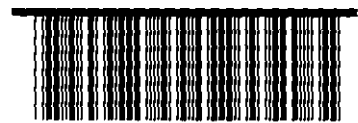


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THROAT MUSIC LIMITED

Report and Financial Statements

30 November 2002



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COMPANIES HOUSE

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23/06/03

Throat Music Limited

Registered No. 919063

DIRECTORS

B W Hitchens (resigned 31 December 2001)

J Dyball

M Lavin

SECRETARY

B Jones

AUDITORS

Ernst & Young LLP

Becket House

1 Lambeth Palace Road

London SE1 7EU

REGISTERED OFFICE

Interpark House

7 Down Street

London

W1J 7AJ

Throat Music Limited

DIRECTORS' REPORT

The Directors present their report and financial statements of the company for the year ended 30 November 2002.

RESULTS AND DIVIDENDS

The company has not traded during the year and has made neither a profit nor a loss. No profit and loss account has therefore been prepared.

REVIEW OF BUSINESS

The company ceased to trade on 1 December 1992.

DIRECTORS AND THEIR INTERESTS

The directors of the company during the year were as listed on page 1.

At no time during the year did any director have any interest in the shares or debentures of the company or any other group undertaking. There has been no movement in directors' interests since 30 November 2002.

AUDITORS

A resolution to re-appoint Ernst & Young LLP as auditors will be put to the members at the forthcoming Annual general Meeting.

On behalf of the Board



Director

Dated 17-6-03

Throat Music Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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 and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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. 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THROAT MUSIC LIMITED

We have audited the company's financial statements for the year ended 30 November 2002 which comprise the Balance Sheet, and the related notes 1 to 9. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, 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 members 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 members 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 United Kingdom law and 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 affairs of the company as at 30 November 2002 and have been properly prepared in accordance with the Companies Act 1985.


Ernst & Young LLP
Registered Auditor
London

12/6/03

Throat Music Limited

BALANCE SHEET at 30 November 2002

	<i>Notes</i>	<i>2002</i> £	<i>2001</i> £
CURRENT ASSETS			
Debtors	6	400	400
NET CURRENT ASSETS		<u>400</u>	<u>400</u>
CAPITAL AND RESERVES			
Called up share capital - Equity	7	100	100
- Non-equity	7	300	300
SHAREHOLDERS' FUNDS	8	<u>400</u>	<u>400</u>

Miriam A. Cari

Director

Date:

17-6-03

Throat Music Limited

NOTES TO THE FINANCIAL STATEMENTS at 30 November 2002

1. ACCOUNTING POLICIES

A summary of the principal accounting policies, all of which have been applied consistently throughout the period, is set out below:

Accounting convention

The financial statements are prepared under historical cost convention in accordance with applicable accounting standards.

Basis of Preparation

Under an Exploitation Agreement dated 1 December 1992 Warner/Chappell Music International Limited, a fellow subsidiary undertaking, accepted the benefit and burden of the company's rights and obligations under its current and future contracts with third parties. Under the Exploitation Agreement the company's directors have the right to set an annual fee chargeable to Warner/Chappell Music International Limited. In the current year this fee was set at £nil (2001 £nil).

Statement of cash flows

The company, being a wholly owned subsidiary of an EC parent undertaking, which prepares a statement of cash flows in accordance with Financial Reporting Standard No. 1 ("FRS 1") is taking advantage of the exemption in FRS 1 not to provide a statement of cash flows.

Related parties

The company has taken advantage of the exemption in FRS 8 not to disclose related party transactions with fellow wholly-owned subsidiary undertakings.

2. PROFIT AND LOSS ACCOUNT

The company has not traded during the year and has made neither a profit nor a loss. No profit and loss account has therefore been prepared.

3. DIRECTORS' REMUNERATION

The directors' remuneration was £nil (2001 – £nil).

4. STAFF COSTS

The company has no employees other than directors.

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Under the terms of the agreement entered into with Warner/Chappell Music International Limited dated 1 December 1992, Warner/Chappell Music International Limited is responsible for the payment of all costs and expenses of the company.

6. DEBTORS

	2002	2001
	£	£
Due from fellow-subsiidiary undertaking	400	400

Throat Music Limited

NOTES TO THE FINANCIAL STATEMENTS at 30 November 2002

7. SHARE CAPITAL

	2002	2001
	£	£
Authorised, allotted, called up and fully paid:		
100 Ordinary shares of £1 each	100	100
300 4% non-cumulative preference shares of £1 each	300	300
	<u>400</u>	<u>400</u>

The 4% Non-cumulative preference shares of £1 each have no voting rights, a fixed dividend of 4% per annum and rank above the ordinary shares in terms of return of capital on a winding up.

8. RECONCILIATION OF SHAREHOLDERS' FUNDS

	2002	2001
	£	£
At 1 December 2001 and 30 November 2002	400	400

9. PARENT UNDERTAKING AND ULTIMATE PARENT UNDERTAKING

Time Warner Limited is the parent undertaking of the smallest group of undertakings of which the company is a member and for which group financial statements are drawn up. Time Warner Limited is registered in England and Wales and copies of its financial statements can be obtained from the Registrar of Companies in England and Wales.

AOL Time Warner Inc., a company incorporated in the United State of America, is the ultimate parent undertaking and the parent undertaking of the largest group of undertakings of which the company is a member and for which group financial statements are drawn up. Copies of AOL Time Warner Inc.'s financial statements can be obtained from 75 Rockefeller Plaza, New York, NY 10019, USA.