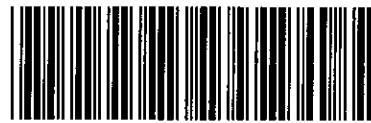


**COMPANY REGISTRATION NUMBER 00874639**

**EMI Songs Limited**  
**Annual Report and Financial Statements**  
**For the Year Ended 31 March 2020**

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**EMI Songs Limited**

**Annual Report and Financial Statements**

**Year ended 31 March 2020**

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## **EMI Songs Limited**

### **Officers and Professional Advisers**

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**The Board of Directors**    G R Henderson  
                                      T F Kelly  
                                      T W Major  
                                      J J Platt

**Company secretary**        TMF Corporate Administration Services Limited

**Registered office**         22 Berners Street  
                                      London  
                                      W1T 3LP

**EMI Songs Limited****Directors' Report****Year ended 31 March 2020**

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The Directors present their report and the unaudited financial statements of EMI Songs Limited ("the Company") for the year ended 31 March 2020. The comparatives are for the year ended 31 March 2019.

**Principal activities and business review**

The principal activity of the Company continued to be that of music publishing. No material change in the activities of the business is contemplated.

During the financial year, the Company's turnover increased by 20% on prior year to £952,528 (2019: £795,063). The Company made a profit before taxation of £3,514,472 compared with a £3,489,772 profit before taxation in the prior year.

The Company has net assets of £159,349,523 (2019: £156,502,801) at the reporting date.

The turnover of the Company is generated from usage of the songs written by the Company's composers and will vary in any given year alongside the market conditions and popularity of various genres of music. Direct costs attributed to the turnover are the writer's shares of the royalties earned on their compositions.

The Company employs no staff and has no separate facilities or overheads, except for those recharged for services rendered by other companies in the EMI Music Publishing Group. This entity pays a proportion of employee/other costs borne directly by another UK group entity, in accordance with internal cost share allocation agreements.

The Directors are satisfied with the trading performance during the year and are of the opinion that the Company is well positioned to continue trading successfully.

**Going concern**

The Company made a profit for the financial year of £2,846,722 (2019: £2,826,715), has net current assets of £159,349,523 (2019: £156,502,801) and has net assets of £159,349,523 (2019: £156,502,801) at the reporting date.

These financial statements have been prepared on a going concern basis. In preparing the financial statements the Directors have taken into account all information that could reasonably be expected to be available for the following 12 months from the date of signing the financial statements and beyond.

Given the current uncertain economic environment, caused largely by COVID-19, the Directors have carried out a review of the business and have compared the forecast future anticipated cashflows.

The parent company EMI Music Publishing Limited, has agreed to provide financial support to the Company in order that it can continue to trade and meet its liabilities as they fall due.

The Directors have considered the Company's net assets, COVID-19, the Company's ongoing cash requirements, the recoverability of amounts owed by group undertakings and the letter of support received from EMI Music Publishing Limited.

As a result of the review, the Directors are confident the Company has sufficient resources to continue as a going concern for at least 12 months from the date of signing these financial statements and on this basis, they consider that it is appropriate to prepare the financial statements on the going concern basis.

## **EMI Songs Limited**

### **Directors' Report (continued)**

**Year ended 31 March 2020**

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#### **Results and dividends**

The profit for the financial year amounted to £2,846,722 (2019: £2,826,715). The Directors have not recommended a dividend (2019: £nil).

The Company is a wholly owned subsidiary and the interests of the Group Directors are disclosed in the financial statements of the parent company.

#### **Future developments**

The Directors do not anticipate any significant changes to the Company's activity in the foreseeable future.

#### **Subsequent events**

There are no significant events after the reporting date.

#### **Directors**

The Directors who served the Company during the year and up to the date of signing the financial statements are listed on page 2.

#### **Qualifying third party indemnity provisions**

Certain Directors benefited from the qualifying third party indemnity provisions in place during the financial year and at the date of this report.

#### **Political contributions**

The Company made no political donations or incurred any political expenditure during the year (2019: £nil).

#### **Brexit**

In a referendum held on 23 June 2016, the UK resolved to leave the European Union ('EU'). On 31 January 2020, the UK left the EU, with effect from 1 January 2021 the UK government has negotiated the terms of a trade deal with the EU.

The Brexit trade deal may create global economic uncertainty, which may affect the Company's risk profile through introducing potentially significant new uncertainties and instability in the music sector.

The Directors do not expect a significant impact on the Company as a result of changes in law and regulations caused by Brexit.

**EMI Songs Limited**

**Directors' Report (continued)**

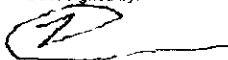
**Year ended 31 March 2020**

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**Small companies' regime**

The Company is entitled to take the small companies exemption, under section 414B, in relation to the requirement to prepare a Strategic report.

