

Gloucester Place Music Limited
Financial Statements
31 March 2005



Gloucester Place Music Limited

Officers and Professional Advisers

The board of directors	T J Foster-Key G K Moot (appointed - 1 June 2005) P J Cox M E J Smith (appointed - 1 July 2005) C Mileson J C Channon M N Bandier C W Booth A J Mollett (appointed - 1 September 2004) F Malyan (appointed - 1 July 2005)
Company secretary	C Mileson
Registered office	Publishing House 127 Charing Cross Road London WC2H 0QY
Auditors	Ernst & Young LLP Registered Auditors 1 More London Place London SE1 2AF
Bankers	NatWest Bank Plc PO Box 2162 20 Dean Street London W1A 1SX
Solicitors	Mayer, Brown, Rowe and Maw LLP 11 Pilgrim Street London EC4V 6RN

Gloucester Place Music Limited

The Directors' Report

year ended 31 March 2005

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2005.

Principal activities and business review

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

Results and dividends

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have recommended the following dividends:

	2005 £	2004 £
Proposed final dividends on ordinary shares	<u>107,481</u>	<u>65,322</u>

Directors and their interests

The directors who served the company during the year are 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:

	2005	2004
Options over ordinary shares of EMI Group plc		
T J Foster-Key	207,984	182,374
P H C Reichardt	1,551,283	1,430,597
P J Cox	6,404	6,404
J C Channon	19,066	19,066
C Milesen	7,284	3,610
A J Mollett	5,294	-
M N Bandier*		
	2005	2004
Ordinary shares held in EMI Group plc		
P H C Reichardt	2,653	26,095
P J Cox	36	36
J C Channon	1,084	1,084
M N Bandier*		

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

	Options granted	Options lapsed	Options exercised
T J Foster-Key	41,413	5,056	10,747
P H C Reichardt	281,677	63,231	97,760
C Milesen	3,674	-	-
A J Mollett	5,294	-	-

*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 1 April 2004 and 31 March 2005 are shown in its annual report.

Gloucester Place Music Limited

The Directors' Report *(continued)*

year ended 31 March 2005

A J Mollett was appointed as a director on 1 September 2004.

G K Moot was appointed as a director on 1 June 2005.

M E J Smith was appointed as a director on 1 July 2005.

F Malyan was appointed as a director on 1 July 2005.

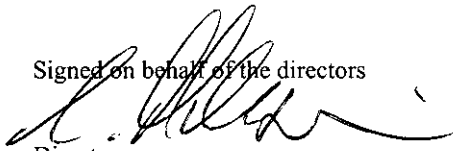
P H C Reichardt resigned as a director on 31 May 2005.

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 re-appoint Ernst & Young LLP as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Signed on behalf of the directors



Director

Approved by the directors on

28 JUL 2005

Gloucester Place Music Limited

Statement of Directors' Responsibilities

year ended 31 March 2005

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 at the end of the year and of the profit or loss for the year then ended. In preparing those financial statements, the directors are required to:

- select suitable accounting policies, as described on page 9, 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. The directors 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.

Gloucester Place Music Limited

Independent Auditors' Report to the Shareholders of Gloucester Place Music Limited

year ended 31 March 2005

We have audited the financial statements of Gloucester Place Music Limited for the year ended 31 March 2005 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and on the basis of the accounting policies set out therein.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

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 law and United Kingdom 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 the company's affairs as at 31 March 2005 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

ERNST & YOUNG LLP
Registered Auditors
1 More London Place
London
SE1 2AF

28 July 2005

Gloucester Place Music Limited

Profit and Loss Account

year ended 31 March 2005

	Note	2005 £	2004 £
Turnover	2	827,233	588,991
Cost of sales		(669,239)	(495,071)
Gross profit		157,994	93,920
Distribution costs		(15,928)	(10,381)
Administrative expenses		(34,585)	(18,217)
Operating profit, being profit on ordinary activities before taxation	3	107,481	65,322
Tax on profit on ordinary activities	6	—	—
Profit on ordinary activities after taxation		107,481	65,322
Dividends	7	(107,481)	(65,322)
Profit retained for the financial year		—	—

The notes on pages 9 to 11 form part of these financial statements.

Gloucester Place Music Limited

Statement of Total Recognised Gains and Losses

year ended 31 March 2005

There are no recognised gains or losses other than the profit of £107,481 attributable to the shareholders for the year ended 31 March 2005 (2004 - profit of £65,322).

The notes on pages 9 to 11 form part of these financial statements.

Gloucester Place Music Limited

Balance Sheet

31 March 2005

	Note	2005 £	2004 £
Current assets			
Debtors	8	202,579	226,154
Creditors: Amounts falling due within one year	9	(202,479)	(226,054)
Net current assets		<u>100</u>	<u>100</u>
Total assets less current liabilities		<u>100</u>	<u>100</u>
Capital and reserves			
Called-up equity share capital	10	<u>100</u>	<u>100</u>
Equity shareholders' funds	11	<u>100</u>	<u>100</u>

A. J. Mallett

Director

20 JUL 2005

The notes on pages 9 to 11 form part of these financial statements.

Gloucester Place Music Limited

Notes to the Financial Statements

year ended 31 March 2005

1. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention.

Cash flow statement

The directors have taken advantage of the exemption in FRS 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes consolidated financial statements.

Related party transactions

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

Foreign currencies

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.

2. 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.

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

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 geographical market being as follows:

	2005 £	2004 £
United Kingdom	418,046	279,502
Rest of Europe	110,274	54,476
USA	210,567	190,291
Rest of the world	88,346	64,722
	<u>827,233</u>	<u>588,991</u>

3. Operating profit

Operating profit is stated after charging:

	2005 £	2004 £
Auditors' remuneration	<u>526</u>	<u>526</u>

Management charges of £49,987 (2004 - £28,071) have been split between distribution costs and administrative expenses in the profit and loss account.

4. Directors' emoluments

The directors of the company are also directors of EMI Music Publishing Limited and fellow subsidiaries. The directors received a total remuneration for the year of £3,022,371 (2004 - £3,809,488), 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 undertakings.

Gloucester Place Music Limited

Notes to the Financial Statements

year ended 31 March 2005

5. Staff costs

The company had no employees (2004 - 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 ending up to 31 March 2005 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

The following dividends have been proposed in respect of the year:

	2005 £	2004 £
Proposed final dividend on ordinary shares	<u>107,481</u>	<u>65,322</u>

8. Debtors

	2005 £	2004 £
Amounts owed by group undertakings	<u>202,579</u>	<u>226,154</u>

9. Creditors: Amounts falling due within one year

	2005 £	2004 £
Trade creditors	<u>202,479</u>	<u>226,054</u>

10. Share capital

Authorised share capital:

	2005 £	2004 £
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	2005 No	£	2004 No	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Gloucester Place Music Limited

Notes to the Financial Statements

year ended 31 March 2005

11. Reconciliation of shareholders' funds and movement on reserves

	Share capital	Profit and loss account	Total shareholders' funds
	£	£	£
At 1 April 2003	100	—	100
Profit for the year	-	65,322	65,322
Dividends	-	(65,322)	(65,322)
At 31 March 2004	100	—	100
Profit for the year	-	107,481	107,481
Dividends	-	(107,481)	(107,481)
At 31 March 2005	100	—	100

12. Ultimate parent company

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, 27 Wrights Lane, London W8 5SW, England.