £nil) and therefore the profit of £47,343 (2000 - £94,582) is to be retained.

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS DEVELOPMENTS

The principal activity of the company continued to be that of music publishing. Business decreased during the year with a resultant decrease in profits. No material change in the activities of the business is contemplated.

DIRECTORS

The directors of the company during the year ended 31st March 2001 were those listed above.

DIRECTORS' INTERESTS

The only directors to have any interests in the share capital and loan stock of undertakings in the EMI GROUP plc during the year were:-

	At 31st March 2001	At 1st April 2000
<u>Options over ordinary shares of EMI GROUP plc</u>		
Mr T J Foster-Key	126,641	126,506
Mr P H C Reichardt	361,834	382,247
Ms S D Perryman	39,288	36,616
Mr P J Cox	740	740
Mr J C Channon	5,680	6,516
Mr T F Bradley	8,763	8,664
Mr C Milesen	1,627	1,627
Mr M N Bandier *		

	At 31st March 2001	At 1st April 2000
<u>Ordinary shares held in EMI GROUP plc</u>		
Mr T J Foster-Key	-	-
Mr P H C Reichardt	33,517	18,005
Ms S D Perryman	4,060	4,060
Mr P J Cox	36	36
Mr J C Channon	1,084	248
Mr T F Bradley	-	-
Mr C Milesen	-	-
Mr M N Bandier *		

During the year options over shares were granted, lapsed and exercised as follows:-

	Options Granted	Options Lapsed	Options Exercised
Mr T J Foster-Key	10,689	10,554	-
Mr P H C Reichardt	99,550	94,201	25,762
Ms S D Perryman	2,672	-	-
Mr P J Cox	-	-	-
Mr J C Channon	836	-	836
Mr T F Bradley	2,191	-	2,092
Mr C Milesen	-	-	-

* M N Bandier is a director of the company's ultimate parent undertaking, EMI GROUP plc, and his interests in the shares of that company as at 1st April 2000 and 31st March 2001 are shown in its annual report.

THE CHARISMA MUSIC PUBLISHING COMPANY LIMITED

REPORT OF THE DIRECTORS (continued)

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

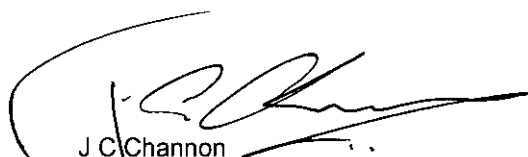
The parent undertaking, EMI GROUP plc, has maintained insurance to cover directors' and officers' liability as defined by section 310(3)(a) of the Companies Act 1985 (as amended).

AUDITORS

On 28 June 2001, Ernst & Young, the company's auditor, transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The directors consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28 June 2001.

Ernst & Young LLP will be re-appointed as the company's auditor in accordance with the elective resolution passed by the company under section 386 of the Companies Act 1985, unless their appointment is brought to an end by a resolution at a meeting of the shareholders pursuant to a notice of such resolution duly deposited in accordance with section 393 of the Companies Act 1985.

On behalf of the Board



J C Channon
Director
Dated:

30 JAN 2002

THE CHARISMA MUSIC PUBLISHING COMPANY LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THE CHARISMA MUSIC PUBLISHING COMPANY LIMITED

We have audited the company's financial statements for the year ended 31st March 2001 which comprise the Profit and Loss Account, Balance Sheet, Statement of Total Recognised Gains and Losses, Reconciliation of Shareholder's funds and the related notes 1 to 11. These financial statements have been prepared on the basis of the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Director's Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31st March 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP
Registered Auditor
London



30 JAN 2002

THE CHARISMA MUSIC PUBLISHING COMPANY LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31ST MARCH 2001**

	<u>NOTES</u>	<u>Year Ended 31st Mar 2001</u>	<u>15 Months to 31st Mar 2000</u>
		£	£
TURNOVER		233,041	367,203
Cost of Sales		(148,949)	(121,565)
GROSS PROFIT		84,092	245,638
Distribution Costs		(9,664)	(6,583)
Administration Expenses		(27,085)	(150,099)
OPERATING PROFIT	2	47,343	88,956
Interest receivable and similar income	5	-	5,773
Interest payable and similar charges		47,343	94,729
		-	(147)
Profit on ordinary activities before taxation		47,343	94,582
Taxation	6	-	-
RETAINED PROFIT FOR THE YEAR/PERIOD		47,343	94,582
<u>STATEMENT OF RETAINED PROFITS</u>			
B/f balance at beginning of year/period		383,666	289,084
Retained profit for the year/period		47,343	94,582
C/f balance at end of year/period		431,009	383,666

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES


There are no recognised gains or losses other than the profit for the year.

The notes on pages 7 to 8 form part of these accounts.

