

THE CHARISMA MUSIC PUBLISHING COMPANY LIMITED

REPORT AND ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2000

REGISTERED NUMBER 1211507



THE CHARISMA MUSIC PUBLISHING COMPANY LIMITED

Directors: Mr M N Bandier (appointed 1st November 1999)
Mr P H C Reichardt (appointed 1st November 1999)
Mr T J Foster-Key (appointed 1st November 1999)
Mr T F Bradley (appointed 1st November 1999)
Ms S D Perryman (appointed 1st November 1999)
Mr P J Cox (appointed 1st November 1999)
Mr C Mileson (appointed 1st November 1999)
Mr J C Channon (appointed 1st November 1999)
Mr J A Smith
Mr J Crawley (resigned 1st November 1999)
Mr C R Moore

Secretary: Mr C Mileson (appointed 1st November 1999)
Ms V Carpenter (resigned 1st November 1999)

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

REPORT OF THE DIRECTORS

The directors submit the audited accounts for the period ended 31st March 2000. The profit for the period amounted to £94,582 (1998 - £124,011). The directors recommend no dividend be paid (1998 - £nil) and therefore the profit of £94,582 (1998 - £124,011) is to be retained.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS DEVELOPMENTS

On 1st November 1999 the company's ultimate parent undertaking was purchased by EMI Music Publishing Limited.

The principal activity of the company continued to be that of music publishing. Business decreased during the period 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 period ended 31st March 2000 were those listed above.

DIRECTORS' INTERESTS

All the directors are also directors of EMI Music Publishing Limited and their interests in the share and loan capital of EMI GROUP plc, the ultimate parent undertaking, are disclosed in the directors' report of EMI Music Publishing Limited.

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).

YEAR 2000

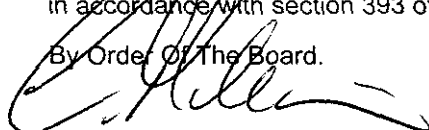
The company considered the issues and business risks resulting from the date change to the Year 2000. The likely impact on key business activities and processes, those systems which could cause a significant financial or legal impact on the company's business if they were to fail, were assessed and action plans developed. The company has not experienced any problems or system failures with the roll over into the Year 2000. All systems have continued to perform normally.

Given the complexity of the issue, it is not possible for any organisation to guarantee that no Year 2000 problems remain. However, the directors do not anticipate problems arising as the year progresses.

AUDITORS

An elective resolution to dispense with the annual appointment of auditors was passed in 1994. The existing auditors, Ernst & Young, will be deemed re-appointed in accordance with section 386 of the Companies Act 1985, unless their appointment is brought to an end by a resolution at a meeting of shareholders pursuant to a notice of such resolution duly deposited in accordance with section 393 of the Companies Act 1985.

By Order Of The Board.



C Mileson
Secretary
Dated:

30 JAN 2001

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.

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

We have audited the accounts on pages 4 to 8, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by Statute, the Auditing Practices Board and by our profession's ethical guidance.

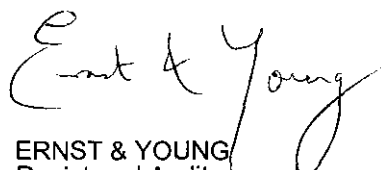
Basis of opinion

We conducted our audit in accordance with 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31st March 2000 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.


ERNST & YOUNG
Registered Auditor
LONDON

30 JAN 2001

THE CHARISMA MUSIC PUBLISHING COMPANY LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE PERIOD ENDED 31ST MARCH 2000**

	<u>NOTES</u>	<u>15 Months to 31st Mar 2000</u>	<u>Year Ended 31st Dec 1998</u>
		£	£
TURNOVER		367,203	448,141
Cost of Sales		121,565	193,468
		<hr/>	<hr/>
GROSS PROFIT		245,638	254,673
Distribution Costs		6,583	-
Administration Expenses		150,099	135,146
		<hr/>	<hr/>
OPERATING PROFIT	2	88,956	119,527
Interest receivable and similar income	5	5,773	8,753
		<hr/>	<hr/>
Interest payable and similar charges		94,729 147	128,280 -
		<hr/>	<hr/>
Profit on ordinary activities before taxation		94,582	128,280
Taxation	6	-	4,269
		<hr/>	<hr/>
Profit on ordinary activities after taxation		94,582	124,011
Dividends		-	-
		<hr/>	<hr/>
RETAINED PROFIT FOR THE PERIOD/YEAR		<u>94,582</u>	<u>124,011</u>
 <u>STATEMENT OF RETAINED PROFITS</u>			
As at 1st January		289,084	165,073
Retained profit for the period/year		94,582	124,011
		<hr/>	<hr/>
At 31st March/31st December		<u>383,666</u>	<u>289,084</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

