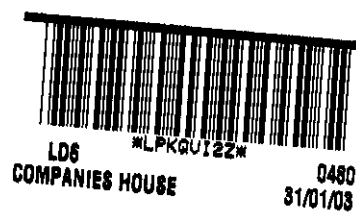


GLOUCESTER PLACE MUSIC LIMITED

Report and Financial Statements

31 March 2002



# Gloucester Place Music Limited

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Registered No. 1492259

## **DIRECTORS**

P H C Reichardt  
T J Foster-Key  
T F Bradley  
S D Perryman  
P J Cox  
C Milesen  
J C Channon

## **SECRETARY**

C Milesen

## **AUDITORS**

Ernst & Young LLP  
Becket House  
1 Lambeth Palace Road  
London SE1 7EU

## **BANKERS**

NatWest Bank PLC  
Dean Street Branch  
PO Box 2162  
20 Dean Street  
London W1A 1SX

## **SOLICITORS**

Mayer Brown Rowe & Maw  
11 Pilgrim Street  
London EC4V 6RW

## **REGISTERED OFFICE**

Publishing House  
127 Charing Cross Road  
London WC2H 0QY

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 March 2002.

**RESULTS AND DIVIDENDS**

The profit for the year ended 31 March 2002 amounted to £88,620 (2001 – profit of £67,040). The directors recommend a final dividend of £88,620 (2001 – £67,040) and therefore no profits are to be retained.

**PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

The principal activity of the company continued to be that of music publishing. No material change in the activities of the business is contemplated.

**DIRECTORS AND THEIR INTERESTS**

The directors who served during the year ended 31 March 2002 were as listed on page 1.

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:

	31 March 2002	1 April 2001
<i>Options over ordinary shares of EMI Group plc</i>		
T J Foster-Key	161,639	126,641
P H C Reichardt	421,219	361,834
S D Perryman	39,288	39,288
P J Cox	7,144	740
J C Channon	18,986	5,680
T F Bradley	11,374	8,763
C Milesen	2,991	1,627
	31 March 2002	1 April 2001
<i>Ordinary shares held in EMI Group plc</i>		
T J Foster-Key	–	–
P H C Reichardt	33,611	33,517
S D Perryman	4,060	4,060
P J Cox	36	36
J C Channon	1,084	1,084
T F Bradley	–	–
C Milesen	–	–

DIRECTORS' REPORT

**DIRECTORS AND THEIR INTERESTS** (continued)

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

	<i>Options granted</i>	<i>Options lapsed</i>	<i>Options exercised</i>
T J Foster-Key	47,846	12,848	—
P H C Reichardt	168,736	118,257	—
S D Perryman	—	—	—
P J Cox	6,404	—	—
J C Channon	13,306	—	—
T F Bradley	2,611	—	—
C Milesen	—	—	—

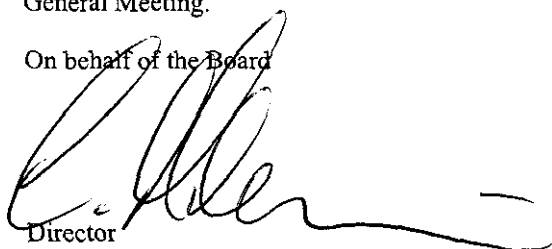
**DIRECTORS' AND OFFICERS LIABILITY INSURANCE**

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**

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board

  
Director

27 JAN 2003

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE  
FINANCIAL STATEMENTS

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 or loss of the company for that period. In preparing those financial statements, 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 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 prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLOUCESTER PLACE MUSIC LIMITED**

We have audited the company's financial statements for the year ended 31 March 2001, which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet, and the related notes 1 to 13. 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 Directors' Responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

This report has been prepared for the members of the company pursuant to Section 235 of the Companies Act 1985 (the "Act") and for no other purpose.