THE CHARISMA MUSIC PUBLISHING COMPANY LIMITED

BALANCE SHEET AT 31ST MARCH 2001

	<u>NOTES</u>	<u>Year Ended 31st Mar 2001</u>	<u>15 Months to 31st Mar 2000</u>
		£	£
CURRENT ASSETS			
Debtors	7	642,138	409,186
CREDITORS: amounts falling due within one year	8	(211,029)	(25,420)
NET CURRENT ASSETS		<u>431,109</u>	<u>383,766</u>
CAPITAL AND RESERVES			
Called up share capital	9	100	100
Profit and loss account	10	431,009	383,666
Equity shareholders' funds		<u>431,109</u>	<u>383,766</u>

 DIRECTOR

30 JAN 2002

DATE

The notes on pages 7 to 8 form part of these accounts.

THE CHARISMA MUSIC PUBLISHING COMPANY LIMITED

NOTES TO THE ACCOUNTS AT 31ST MARCH 2001

1 ACCOUNTING POLICIES

(a) Accounting Convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

(b) Debtors - Royalty Advances

Royalties due to an advancee are credited against the outstanding advance in the year of receipt until the amount of the advance is extinguished. If it is thought that future earnings will not amount to the written-down value of an advance, a provision for the estimated shortfall will be raised.

(c) Turnover

The company's turnover is wholly attributable to its principal activity and the directors do not believe that any part of the company's worldwide market is significantly different from any other.

(d) Cashflow

The company has taken advantage of the exemption from preparing a cash flow statement in FRS1 as at least 90% of the voting rights are controlled within the Group and the consolidated accounts of the Group are publicly available.

(e) Foreign Exchange

Transactions denominated in foreign currencies are translated into sterling and recorded at the rate of exchange ruling at the date of the transaction. Assets and liabilities expressed in foreign currencies are translated into sterling at the exchange rate ruling at the balance sheet date. All differences are taken to the profit and loss account.

(f) Related Parties

The company has taken advantage of the exemption from disclosing transactions with other Group undertakings and qualifying related parties under FRS8.

2 OPERATING PROFIT

This is stated after charging:	Year Ended 31st Mar 2001 £	15 Months to 31st Mar 2000 £
Management charges	36,247	116,925
Auditors' remuneration	503	8,000
	<u>36,750</u>	<u>124,925</u>

Management charges have been split between distribution costs and administrative expenses in the Profit and Loss account.

3 EMPLOYEES

The company has no employees.

4 EMOLUMENTS OF DIRECTORS

The directors of the company are also directors of EMI Music Publishing Limited and fellow subsidiaries. The directors received total remuneration for the year of £2,445,984 (2000: £2,377,130), all of which was paid by EMI Music Publishing Limited. The directors do not believe that it is practicable to apportion this amount between their services as directors of the company and their services as directors of EMI Music Publishing Limited and fellow subsidiary companies.

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	Year Ended 31st Mar 2001 £	15 Months to 31st Mar 2000 £
Receivable from Group undertakings	<u>-</u>	<u>5,773</u>

THE CHARISMA MUSIC PUBLISHING COMPANY LIMITED

NOTES TO THE ACCOUNTS AT 31ST MARCH 2001 (continued)

6 TAXATION

The company is primarily liable for UK corporation tax on its profits. However, no provision has been made in these accounts for either current or deferred taxation, as an undertaking has been received from its ultimate parent undertaking, EMI GROUP plc, that the latter will assume all liability for any such taxation for accounting periods ending up to 31st March 2001 so long as the company remains a subsidiary. In view of the undertaking received, no disclosure is made in these accounts of any potential liability to taxation.

7 DEBTORS

	Year Ended 31st Mar 2001 £	15 Months to 31st Mar 2000 £
Amounts owed by group undertakings	428,953	320,271
Advances	180,000	88,915
Other taxes	33,185	-
	<u>642,138</u>	<u>409,186</u>

8 CREDITORS: amounts falling due within one year

	Year Ended 31st Mar 2001 £	15 Months to 31st Mar 2000 £
Trade creditors	211,029	25,420
Amounts owed to group undertakings	-	-
	<u>211,029</u>	<u>25,420</u>

9 SHARE CAPITAL

	Year Ended 31st Mar 2001 £	15 Months to 31st Mar 2000 £
Authorised, allotted, called up and fully paid: 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

10 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	SHARE CAPITAL £	SHARE PREMIUM £	PROFIT & LOSS A/C £	TOTAL £
At 1st January 1999	100	-	289,084	289,184
Profit for the period	-	-	94,582	94,582
Dividend	-	-	-	-
At 1st April 2000	100	-	383,666	383,766
Profit for the year	-	-	47,343	47,343
Dividend	-	-	-	-
At 31st March 2001	<u>100</u>	<u>-</u>	<u>431,009</u>	<u>431,109</u>

11 ULTIMATE PARENT UNDERTAKING

The parent undertaking of the Group of undertakings for which Group accounts are drawn up and of which the company is a member is EMI GROUP plc, which is the ultimate parent undertaking registered in England and Wales. Copies of EMI GROUP plc's accounts can be obtained from EMI GROUP plc, 4Tenterden Street, Hanover Square, London W1A 2AY, England.

The company has taken advantage of the exemption contained in FRS8, Related Party Disclosures, from disclosure of related party transactions with Group undertakings on the basis that such transactions are included in the consolidated Group accounts of EMI GROUP plc.