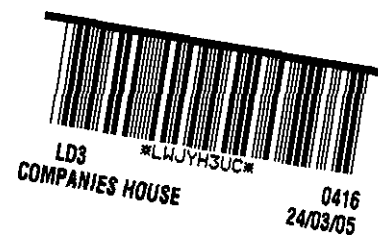


DJM Records Limited

(Registered Number: 947866)

**Directors' Report and Financial Statements
for the year ended 31 December 2004**



DJM Records Limited

Director's report for the year ended 31 December 2004

The director presents his annual report and the audited financial statements for the year ended 31 December 2004.

Principal activity and future developments

The company has ceased to trade, although post-cessation receipts of royalty income continue to be received. The director expects this situation to continue for the foreseeable future.

Business review

The results for the year ended 31 December 2004 are given in the profit and loss account on page 4. Results were in line with the director's expectations.

Results and dividends

The company's profit for the year was £40,288 (2003: £41,897).

The director does not recommend the payment of a dividend (2003: £nil). The profit for the year has been transferred to reserves.

Directors interests

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

S Cuttell
Universal Music UK Limited (appointed 4th January 2005)

At no time during the year ended 31 December 2004 did the directors have any interest in the share capital of the company which is required to be notified to the company under section 324 of the Companies Act 1985.

DJM Records Limited

Director's report for the year ended 31 December 2004 (Continued)

Statement of Director's Responsibilities

Company law requires the director to prepare financial statements for each financial year that 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 year. The director is required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

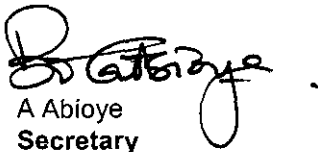
The director confirms that suitable accounting policies have been used and applied consistently. He also confirms that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2004 and that applicable accounting standards have been followed.

The director is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

Auditors

Following the resignation of PricewaterhouseCoopers LLP as auditors on 20 December 2004, the directors have appointed its successors Ernst & Young LLP.

By order of the Board


A Abioye
Secretary

1 Sussex Place

London
W6 9XS

21 March 2005

DJM Records Limited

Independent auditors' report to the members of DJM Records Limited

We have audited the company's financial statements for the year ended 31 December 2004 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 11. 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.

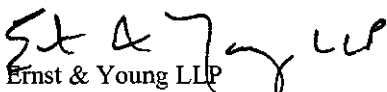
Basis of audit opinion

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 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Ernst & Young LLP
Registered Auditor
London

21 March 2005

DJM Records Limited

Profit and loss account for the year ended 31 December 2004

	Note	Year ended 31 December 2004 £	Year ended 31 December 2003 £
Turnover	2	57,555	59,853
Net operating expenses		-	-
Operating profit	3	57,555	59,853
Profit on ordinary activities before taxation		57,555	59,853
Tax charge on profit on ordinary activities	5	(17,267)	(17,956)
Retained profit for the year	9	40,288	41,897

The results are derived entirely from continuing operations.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the financial year stated above and their historical cost equivalents

The company has no recognised gains or losses, in either period, other than the profits stated above and therefore no separate statement of total recognised gains and losses has been presented.

DJM Records Limited

Balance sheet as at 31 December 2004

	Note	31 December 2004 £	31 December 2003 £
Current Assets			
Debtors	6	97,081	39,527
Creditors: amounts falling due within one year	7	(48,101)	(30,835)
Net assets		48,980	8,692
Capital and reserves			
Called up share capital	8	100	100
Profit and loss account	9	48,880	8,592
Equity shareholders' funds	10	48,980	8,692

The financial statements on pages 4 to 9 were approved and signed by the director on 21 March 2005.



S Cuttelli
Director

DJM Records Limited

Notes to the financial statements for the year ended 31 December 2004

1 Accounting Policies

a) Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable UK accounting standards.

The company is a wholly owned subsidiary of Vivendi Universal S.A. which controls 90% or more of the voting rights and is included in the consolidated financial statements of the group, which are publicly available. Consequently, the company has taken advantage of the exemption in FRS 1 from preparing a cash flow statement and the exemption of FRS 8 from disclosing transactions with entities that are part of the Vivendi Universal group or investees of that group.

b) Royalty income

UK royalty income is recognised in the profit and loss account in the period to which it relates, or if it cannot be reliably estimated, on a receipts basis. Royalties payable are charged against the relevant income of the same period. Overseas royalty income, which is all collected on behalf of the company by other group undertakings, is credited to the profit and loss account in the period overseas sales are reported to the company.

2 Turnover

Turnover is derived from one continuing activity, royalty income and excludes value added tax. All turnover is derived in the United Kingdom.

3 Operating profit

Auditors' remuneration of £4,000 (2003: £5,000) and certain administrative costs are borne by other United Kingdom group undertakings. No amounts were paid to the auditors in respect of non-audit services (2003: £nil).

4 Director's emoluments and employee information

The director received no remuneration in respect of his services to the company (2003: £nil). The company has no employees (2003: nil)

DJM Records Limited

Notes to the financial statements for the year ended 31 December 2004 (Continued)

5 Tax on profit on ordinary activities

(a) Analysis of taxation charge for the year:

	Year ended 31 December 2004 £	Year ended 31 December 2003 £
Current tax:		
Payment for group relief	17,267	17,956
Total Current Tax (see (b) below)	17,267	17,956
Total taxation charge for the year	17,267	17,956

(b) Factors affecting tax charge for the year

	Year ended 31 December 2004 £	Year ended 31 December 2003 £
Profit on ordinary activities before tax	57,555	59,853
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2003: 30%)	17,267	17,956
Total current tax charge (see (a) above)	17,267	17,956

(c) There is no provided or unprovided deferred tax in either period.

6 Debtors

	31 December 2004 £	31 December 2003 £
Amounts owed by group undertakings	97,081	39,527
	97,081	39,527

Amounts owed by group undertakings are unsecured, interest free and have no fixed repayment date. All debtors are due within one year.

DJM Records Limited

Notes to the financial statements for the year ended 31 December 2004 (Continued)

7 Creditors: amounts falling due within one year

	31 December 2004 £	31 December 2003 £
Amounts owed to group undertakings	35,222	17,956
Corporation Tax	12,879	12,879
	48,101	30,835

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

8 Called up share capital

	31 December 2004 £	31 December 2003 £
Authorised, allotted, called up and fully paid: 100 ordinary shares of £1 each	100	100

9 Reserves

	Profit and loss account £
At 1 January 2004	8,592
Profit for the year	40,288
At 31 December 2004	48,880

10 Reconciliation of movements in equity shareholders' funds / (deficit)

	2004 £	2003 £
Profit for the year	40,288	41,897
Opening shareholders' funds / (deficit)	8,692	(33,205)
Closing shareholders' funds	48,980	8,692

DJM Records Limited

Notes to the financial statements for the year ended 31 December 2004 (Continued)

11 Ultimate parent undertaking and controlling party

The immediate parent undertaking is This Record Co. Limited. The ultimate parent undertaking is Vivendi Universal S.A. 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 S.A. 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