Signed on behalf of the Directors

DocuSigned by:  
  
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T W Major  
Director

22 Berners Street  
London  
W1T 3LP

Approved by the Directors on 18-Mar-21

**EMI Songs Limited****Statement of Directors' Responsibilities in Respect of the Annual Report and the Financial Statements  
Year ended 31 March 2020**

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The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

Under Company law the Directors must not approve the financial statements unless they are satisfied that they 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 these 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and 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 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

**EMI Songs Limited****Profit and Loss Account and Other Comprehensive Income****Year ended 31 March 2020**

	<i>Note</i>	<b>2020</b> <b>£</b>	<b>2019</b> <b>£</b>
<b>Turnover</b>	<i>3</i>	<b>952,528</b>	795,063
Cost of sales		<b>(640,290)</b>	(534,871)
<b>Gross profit</b>		<b>312,238</b>	260,192
Administrative expenses		<b>(78,759)</b>	(42,450)
<b>Operating profit</b>	<i>4</i>	<b>233,479</b>	217,742
Interest receivable and similar income	<i>5</i>	<b>3,280,993</b>	3,272,030
<b>Profit before taxation</b>		<b>3,514,472</b>	3,489,772
Tax on profit		<b>(667,750)</b>	(663,057)
<b>Profit for the financial year</b>		<b>2,846,722</b>	2,826,715

The notes on pages 9 to 14 form part of these financial statements.

All of the activities of the Company are classed as continuing for the current and prior years.

There are no other items of comprehensive income other than those in the Profit and Loss Account, and therefore no Statement of Comprehensive Income has been presented.



**EMI Songs Limited****Balance Sheet****At 31 March 2020**

	<i>Note</i>	<b>2020</b> £	2019 £
<b>Current assets</b>			
Debtors	8	<b>160,523,000</b>	157,443,113
<b>Creditors: amounts falling due within one year</b>	9	<b>(1,173,477)</b>	(940,312)
<b>Net current assets</b>		<b>159,349,523</b>	156,502,801
<b>Net assets</b>		<b>159,349,523</b>	156,502,801
<b>Capital and reserves</b>			
Called up share capital	10	<b>1,000</b>	1,000
Share premium account		<b>98,495,100</b>	98,495,100
Profit and Loss Account		<b>60,853,423</b>	58,006,701
<b>Shareholders' funds</b>		<b>159,349,523</b>	156,502,801

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the provisions of FRS 102 Section 1A – Small Entities.

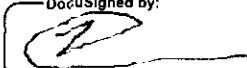
For the year ending 31 March 2020 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476.

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The notes on pages 9 to 14 form part of these financial statements.

These financial statements on pages 7 to 14 were approved by the Board of Directors on 18-Mar-21 and signed on their behalf by:

DocuSigned by:  
  
 70C3E7168B66447...

T W Major  
Director

Company Registration Number: 00874639

**EMI Songs Limited****Notes to the Financial Statements****Year ended 31 March 2020**

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**1. Accounting policies**

EMI Songs Limited (the "Company") is a private company limited by shares, incorporated, domiciled and registered in England and Wales in the United Kingdom. The registered number is 00874639 and the registered address is 22 Berners Street, London, W1T 3LP.

These financial statements were prepared in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102"). The presentation currency of these financial statements is sterling. All amounts are rounded to the nearest £1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the Directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2.

**Basis of preparation**

These financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

**Going concern**

The Company made a profit for the financial year of £2,846,722 (2019: £2,826,715), has net current assets of £159,349,523 (2019: £156,502,801) and has net assets of £159,349,523 (2019: £156,502,801) at the reporting date.

These financial statements have been prepared on a going concern basis. In preparing the financial statements the Directors have taken into account all information that could reasonably be expected to be available for the following 12 months from the date of signing the financial statements and beyond.

Given the current uncertain economic environment, caused largely by COVID-19, the Directors have carried out a review of the business and have compared the forecast future anticipated cashflows.

The parent company, EMI Music Publishing Limited, has agreed to provide financial support to the Company in order that it can continue to trade and meet its liabilities as they fall due.

The Directors have considered the Company's net assets, COVID-19, the Company's ongoing cash requirements, the recoverability of amounts owed by group undertakings and the letter of support received from EMI Music Publishing Limited.

**EMI Songs Limited****Notes to the Financial Statements (continued)****Year ended 31 March 2020**

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**1. Accounting policies (continued)****Cash flow statement**

The Company has taken advantage of the exemption available under FRS 102 Section 1A – Small Entities from preparing a statement of cash flows.

**Foreign currency**

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Balance Sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the Profit and Loss Account.

**Classification of financial instruments issued by the Company**

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

**Basic financial instruments***Trade and other debtors/creditors*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

**EMI Songs Limited****Notes to the Financial Statements (continued)****Year ended 31 March 2020****1. Accounting policies (continued)****Impairment***Financial assets (including trade and other debtors)*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

**Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account except to the extent that it relates to items recognised directly in Equity or Other Comprehensive Income, in which case it is recognised directly in Equity or Other Comprehensive Income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the Balance Sheet date and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the Balance Sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Related party transactions**

The Company is exempt under the terms of FRS 102.33 Related Party Disclosures from disclosing related party transactions with entities that are part of the Sony Corporation Group or investees of the Sony Corporation Group provided that any subsidiary which is party to the transaction is wholly owned by the Group.

