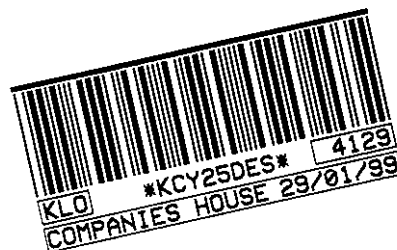


GLOUCESTER PLACE MUSIC LIMITED

ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 1998

REGISTERED NUMBER 1492259



GLOUCESTER PLACE MUSIC LIMITED

Directors: Mr P H C Reichardt
Mr T J Foster-Key
Mr T F Bradley
Ms S D Perryman
Mr C Milesen (appointed 1st June 1998)
Mr P J Cox
Mr J C Channon

Secretary: Mrs D J Miller (resigned 31st May 1998)
Mr C Milesen (appointed 1st June 1998)

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

REPORT OF THE DIRECTORS

The directors submit the audited accounts for the year ended 31st March 1998. The profit for the year amounted to £46,500 (1997 - £54,329). The directors recommend a final dividend of £46,500 (1997 - £54,329) and therefore no profits are to be retained.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS DEVELOPMENTS

The principal activity of the company continued to be that of music publishing. Business decreased during the year 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 year ended 31st March 1998 were those listed above, together with Ms K O'Dwyer who resigned on 30th September 1997 and Mrs D J Miller who resigned on 31st May 1998.

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).

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.

YEAR 2000

Special steering committees have been set up throughout the EMI Group to correct the systems applications that will be affected as the year changes from 1999 to 2000.

Action plans have been put in place and EMI Group's internal audit unit has been reviewing their progress. The Group believes that all vulnerable systems have been identified and will be rectified ahead of time.

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 act 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 Act.

By Order Of The Board.



C Milesen

Secretary

Dated:

28 JAN 1999

GLOUCESTER PLACE MUSIC 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.

GLOUCESTER PLACE MUSIC LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS

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. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

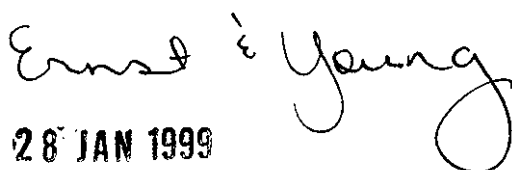
Basis of opinion

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 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


28 JAN 1999

ERNST & YOUNG
Registered Auditor
LONDON

GLOUCESTER PLACE MUSIC LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31ST MARCH 1998**

	<u>NOTES</u>	<u>1998</u>	<u>1997</u>
		£	£
TURNOVER	2	350,529	365,446
Cost of Sales		281,094	292,191
GROSS PROFIT		69,435	73,255
Distribution Costs		6,228	6,387
Administration Expenses		16,707	12,539
Profit on ordinary activities before taxation	3	46,500	54,329
Tax on profit on ordinary activities	6	-	-
Profit on ordinary activities after taxation		46,500	54,329
Dividends	7	46,500	54,329
RETAINED RESULT FOR THE YEAR		-	-

STATEMENT OF RETAINED RESULTS

As at 1st April	-	-
Retained result for the year	-	-
At 31st March	-	-

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES


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

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

GLOUCESTER PLACE MUSIC LIMITED

BALANCE SHEET AT 31ST MARCH 1998

	<u>NOTES</u>	<u>1998</u>	<u>1997</u>
		£	£
CURRENT ASSETS			
Debtors	8	118,735	149,594
 CREDITORS: amounts falling due within one year	 9	 118,635	 149,494
 NET CURRENT ASSETS		<u>100</u>	<u>100</u>
 CAPITAL AND RESERVES			
Called up share capital	10	100	100
 Equity shareholders' funds		<u>100</u>	<u>100</u>



28 JAN 1999

DATE

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

GLOUCESTER PLACE MUSIC LIMITED

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES

(a) Accounting Convention

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

(b) Cashflow

A cashflow statement has not been prepared due to exemption under FRS1, as the company is a wholly owned subsidiary undertaking of an EC parent.

(c) 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.

2 TURNOVER

Turnover is defined as income from copyrights on a cash basis after deducting all commissions and any sales 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 market being as follows:

	1998	1997
	£	£
United Kingdom	72,239	79,337
Europe	86,057	119,402
USA	160,431	125,154
Other	31,802	41,553
	<u>350,529</u>	<u>365,446</u>

3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

This is stated after charging:

	1998	1997
	£	£
Management charges	22,462	18,453
Auditors' remuneration	<u>473</u>	<u>473</u>

GLOUCESTER PLACE MUSIC LIMITED

NOTES TO THE ACCOUNTS (continued)

4 EMPLOYEES

The company has no employees.

5 EMOLUMENTS OF DIRECTORS

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

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 ending up to 31st March 1998 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.

7 DIVIDENDS

	1998	1997
	£	£
Ordinary - Proposed Final	<u>46,500</u>	<u>54,329</u>

8 DEBTORS

	1998	1997
	£	£
Amounts owed by group undertakings	<u>118,735</u>	<u>149,594</u>

9 CREDITORS: amounts falling due within one year

	1998	1997
	£	£
Trade creditors	68,300	91,330
Amounts owed to group undertakings	3,835	3,835
Proposed dividends	46,500	54,329
	<u>118,635</u>	<u>149,494</u>

GLOUCESTER PLACE MUSIC LIMITED

NOTES TO THE ACCOUNTS (continued)

10 SHARE CAPITAL

	1998 £	1997 £
Authorised, allotted, called up and fully paid Ordinary shares of £1 each	<u>100</u>	<u>100</u>

11 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	SHARE CAPITAL £	PROFIT & LOSS A/C £	TOTAL £
At 1st April 1996	100	-	100
Profit for the year	-	54,329	54,329
Dividend	-	(54,329)	(54,329)
At 1st April 1997	100	-	100
Profit for the year	-	46,500	46,500
Dividend	-	(46,500)	(46,500)
At 31st March 1998	<u>100</u>	<u>-</u>	<u>100</u>

12 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 companies on the basis that such transactions are included in the consolidated group accounts of EMI GROUP plc.