

VRL 3 LIMITED

(formerly WARNEREMI.COM Limited)

DIRECTORS' REPORT

The Directors present their report and the accounts for the period ended 31 March 2001.

Results and Dividends

The Company was incorporated on 26 April 2000 and did not trade during the period and made neither a profit nor a loss. The Directors do not recommend payment of a dividend. There are no plans for the Company to commence trading within the foreseeable future.

Directors and their Interests

The Directors throughout the period were as follows:

Instant Companies Limited	(appointed 26.04.00, resigned 26.04.00)
J French	(appointed 01.03.01)
I L Hanson	(appointed 26.04.00)
G J Hopkins	(appointed 26.04.00)

No Director had any interest in the shares of the Company at any time during the period.

The interests of the Directors in the share capital of EMI Group plc, the ultimate parent undertaking, at the year end were as follows:

	<u>Ordinary Shares</u>			<u>Options*</u>		
	26/4/00	31/3/01	26/4/00	Granted During the Year	Exercised/ Renounced	31/3/01
J French	-	-	-	-	-	-
I L Hanson	-	-	-	18,734	-	18,734
G J Hopkins	343	343	6,159	8,829	1,590	13,398

* Options over Ordinary Shares are granted under Savings-Related and Executive Share Option Schemes.



Directors' Report Continued

Directors' and Officers' Liability Insurance

The ultimate parent undertaking, EMI Group plc, has maintained insurance to cover Directors' and Officers' liability as permitted by Section 310(3) of the Companies Act 1985.

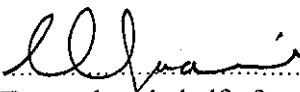
Change of Name

On 26 March 2001 the Company changed its name from WarnerEMI.com Limited to VRL 3 Limited.

Auditors

In accordance with Section 388(A) of the Companies Act 1985 the Company is exempt from the obligation to appoint auditors.

By Order of the Board.


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For and on behalf of
Mawlaw Secretaries Limited
Secretary

Date: 16.11.02

Registered Office
30 Gloucester Place
London
W1H 4AJ

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 confirm that the accounts comply with the above requirements.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and 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.

VRL 3 LIMITED

BALANCE SHEET - 31 MARCH 2001

	Note	2001 £
CURRENT ASSETS: DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR		
Amount due from parent undertakings		2
		<hr/>
CAPITAL AND RESERVES		
Called up share capital	2	2
		<hr/>

For the period ended 31 March 2001 the company was entitled to exemption under section 249A(1) of the Companies Act 1985.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2).

The directors acknowledge their responsibility for:

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

The accounts are prepared in accordance with special provisions of part VII of the Companies Act 1985 relating to small companies.



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) Director
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18.11.02

VRL 3 LIMITED

NOTES TO THE ACCOUNTS

1. BASIS OF ACCOUNTING

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

2. SHARE CAPITAL

	2001
	£
Authorised	
1,000 ordinary shares of £1 each	1,000
Allotted, called up and fully paid	
2 ordinary shares of £1 each	2

3. DIRECTORS' EMOLUMENTS

No Director received any remuneration during the year in respect of his/her services to the Company.

4. 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.