**Turnover**

The Company's turnover is wholly attributable to its principal activity and the Directors do not believe that any part of the Company's worldwide market is significantly different from any other.

Turnover is generated from usage of the songs written by the Company's composers and will vary in any given year alongside the market conditions and popularity of various genres of music. It is recorded when reported to the Company by the relevant source, or when the Company reasonably estimates that the income has been earned from a relevant source. Turnover is stated after deducting all commissions and any sales related taxes levied on turnover.

All turnover arises from continuing activities. In certain countries, the Company has assigned its rights to royalty income to other undertakings of the EMI Music Publishing Group.

**EMI Songs Limited****Notes to the Financial Statements (continued)****Year ended 31 March 2020****1. Accounting policies (continued)****Expenses***Interest receivable and similar income*

Interest receivable and similar income include interest receivable on funds invested. Interest receivable is recognised in Profit and Loss Account as it accrues, using the effective interest method.

**Debtors - royalty advances**

Royalties due to a composer are credited against the outstanding advance in the year of receipt until the amount of the advance is fully recovered. If it is thought that future earnings will not amount to the net value of an advance, a provision for the estimated shortfall will be raised. Advances are included in debtors as recoverable within one year although certain amounts may be recovered after more than one year.

**Provisions**

A provision is recognised where the expected future earnings of a writer do not support the net value of the advance. Advances to writers who are deemed to be unproven at the time of the advance are fully provided for at that time. A further review of the recoverability of unproven and proven writers is undertaken at the end of the period, and an additional adjustment to the provision may be made at this point. The movement in this provision credited to the Profit and Loss Account in the year was £4,165 (2019: £3,502).

**2. Accounting estimates and judgements**

In preparing these financial statements, the Directors do not consider that they have made any accounting estimates or judgements which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

**3. Turnover**

The turnover is attributable to the one principal activity of the Company.

An analysis of turnover by geographical market is given below:

	2020 £	2019 £
United Kingdom	338,825	359,822
Rest of Europe	337,724	260,743
USA	211,981	131,551
Rest of the world	63,998	42,947
	<u>952,528</u>	<u>795,063</u>

**4. Operating profit**

Cost recharges of £78,759 (2019: £42,450) due to EMI Music Publishing Limited are included in administrative expenses in the Profit and Loss Account.

**EMI Songs Limited****Notes to the Financial Statements (continued)****Year ended 31 March 2020****5. Interest receivable and similar income**

	2020 £	2019 £
Interest receivable from group undertakings	<u>3,280,993</u>	<u>3,272,030</u>

**6. Directors' remuneration**

The Directors, who are also the Company key management, received no remuneration for their services to the Company during the year (2019: £nil).

The UK Directors were remunerated by Sony Music Publishing (UK) Limited and the US Directors were remunerated by Sony Music Holdings Inc.

**7. Staff numbers and costs**

The Company had no employees (2019: none).

**8. Debtors**

	2020 £	2019 £
Amounts owed by group undertakings	160,326,657	157,132,356
Prepayments and accrued income	196,343	310,757
	<u>160,523,000</u>	<u>157,443,113</u>

At 31 March 2020, debtors falling due after more than one year amounted to £nil (2019: £nil).

Amounts owed by group undertakings are unsecured, bear interest between 0% - 2.6%, have no fixed date of repayment and are repayable on demand.

**9. Creditors: amounts falling due within one year**

	2020 £	2019 £
Accruals and deferred income	505,727	277,255
Taxation	667,750	663,057
	<u>1,173,477</u>	<u>940,312</u>

**EMI Songs Limited****Notes to the Financial Statements (continued)****Year ended 31 March 2020****10. Called up share capital****Share capital****Allotted, called up and fully paid:**

	<b>2020</b>	2019
	<b>£</b>	£
1,000 (2019: 1,000) Ordinary shares of £1 each at 1 April and 31 March	<b>1,000</b>	1,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

**Reserves***Called up share capital*

Represents the nominal value of shares issued.

*Share Premium account*

Represents the excess paid over the nominal value of shares issued.

*Profit and Loss Account*

Represents the reserves for net gains and losses recognised in the Profit and Loss Account.

**11. Ultimate parent company and parent company of larger group**

The ultimate parent undertaking and controlling party of the Company is Sony Corporation, a Company registered in Japan.

The largest group in which the results of the Company are consolidated is that headed by Sony Corporation, 1-7-1 Konan Minato-ku, Tokyo, Japan 108-0075. The smallest group in which they are consolidated is that headed by EMI Music Publishing Finance (UK) Limited, 22 Berners Street, London, W1T 3LP. The consolidated financial statements of these groups are available to the public and may be requested from 22 Berners Street, London, W1T 3LP, United Kingdom.