

MOTOR MUSIC LIMITED

REPORT AND ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 1999

REGISTERED NUMBER 1318708



KLO
COMPANIES HOUSE

K541ENLG

0198
31/01/00

MOTOR MUSIC LIMITED

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

Secretary: Mrs D J Miller (resigned 31st May 1998)
Mr C Mileson (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 1999. The profit for the year amounted to £20,132 (1998 - £3,673). The directors recommend no dividend be paid (1998 - £nil) and therefore the profit of £20,132 (1998 - £3,673) is to be retained.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS DEVELOPMENTS

The principal activity of the company continued to be that of music publishing. Business increased during the year with a resultant increase 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 1999 were those listed above, together with Mrs D J Miller who resigned on 31st May 1998.

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.

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).

YEAR 2000

Special steering committees were set up throughout the EMI Group to correct the systems applications that would have been affected as the year changed from 1999 to 2000.

Action plans were put in place and EMI Group's internal audit unit reviewed their progress. The Group believes that all vulnerable systems were identified and were 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 Companies Act 1985, 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 Companies Act 1985.

By Order Of The Board

C Mileson
Secretary

Dated: 24 February 2000

MOTOR 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.

REPORT OF THE AUDITORS TO THE MEMBERS OF
MOTOR MUSIC LIMITED

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 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young

ERNST & YOUNG
Registered Auditor
LONDON

24 January 2000

MOTOR MUSIC LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31ST MARCH 1999**

	<u>NOTES</u>	<u>1999</u>	<u>1998</u>
		£	£
TURNOVER	2	87,021	100,795
Cost of Sales		58,662	93,203
GROSS PROFIT		28,359	7,592
Distribution Costs		2,264	967
Administration Expenses		5,963	2,952
Profit on ordinary activities before taxation	3	20,132	3,673
Taxation	6	-	-
RETAINED PROFIT FOR THE YEAR		<u>20,132</u>	<u>3,673</u>

STATEMENT OF RETAINED PROFITS

As at 1st April	204,498	200,825
Retained profit for the year	20,132	3,673
At 31st March	<u>224,630</u>	<u>204,498</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

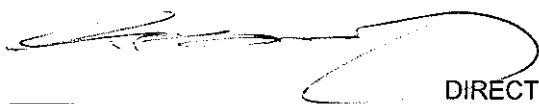
There are no recognised gains or losses other than the profit for the year.

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

MOTOR MUSIC LIMITED

BALANCE SHEET AT 31ST MARCH 1999

	<u>NOTES</u>	<u>1999</u>	<u>1998</u>
		£	£
CURRENT ASSETS			
Debtors	7	249,840	212,598
CREDITORS: amounts falling due within one year	8	25,207	8,097
NET CURRENT ASSETS		<u>224,633</u>	<u>204,501</u>
CAPITAL AND RESERVES			
Called up share capital	9	3	3
Profit and loss account	10	224,630	204,498
Equity shareholders' funds		<u>224,633</u>	<u>204,501</u>



DIRECTOR

24 January 2000 DATE

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

MOTOR MUSIC LIMITED

NOTES TO THE ACCOUNTS AT 31ST MARCH 1999

1 ACCOUNTING POLICIES

(a) Accounting Convention

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

(b) Debtors - Royalty Advances

Royalties due to an advancee are credited against the outstanding advance in the year of receipt until the amount of the advance is extinguished. If it is thought that future earnings will not amount to the written-down value of an advance, a provision for the estimated shortfall will be raised.

(c) Cashflow

The company has taken advantage of the exemption from preparing a cash flow statement in FRS1 as at least 90% of the voting rights are controlled within the Group and the consolidated accounts of the Group are publicly available.

(d) 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.

(e) Related Parties

The company has taken advantage of the exemption from disclosing transactions with other Group undertakings and qualifying related parties under FRS8.

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:

	1999	1998
	£	£
United Kingdom	57,456	52,735
Europe	12,161	11,278
USA	15,061	33,124
Other	2,343	3,658
	87,021	100,795

MOTOR MUSIC LIMITED

NOTES TO THE ACCOUNTS AT 31ST MARCH 1999 (continued)

3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

This is stated after charging:	1999 £	1998 £
Management fees	7,797	3,489
Auditors' remuneration	430	430

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, a fellow subsidiary undertaking of EMI GROUP plc, 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 1999 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 DEBTORS

	1999 £	1998 £
Amounts owed by Group undertakings	243,840	212,598
Advances	6,000	-
	249,840	212,598

8 CREDITORS: amounts falling due within one year

	1999 £	1998 £
Trade creditors	23,488	7,027
Other taxes	1,719	1,070
	25,207	8,097

MOTOR MUSIC LIMITED**NOTES TO THE ACCOUNTS AT 31ST MARCH 1999 (continued)****9 SHARE CAPITAL**

	1999 £	1998 £
Authorised: 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid: 3 ordinary shares of £1 each	<u>3</u>	<u>3</u>

10 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	SHARE CAPITAL £	PROFIT & LOSS A/C £	TOTAL £
At 1st April 1997	3	200,825	200,828
Profit for the year	-	3,673	3,673
Dividend	-	-	-
At 1st April 1998	3	204,498	204,501
Profit for the year	-	20,132	20,132
Dividend	-	-	-
At 31st March 1999	<u>3</u>	<u>224,630</u>	<u>224,633</u>

11 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 undertakings on the basis that such transactions are included in the consolidated Group accounts of EMI GROUP plc.