

Know Existence Limited
(Registered Number: 2038004)

**Directors' Report and Financial
Statements
for the year ended 31 December 2005**



LD3
COMPANIES HOUSE

LVSSWDR8

3

16/03/2006

Know Existence Limited

Director's Report For Year Ended 31 December 2005

The director presents his annual report and the audited financial statements for the year ended 31 December 2005.

Business review

The company has been dormant within the meaning of Section 249AA of the Companies Act 1985 throughout the year. It is anticipated that the company will remain dormant for the foreseeable future.

Director and director's interests

The directors who held office during the year and subsequently were:-

TC Fisher
Universal Music UK Limited

At no time during the year ended 31 December 2005 did the directors have any interest which is required to be notified to the company under Section 324 of the Companies Act 1985.

By Order of the Board


A Abioye
Company Secretary

364-366 Kensington High Street
London
W14 8NS.

16th March 2006

Know Existence Limited

Balance Sheet As at 31 December 2005

	Notes	31 December 2005 £	31 December 2004 £
Current assets			
Debtors	2	561,715	561,715
Creditors: amounts falling due within one year	3	(2,787,080)	(2,787,080)
Net current liabilities		(2,225,365)	(2,225,365)
Net liabilities		(2,225,365)	(2,225,365)
Capital and reserves			
Called-up share capital	4	100	100
Profit and loss account		(2,225,465)	(2,225,465)
Equity shareholders' deficit		(2,225,365)	(2,225,365)

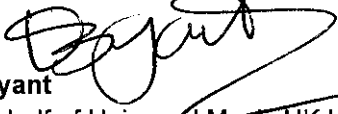
For the year ended 31 December 2005 the company was entitled to the exemption under section 249AA(1) of the Companies Act 1985.

Members have not required the company to obtain an audit of these accounts in accordance with section 249(B)(2) of the Companies Act 1985.

The director acknowledges his responsibility for:

- (i) ensuring the company keeps accounting records which comply with section 221 of the Companies Act 1985; and
- (ii) preparing accounts which give a true and faith view of the state of affairs of the company as at the end of the financial period, and of its profit and loss for the financial period, in accordance with section 226 of the Companies Act 1985, and which otherwise comply with the requirements of the Companies Act 1985 relating to accounts, so far as applicable to the company.

Approved by the Board on 16th March 2006


D Bryant
on behalf of Universal Music UK Limited
Director

Know Existence Limited

Notes to the financial statements for the year ended 31 December 2005

1 Accounting Policies

a) Basis of preparation

These financial statements are prepared under the historical cost convention, and in accordance with applicable United Kingdom accounting standards.

b) Profit and loss account

No profit and loss account is presented with these financial statements because the company has not received income, incurred expenditure or recognised any gains or losses during either the year under review or the preceding financial period. There have been no movements in shareholders' funds during the year under review or the preceding financial period.

c) Director's emoluments

The director did not receive any emoluments in respect of his services to the company during the current or preceding financial periods.

Know Existence Limited

Notes to the financial statements for the year ended 31 December 2005

(Continued)

2 Debtors

	2005 £	2004 £
Amounts owed by group undertakings	561,715	561,715
	561,715	561,715

3 Creditors: Amounts falling due within one year

	2005 £	2004 £
Trade creditors	-	-
Amounts owed to group undertakings	2,769,238	2,769,238
UK Corporation Tax	17,842	17,842
	2,787,080	2,787,080

4 Called-up share capital

	2005 £	2004 £
Authorised		
10,000 ordinary shares of £1 each	10,000	10,000
	10,000	10,000
Allotted, called-up and fully paid		
100 ordinary shares of £1 each	100	100
	100	100

Know Existence Limited

Notes to the financial statements for the year ended 31 December 2005

(Continued)

5 Ultimate parent undertaking

The immediate parent undertaking is Polydor Ltd. The ultimate parent undertaking is Vivendi Universal SA, a company incorporated in France.

The smallest and largest group in which the results of the company will be consolidated will be that headed by Vivendi Universal SA incorporated in France. Copies of its annual report in English may be obtained from:

Vivendi Universal S.A.
42 Avenue de Friedland
75380 Paris
Cedex 08
France