



Company No. 1282967

ENSIGN RECORDS LIMITED

DIRECTORS' REPORT

The Directors present their report and the accounts for the year ended 31 March 1999.

Results and Dividends

The Company did not trade during the year and made neither a profit nor a loss. The Directors do not recommend payment of a dividend. There are no plans for the Company to commence trading within the foreseeable future.

Directors and their Interests

The Directors throughout the year and subsequently were as follows:

I Hanson
C J Kennedy (appointed 13.11.1998)
A I Weyland (resigned 14.01.1999)

No Director had any interest in the shares of the Company at any time during the year.

The interests of the Directors in the share capital of EMI Group plc, the ultimate parent undertaking, at the year end were as follows:

	<u>Ordinary Shares</u>		<u>Options*</u>			
	31/3/98@	31/3/99	31/3/98@	Granted During the Year	Exercised / Renounced	31/3/99
I Hanson	-	-	-	-	-	-
C J Kennedy	-	1,218	-	-	-	-

* Options over Ordinary Shares are granted under Savings-Related and Executive Share Option Schemes

@ Or at subsequent date of appointment if later.

Directors' Report Continued

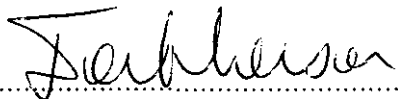
Directors' and Officers' Liability Insurance

The ultimate parent undertaking, EMI Group plc, has maintained insurance to cover Directors' and Officers' liability as permitted by Section 310(3) of the Companies Act 1985.

Auditors

In accordance with Section 388(A) of the Companies Act 1985 the Company is exempt from the obligation to appoint auditors.

By Order of the Board.



I Hanson
Secretary

Date: 10-8-99

Registered Office
EMI House
43 Brook Green
London
W6 7EF

ENSIGN RECORDS 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that the accounts comply with the above requirements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and 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.

ENSIGN RECORDS LIMITED

BALANCE SHEET - 31 MARCH 1999

	Note	1999 £	1998 £
CURRENT ASSETS: DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR			
Amounts due from fellow subsidiary undertaking		672	672
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	2	100	100
Profit and loss account		572	572
		<hr/>	<hr/>
		672	672
		<hr/>	<hr/>

The Company was dormant (within the meaning of Section 250 of the Companies Act 1985), throughout the year ended 31 March 1999.

Forthuis)
) Director(s)
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ENSIGN RECORDS LIMITED

NOTES TO THE ACCOUNTS

1. BASIS OF ACCOUNTING

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

2. SHARE CAPITAL

	1999	1998
	£	£
Authorised, allotted, called up and fully paid		
80 "A" ordinary shares of £1 each	80	80
20 "B" ordinary shares of £1 each	20	20
	<hr/>	<hr/>
	100	100
	<hr/>	<hr/>

3. DIRECTORS' EMOLUMENTS

No Director received any remuneration during the year in respect of his/her services to the Company.

4. 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.