

EMI GROUP INVESTMENTS LIMITED

(formerly THORN EMI Investments Limited)

DIRECTORS' REPORT

The Directors present their report and the accounts for the year ended 31 March 1997.

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.

Directors and their Interests

The Directors throughout the year were as follows:

P L Foster Back
P Watson
S G Young

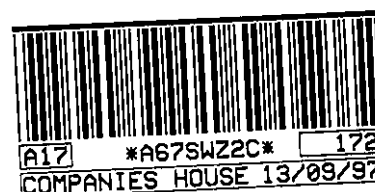
No Director had any interest in the shares of the Company at any time during the year.

The interests of the Directors in the share capital of EMI Group plc, the ultimate parent undertaking, during the year were as follows:

	<u>Ordinary Shares</u>		<u>Options*</u>			
	1/4/96	31/3/97	1/4/96	Granted # During the Year	Exercised / Renounced	31/3/97
P L Foster Back	-	480	19,495	30,321	19,495	30,321
P Watson	661	-	2,636	1,850	2,636	1,850
S G Young	1,444	32,634	73,306	10,287	57,906	23,687

* Options over Ordinary Shares are granted under Savings-Related and Executive Share Option Schemes.

Includes adjustments on demerger.



Directors Report Continued

Directors' and Officers' Liability Insurance

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


Change of Name

By Special Resolution of the Company the name of the Company was changed on 16 August 1996 from THORN EMI Investments Limited to EMI Group Investments Limited.

Auditors

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

By Order of the Board.


For and on behalf of
MAWLAW SECRETARIES LTD
Mawlaw Secretaries Limited
Secretary

Date: 8 September 1997

Registered Office
4 Tenterden Street
London
W1A 2AY

EMI GROUP INVESTMENTS LIMITED

(formerly THORN EMI Investments 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that the accounts comply with the above requirements.

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 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.

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BALANCE SHEET - 31 MARCH 1997

	Note	1997 £	1996 £
CURRENT ASSETS: DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR			
Amount owed by parent undertaking		2 —	2 —
CAPITAL AND RESERVES			
Called up share capital	2	2 —	2 —

The Company was dormant (within the meaning of Section 250 of the Companies Act 1985), throughout the year ended 31 March 1997.

Philip Foster Back)
Director(s)

EMI GROUP INVESTMENTS LIMITED

(formerly THORN EMI Investments Limited)

NOTES TO THE ACCOUNTS

1. BASIS OF ACCOUNTING

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

2. SHARE CAPITAL

	1997	1996
	£	£
Authorised		
300,000,000 ordinary shares of £1	300,000,000	300,000,000
Allotted, called up and fully paid		
2 ordinary shares of £1 each	2	2

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 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.