No person is entitled to rely on this report unless each person:

- i) is a person who is entitled to rely on this report by virtue of and for the purposes of the Act; or
- ii) has been expressly authorised to do so by our prior written consent

Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

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 31 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

27 January 2003

# Gloucester Place Music Limited

## PROFIT AND LOSS ACCOUNT for the year ended 31 March 2002

	Notes	2002 £	2001 £
<b>TURNOVER</b>	2	604,323	644,915
Cost of sales		(478,906)	(525,654)
<b>GROSS PROFIT</b>		125,417	119,261
Distribution costs		(13,609)	(13,794)
Administrative expenses		(23,188)	(38,427)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3	88,620	67,040
Tax on profit on ordinary activities	6	—	—
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		88,620	—
Dividends	7	(88,620)	(67,040)
<b>RETAINED RESULT FOR THE YEAR</b>		—	—

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

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

# Gloucester Place Music Limited

## BALANCE SHEET at 31 March 2002

	<i>Notes</i>	<i>2002</i> £	<i>2001</i> £
<b>CURRENT ASSETS</b>			
Debtors	8	196,103	206,506
<b>CREDITORS: amounts falling due within one year</b>	9	(196,003)	(206,406)
<b>NET CURRENT ASSETS</b>		<u>100</u>	<u>100</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	<u>100</u>	<u>100</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u>100</u>	<u>100</u>



Director

21 JAN 2003



NOTES TO THE FINANCIAL STATEMENTS  
at 31 March 2002

1. ACCOUNTING POLICIES

*Accounting convention*

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

*Statement of cash flows*

The company has taken advantage of the exemption from preparing a statement of cash flows in FRS 1 as at least 90% of voting rights are controlled within the group and the consolidated financial statements are publicly available.

*Foreign exchange*

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

*Related parties*

The company has taken advantage of the exemption from disclosing transactions with other group undertakings and qualifying related parties under FRS 8.

2. TURNOVER

Turnover is defined as income from copyrights on a cash basis after deducting all commissions and any sales taxes levied on turnover.

All turnover arises from continuing activities.

In certain countries, the company has assigned its rights to royalty income to other undertakings of the EMI Group.

All turnover is attributable to music publishing, the analysis by market being as follows:

	2002 £	2001 £
United Kingdom	196,017	172,567
Europe	104,550	112,933
USA	257,692	293,747
Other	46,064	65,668
	<u>604,323</u>	<u>644,915</u>

# Gloucester Place Music Limited

## NOTES TO THE FINANCIAL STATEMENTS at 31 March 2002

### 3. OPERATING PROFIT

This is stated after charging:

	2002 £	2001 £
Management charges	36,309	51,733
Auditors' remuneration	487	487
	<u>          </u>	<u>          </u>

### 4. DIRECTORS' EMOLUMENTS

The directors of the company are also directors of EMI Music Publishing Limited and its fellow subsidiaries. The directors received total remuneration for the year of £2,458,669 (2001 – £2,445,984), 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 its fellow subsidiary undertakings.

### 5. STAFF COSTS

The company had no employees (2001 – none).

### 6. TAX ON PROFIT ON ORDINARY ACTIVITIES

The company is primarily liable for UK corporation tax on its profits. However, no provision has been made in these financial statements 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 ended up to 31 March 2002 so long as the company remains a subsidiary. In view of the undertaking received, no disclosure is made in these financial statements of any potential liability to taxation.

### 7. DIVIDENDS

	2002 £	2001 £
Ordinary – proposed final	88,620	67,040
	<u>          </u>	<u>          </u>

### 8. DEBTORS

	2002 £	2001 £
Amounts owed by group undertakings	196,103	206,506
	<u>          </u>	<u>          </u>

# Gloucester Place Music Limited

## NOTES TO THE FINANCIAL STATEMENTS at 31 March 2002

### 9. CREDITORS: amounts falling due within one year

	2002 £	2001 £
Trade creditors	107,383	139,366
Proposed dividends	88,620	67,040
	<u>196,003</u>	<u>206,406</u>

### 10. SHARE CAPITAL

	2002 £	2001 £
Authorised, allotted, called up and fully paid: 100 ordinary shares of £1 each	100	100

### 11. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share capital £	Profit and loss account £	Total share- holders' funds £
At 1 April 2000	100	–	100
Profit for the year	–	67,040	67,040
Dividend	–	(67,040)	(67,040)
At 1 April 2001	100	–	100
Profit for the year	–	88,620	88,620
Dividend	–	(88,620)	(88,620)
At 31 March 2002	100	–	100

### 12. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption contained in FRS 8, Related Party Disclosures, from disclosure of related party transactions with group undertakings on the basis that such transactions are included in the consolidated financial statements of EMI Group plc.

### 13. ULTIMATE PARENT UNDERTAKING

The parent undertaking of the group of undertakings for which consolidated financial statements 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 financial statements can be obtained from EMI Group plc, 4 Tenterden Street, Hanover Square, London W1A 2AY, England.