

MUSIC SALES INTERNATIONAL LIMITED

FINANCIAL STATEMENTS

31ST DECEMBER 2001

REGISTERED NUMBER 1350376



MUSIC SALES INTERNATIONAL LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 31st December 2001.

1. Activities

The company has not traded during the year. There has been no income or expenditure and any expenses have been met by the holding company. For these reasons no change has arisen in the company's position and a profit and loss account is accordingly not submitted.

2. Directors

The directors in office at the end of the year are listed below. All served on the Board throughout the year, except as noted.

R. Wise
M. P. Grabham

The directors hold no shares of the company and no rights to acquire such shares have been granted or exercised in the year.

The interests of the directors, who are all directors of the ultimate parent company, are disclosed in the ultimate parent company's financial statements.

3. Directors' responsibilities for 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, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

4. Ultimate holding company

The ultimate parent company of this company is Music Sales Group Limited, which is registered in England and Wales. Music Sales Group Limited is the largest and smallest group undertaking for which group accounts are prepared.

MUSIC SALES INTERNATIONAL LIMITED

REPORT OF THE DIRECTORS (continued)

5. Auditors

A special resolution having previously been adopted in General Meeting of the Company, that section 384(1) of the Companies Act 1985 shall not apply to the Company as the Company is a dormant company in accordance with the provisions of Section 250(1) of the Companies Act 1985, no auditors shall be appointed.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'N. O. Wignall', written over a horizontal line.

N. O. WIGNALL
Company Secretary

8/9 Frith Street
London W1D 3JB
26th April 2002

MUSIC SALES INTERNATIONAL LIMITED

BALANCE SHEET AS AT 31ST DECEMBER 2001 and 2000

	<u>£</u>
Creditors	(19,543)
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Total liabilities	£(19,543)
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Capital and reserves	
Called up share capital	
Authorised	
2,000,000 ordinary shares of £1 each	<u>£2,000,000</u>
Allotted, called up and fully paid :	
100 ordinary shares of £1 each	100
Profit and loss account	(19,643)
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	£(19,543)
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For the year ended 31st December 2001 the company was entitled to exemption under section 249AA(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:

- a) Ensuring the company keeps accounting records which comply with section 221;
- b) Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its profit and loss for the financial year 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 financial statements were approved by the Board of Directors on 26th April 2002.



M. P. GRABHAM
Director