

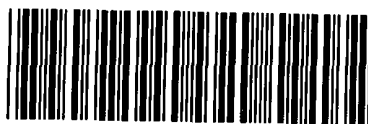
Registration No. 939016

# Warner/Chappell North America Limited

## Report and Financial Statements

30 September 2017

FRIDAY



\*L795BW4J\*

LD4

29/06/2018

#269

COMPANIES HOUSE

**Directors**

M Lavin

J Smith

M Smith (appointed 22 December 2016)

K Alderton (appointed 22 September 2017)

**Secretary**

CMS Cameron McKenna Nabarro Olswang LLP

**Auditor**

KPMG LLP

15 Canada Square

Canary Wharf

London

E14 5GL

**Registered Office**

Cannon Place

78 Cannon Street

London

EC4N 6AF

## Strategic report

The directors present their strategic report for the year ended 30 September 2017.

### Results and dividends

The company has not traded during the year and has made neither a profit nor a loss. No statement of profit and loss and other comprehensive income or statement of changes in equity has been presented.

### Review of the business

The company ceased to trade on 1 December 1992 but it is the ultimate owner of certain music publishing rights. This is not expected to change in the near future. As a result, there are no Key Performance Indicators.

Under an Exploitation Agreement effective 1 December 1992 Warner/Chappell Music International Limited, a fellow subsidiary undertaking, accepted the benefit and burden of the company's rights and obligations under its current and future contracts with third parties.

### Risk and uncertainties

The company is not subject to any specific risks and uncertainties other than those prevalent in the music publishing market in general. All risks and uncertainties are regularly monitored by the company's board of directors.

On behalf of the Board



Director:  
K Alderton

Date: 28.06.2018

## Statement of directors' responsibilities

The directors present their report and financial statements for the year ended 30 September 2017.

### Going concern

Given the fact that the company does not trade and has positive net assets the directors believe that the company has adequate financial resources to continue in operation for the foreseeable future. The accounts have therefore been prepared on the going concern basis.

### Future Development

The directors aim to continue the current management policy of maintaining the existing roster

### Directors and their interests

The directors of the company during the year ended 30 September 2017 were as listed on page 1.

At no time during the year did any director have any interest in the shares or debentures of the company or any other group undertaking.

The directors of the company have qualifying indemnities against losses or liabilities that are incurred

### Political contributions

The Company made no political donations or incurred any political expenditure during the year.

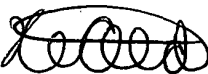
### Disclosure of information to the auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

### Proposed Dividends

The directors do not recommend the payment of a dividend.

On behalf of the Board

Director:   
K Alderton

Date: 28.06.2018

### Registered office:

Cannon Place  
78 Cannon Street  
London  
EC4N 6AF

## Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
WARNER CHAPPELL NORTH AMERICA LIMITED**

**Opinion**

We have audited the financial statements of Warner Chappell North America Limited ("the company") for the year ended 30 September 2017 which comprise the Balance Sheet and related notes including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*;
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

**Going concern**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

**Other information**

The directors are responsible for the other information, which comprises the strategic report and the directors' report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the strategic report and the directors' report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

**Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
WARNER CHAPPELL NORTH AMERICA LIMITED (Continued)**

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit or

We have nothing to report in these respects.

**Directors' responsibilities**

As explained more fully in their statement set out on page 2 to 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using 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.

**Auditor's responsibilities**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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.



**Kevin Hall (Senior Statutory Auditor)**

**For and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

15 Canada Square

London

E14 5GL

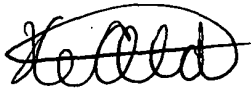
28/06/2018

## Balance sheet

at 30 September 2017

	Notes	2017 £	2016 £
<b>Current assets</b>			
Debtors	5	100	100
<b>Net current assets</b>		<u>100</u>	<u>100</u>
<b>Capital and reserves</b>			
Called up share capital	6	100	100
<b>Shareholders' funds</b>		<u>100</u>	<u>100</u>

The financial statements of Warner/Chappell North America Limited (registered company number 939016) were approved and authorised for issue by the board and were signed on its behalf by:



Director:  
K Alderton

Date: 28.06.2018

The notes on pages 8 to 9 form part of these financial statements.



## Notes to the financial statements

at 30 September 2017

### 1. Accounting policies

Warner/Chappell North America Limited is a company limited by shares and incorporated and domiciled in the UK.

#### *Basis of preparation*

The financial statements are prepared on the historical cost basis. They were prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). The amendments to FRS 102 issued in July 2015 have been applied. The presentation currency of these financial statements is sterling.

The Company's parent undertaking, Warner Music Group Corp., includes the Company in its consolidated financial statements. The consolidated financial statements of Warner Music Group Corp. are available to the public and may be obtained from 1209 Orange Street, Wilmington, DE 19801, USA. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Related party transactions entered into between two or more members of a group;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 102 in its next financial statements.

#### *Accounting convention*

Under an Exploitation Agreement effective 1 December 1992 Warner/Chappell Music International Limited, a fellow subsidiary undertaking, accepted the benefit and burden of the company's rights and obligations under its current and future contracts with third parties. Under the Exploitation Agreement the company's directors have the right to set an annual fee chargeable to Warner/Chappell Music International Limited. In the current year this fee was set at £nil (2016 – £nil).

#### *Basic financial instruments*

Trade and other debtors are recognised initially at cost. They are assessed for any impairment on an annual basis.

#### *Going concern*

Given the fact that the company does not trade and has positive net assets the directors believe that the company has adequate financial resources to continue in operation for the foreseeable future. The accounts have therefore been prepared on the going concern basis.

#### *Audit Fees*

Audit fees of £500 (2016 – £500) have been borne by another group undertaking.

### 2. Tax on profits on ordinary activities

No liability to UK corporation tax arose on ordinary activities for the year ended 30 September 2017 nor for the year ended 30 September 2016.

### 3. Staff costs

The company had no employees other than directors. No directors received any remuneration in respect of services to the company.

## Notes to the financial statements

at 30 September 2017

### 4. Profit and loss account and other comprehensive income

The company has not traded during the year and has made neither a profit nor a loss nor had any other comprehensive income. No statement of profit and loss and other comprehensive income or statement of changes in equity has been presented.

Under the terms of the agreement entered into with Warner/Chappell Music International Limited effective 1 December 1992, Warner/Chappell Music International Limited is responsible for all costs and expenses incurred by the company.

### 5. Debtors

	2017	2016
	£	£
Amounts due from fellow-subsiidiary undertaking	100	100
	<u>100</u>	<u>100</u>

### 6. Issued share capital

	2017	2016
	£	£
<i>Allotted, called up and fully paid</i>		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

### 7. Ultimate parent undertaking and controlling party

Warner/Chappell Music International Limited, Cannon Place, 78 Cannon Street London EC4N 6AF, is the company's immediate parent undertaking.

At 30 September 2017, Ai Entertainment Holdings LLC, 2711 Centerville Road, Suite 400, Wilmington, DE 19808, was the ultimate parent undertaking. Warner Music Group Corp, an entity incorporated in the United States of America, was the parent undertaking of the smallest group of undertakings of which the company was a member and for which group financial statements are drawn up. Copies of Warner Music Group Corp.'s financial statements can be obtained from 1209 Orange Street, Wilmington, DE 19801, USA.