

Ariola Music Limited

(Registered Number 1347367)

Directors' Report and Balance Sheet

30 June 1999

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Ariola Music Limited

Directors' Report

The directors present their report and the unaudited balance sheet and notes of the company for the year ended 30 June 1999.

Review Of The Business

The company did not trade in the year and consequently made neither profit nor loss.

Future Prospects

The company is not expected to resume trading in the foreseeable future

Directors

The directors who held office during the year were:

R Bala (Resigned 5th July 1999)
S Robinson

None of the directors hold any shares in the company and there are no arrangements whereby any director is liable to acquire shares in the company.

Statement Of Directors' Responsibilities

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

- select suitable accounting policies and they 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 financial statements.
- prepare the financial statements 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 financial statements 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 provision and detection of fraud and other irregularities.

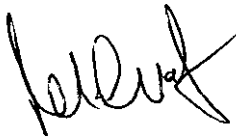
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Directors' Report (Continued)

Auditors

Under the exemption for qualifying dormant companies in Section 250 of the Companies Act 1985, the company has not appointed auditors.

By Order of the Board

A handwritten signature in black ink, appearing to read 'EJP Wareham', written over the printed name and title.

EJP Wareham
Secretary

5th November 1999

Ariola Music Limited

Balance Sheet – 30 June 1999

	Note	1999 £	1998 £
Current Assets			
Amounts owed by group undertakings		1	1
Cash at bank		1,037	1,037
		1,038	1,038
Creditors (amounts falling due within one year)			
Trade creditors		(975)	(975)
Amounts owed to group undertakings		(1)	(1)
		(976)	(976)
Net Current Assets		62	62
Total Assets Less Current Liabilities		62	62
Equity Capital and Reserves			
Called up Share Capital	4	1,000	1,000
Profit and Loss Account		(938)	(938)
Equity Shareholder's Funds	5	62	62

The company was dormant within the meaning of Section 250 of the Companies Act throughout the financial year.

Approved by the Board on 5th November 1999



S Robinson
Director

The notes on page 4 form part of these accounts.