

VIRGIN STUDIOS LIMITED

DIRECTORS' REPORT

The Directors present their report and the accounts for the year ended 31 March 2007

Results and Dividends

The Company did not trade during the year and made neither a profit nor a loss. The Directors do not recommend payment of a dividend (2006 dividend £nil). There are no plans for the Company to commence trading within the foreseeable future.

Directors and their Interests

The Directors throughout the year and subsequently were as follows

I L Hanson	(resigned 4 10 2006)
C J Kennedy	(resigned 8 02 2007)
J French	
J H Morris	

Directors' and Officers' Liability Insurance

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

Auditors

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



Directors Report Continued

Events since the balance sheet date

It was announced on 21 May 2007 that the boards of directors of Maltby Limited ("Maltby"), a company formed at the direction of Terra Firma, and EMI Group plc, the parent undertaking, had reached agreement on the terms of a recommended cash offer by Maltby to acquire the whole of the issued and to be issued share capital of EMI Group plc (the "Offer"). The Offer Document was posted to EMI Shareholders on 30 May 2007. On 1 August 2007, the board of directors of Maltby announced that the Offer had become unconditional as to acceptances and would remain open until further notice, and that the Conditions set out in paragraphs 1(b) and 1(d) of Part A of Appendix I to the Offer Document (being the conditions relating to the EC Merger Regulation and the US Hart-Scott-Rodino Antitrust Improvements Act of 1976) had already been satisfied. The Offer remained subject to the further Conditions set out in paragraphs 1(c) and 1(e) to 1(i) of Part A of Appendix I to the Offer Document. On 17 August 2007 the board of directors of Maltby announced that the Offer had become unconditional in all respects. On 18th September 2007, following applications to the Financial Services Authority for cancellation of the listing of EMI Group plc shares on the Official List and to the London Stock Exchange for the cancellation of the admission of EMI Group plc shares to trading on the London Stock Exchange's market for listed securities, the cancellations took effect. On 4 October 2007 EMI Group plc reregistered as a private limited company and changed its name to EMI Group Limited.

By Order of the Board



For and on behalf of
Mawlaw Secretaries Limited
Secretary

Date 29.1.08

Registered Office
EMI House
43 Brook Green
London
W6 7EF

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The Directors are responsible for preparing the financial statements in accordance with applicable laws and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK Generally Accepted Accounting Practice (UK Accounting Standards and applicable law). The financial statements are required by law to 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 judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 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.

VIRGIN STUDIOS LIMITED

BALANCE SHEET - 31 MARCH 2007

	Note	2007 £	2006 £
CURRENT ASSETS DEBTORS			
AMOUNTS FALLING DUE WITHIN ONE YEAR			
Amounts due from fellow subsidiary undertaking		3,675,579	3,675,579
CREDITORS			
AMOUNTS FALLING DUE WITHIN ONE YEAR			
Amounts due to parent undertaking		(3,675,479)	(3,675,479)
		<u>100</u>	<u>100</u>
CAPITAL AND RESERVES			
Called up share capital	2	100	100
Profit and loss account		-	-
		<u>100</u>	<u>100</u>

- (a) For the year ended 31 March 2007 the Company was entitled to exemption under Section 249A(1) of the Companies Act 1985
- (b) Members have not required the Company to obtain an audit in accordance with Section 249B(2) of the Companies Act 1985
- (c) The directors acknowledged 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 the financial year, and of its profit or loss for the financial year, in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the Company

The balance sheet was approved by the directors on

29.1.08

)
) Director



VIRGIN STUDIOS LIMITED

NOTES TO THE ACCOUNTS

1 ACCOUNTING POLICIES

Basis of Preparation

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

2	SHARE CAPITAL	2007 £	2006 £
	Authorised, allotted, called up and fully paid		
	100 ordinary shares of £1 each	100	100
		<hr/>	<hr/>

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 Limited (formerly EMI Group plc), which is the ultimate parent undertaking registered in England and Wales. Copies of EMI Group plc's accounts for the year ended 31 March 2007 can be obtained from EMI Group Limited, 27 Wrights Lane, London W8 5SW, England

VIRGIN STUDIOS LIMITED

NOTES TO THE ACCOUNTS CONTINUED

5 POST BALANCE SHEET EVENT

It was announced on 21 May 2007 that the boards of directors of Maltby Limited ("Maltby"), a company formed at the direction of Terra Firma, and EMI Group plc, the parent undertaking, had reached agreement on the terms of a recommended cash offer by Maltby to acquire the whole of the issued and to be issued share capital of EMI Group plc (the "Offer"). The Offer Document was posted to EMI Shareholders on 30 May 2007. On 1 August 2007, the board of directors of Maltby announced that the Offer had become unconditional as to acceptances and would remain open until further notice, and that the Conditions set out in paragraphs 1(b) and 1(d) of Part A of Appendix I to the Offer Document (being the conditions relating to the EC Merger Regulation and the US Hart-Scott-Rodino Antitrust Improvements Act of 1976) had already been satisfied. The Offer remained subject to the further Conditions set out in paragraphs 1(c) and 1(e) to 1(i) of Part A of Appendix I to the Offer Document. On 17 August 2007 the board of directors of Maltby announced that the Offer had become unconditional in all respects. On 18th September 2007, following applications to the Financial Services Authority for cancellation of the listing of EMI Group plc shares on the Official List and to the London Stock Exchange for the cancellation of the admission of EMI Group plc shares to trading on the London Stock Exchange's market for listed securities, the cancellations took effect. On 4 October 2007 EMI Group plc reregistered as a private limited company and changed its name to EMI Group Limited.