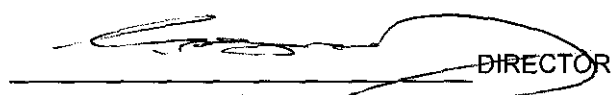
There are no recognised gains or losses other than the profit for the period.

The notes on pages 6 to 8 form part of these accounts.

THE CHARISMA MUSIC PUBLISHING COMPANY LIMITED

BALANCE SHEET AT 31ST MARCH 2000

	<u>NOTES</u>	<u>15 Months to 31st Mar 2000</u>	<u>Year Ended 31st Dec 1998</u>
		£	£
CURRENT ASSETS			
Debtors	7	409,186	321,141
Cash at bank and in hand		-	83,350
		<u>409,186</u>	<u>404,491</u>
 CREDITORS: amounts falling due within one year	8	25,420	115,307
		<u>383,766</u>	<u>289,184</u>
 NET CURRENT ASSETS			
 CAPITAL AND RESERVES			
Called up share capital	9	100	100
Profit and loss account	10	383,666	289,084
		<u>383,766</u>	<u>289,184</u>
 Equity shareholders' funds			


 _____ DIRECTOR
 30 JAN 2001
 _____ DATE

The notes on pages 6 to 8 form part of these accounts.

THE CHARISMA MUSIC PUBLISHING COMPANY LIMITED

NOTES TO THE ACCOUNTS AT 31ST MARCH 2000

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 cashflow 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:	15 Months to 31st Mar 2000 £	Year Ended 31st Dec 1998 £
Management charges	116,925	100,000
Auditors' remuneration	8,000	8,000
	<hr/>	<hr/>

3 EMPLOYEES

The company has no employees.

4 EMOLUMENTS OF DIRECTORS

The directors are employed and remunerated as directors or executives of EMI Music Publishing Limited, a fellow subsidiary of EMI Group plc, for their services to the Group as a whole. It is not practicable to split the emoluments across the Group.

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	15 Months to 31st Mar 2000 £	Year Ended 31st Dec 1998 £
Receivable from Group undertakings	5,773	8,753
	<hr/>	<hr/>

THE CHARISMA MUSIC PUBLISHING COMPANY LIMITED**NOTES TO THE ACCOUNTS AT 31ST MARCH 2000 (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 beginning with that ended 31st March 2000 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 for the year ended 31st March 2000.

7 DEBTORS

	15 Months to 31st Mar 2000 £	Year Ended 31st Dec 1998 £
Amounts owed by parent company	320,271	290,907
Prepayments and accrued income	-	351
Advances	88,915	-
Other debtors	-	29,883
	<u>409,186</u>	<u>321,141</u>

8 CREDITORS: amounts falling due within one year

	15 Months to 31st Mar 2000 £	Year Ended 31st Dec 1998 £
Trade creditors	25,420	100,208
Accruals and deferred income	-	13,261
Other taxes	-	1,838
	<u>25,420</u>	<u>115,307</u>

9 SHARE CAPITAL

	15 Months to 31st Mar 2000 £	Year Ended 31st Dec 1998 £
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 1998	100	-	165,073	165,173
Profit for the year	-	-	124,011	124,011
Dividend	-	-	-	-
At 1st January 1999	100	-	289,084	289,184
Profit for the period	-	-	94,582	94,582
Dividend	-	-	-	-
At 31st March 2000	<u>100</u>	<u>-</u>	<u>383,666</u>	<u>383,766</u>

THE CHARISMA MUSIC PUBLISHING COMPANY LIMITED

NOTES TO THE ACCOUNTS AT 31ST MARCH 2000 (continued)

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, 4 Tenterden 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.