

EMI MUSIC PUBLISHING TUNES LIMITED, 17th Floor
COMPANY REGISTRATION NUMBER 06405600

**EMI Music Publishing Finance (UK) Limited
Annual Report and Financial Statements
For the Year Ended 31 March 2015**

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EMI Music Publishing Finance (UK) Limited
Annual Report and Financial Statements
Year ended 31 March 2015

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EMI Music Publishing Finance (UK) Limited

Officers and Professional Advisers

Year ended 31 March 2015

The board of directors	F Crimmins D H Johnson
Company secretary	TMF Corporate Administration Services Limited
Registered office	30 Golden Square London United Kingdom W1F 9LD
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 10 Bricket Road St Albans Herts AL1 3JX

EMI Music Publishing Finance (UK) Limited**Strategic Report****Year ended 31 March 2015**

The directors present the strategic report of EMI Music Publishing Finance (UK) Limited (the "Company") and its subsidiary undertakings (together the "Group") for the year ended 31 March 2015, detailing the main factors impacting upon the business during the year and a review of progress

Principal activities and business review

EMI Music Publishing Finance (UK) Limited (the "Company") was incorporated on 22 October 2007. The Company is a wholly owned subsidiary of EMI Music Publishing Group International B V and is part of the DH Publishing, L P group. DH Publishing, L P is the ultimate parent undertaking.

The principal activity of the Company is that of a finance company. There has not been any change to the principal activity of the Company during the year ended 31 March 2015 or subsequently. The Directors do not anticipate any change to the principal activity of the Company during the next year.

The principal activity of the Group continued to be that of music publishing. There has not been any change to the principal activity of the Group during the year ended 31 March 2015 or subsequently. The Directors do not anticipate any change to the principal activity of the Group during the next year.

On 30 March 2015 a subsidiary of the Company, EMI Music Publishing Limited, sold its shares in EMI Music Publishing Germany Topco Limited outside of the Group to EMI Music Publishing Group International B V. Consequently, the net assets of EMI Music Publishing Germany Topco Limited and its German subsidiaries have been disposed of by the Group, as of this date.

The results attributable to the German subsidiaries in the current and prior years have been reclassified as discontinued and can be seen in the consolidated profit and loss account on page 9. The analysis of continuing and discontinued operations can be found on page 16.

As stated in the consolidated profit and loss account on page 9 the Group made a profit on ordinary activities before taxation of £242,074,000 in the year to 31 March 2015 compared with the previous year's profit on ordinary activities before taxation of £50,027,000. The increase is mainly as a result of the £139,786,000 profit on disposal of the German subsidiaries by the Group, and foreign exchange gains of £66,516,000 following the revaluation of intercompany loans.

In the consolidated balance sheet shown on page 10, the net assets of the Group have increased by 109 per cent from a net liability position in the prior year. A contributing factor to this increase, was the issuance of a £123,287,100 loan note which was consideration received for the sale of shares in EMI Music Publishing Germany Topco Limited. This balance is held within amounts owed to Group undertakings.

	Group			Company		
	2015 £000	2014 £000	Change %	2015 £000	2014 £000	Change %
Profit/(loss) on ordinary activities before taxation	242,074	50,027	383.9	72,920	(17,382)	519.5
Profit/(loss) for the financial year	237,562	45,867	417.9	72,920	(17,382)	519.5
Total shareholders' funds/(deficit)	24,266	(216,344)	111.2	(265,021)	(337,941)	21.6

EMI Music Publishing Finance (UK) Limited

Strategic Report (continued)

Year ended 31 March 2015

Principal risks and uncertainties

The principal risks and uncertainties facing the Company concern the value of the worldwide market for recorded music which was relatively flat, declining by 0.4% percent in 2014, according to data from the IFPI. Even though physical sales and digital downloads have declined, the overall decline in mechanical revenue is expected to be offset by the continued growth in the near future by digital subscription services. We remain dependent on identifying, signing and retaining talented songwriters whose new releases are well received and whose music will continue to generate revenues for years to come. Competition for such talent is intense and our financial results would be adversely affected if we fail to identify, sign and retain songwriters. External bodies such as local third-party collection societies have a significant influence on some of our revenues. Mechanical and Performance rates as well as distribution rules are usually set by performing rights societies through board approval and as such may result in the setting of rates at levels lower than we would wish and may therefore adversely affect our ability to increase profitability.

Key performance indicators

Key performance indicators are designed to indicate how the Company and Group had performed on key ratios, and the Company and Group uses NPS margin and operating margin as the key performance indicators which are most appropriate.

There are no KPIs specifically relating to environmental and employee issues as the Company and Group have no employees or separate facilities. It is not possible to obtain meaningful market share information for a company of this size, so we do not consider a KPI appropriate.

Signed on behalf of the directors



F Crimmins
Director

30 Golden Square
London
United Kingdom
W1F 9LD

Approved by the directors on 11/12/2015

EMI Music Publishing Finance (UK) Limited

Directors' Report

Year ended 31 March 2015

The Directors present their annual report and audited consolidated financial statements for the year ended 31 March 2015. The comparatives are for the year ended 31 March 2014.

Going concern

The directors of the DH Publishing, L P group have prepared consolidated group financial projections for a period of more than twelve months from the date of approval of these financial statements. After considering these financial projections, the directors have concluded that they have a reasonable expectation that the Company and Group has adequate resources to continue as a going concern for the foreseeable future and as a result have prepared these financial statements on a going concern basis.

Additionally DH Publishing, L P, has agreed to provide financial support to the Company and Group in order that it can continue to trade and meet its liabilities as they fall due.

Future developments

Going forward the Company will continue to finance the operations of its subsidiary undertakings, whose principal activities continue to be that of music publishing, and whose principal focus is on generating revenue through identifying, signing and retaining talented songwriters.

Financial risk management

The Company's and Group's operations expose it to certain financial risks, primarily comprised of credit, liquidity, cash flow and price risk.

The Company and Group are part of DH Publishing, L P's administration agreement with Sony/ATV (the "Administrator") whereby the Administrator follows the agreed upon processes in conformity with generally accepted industry standards.

Cash flow risk

The Company and Group maintains large reserves of cash. The Company's and Group's cash is managed in accordance with the Administration agreement.

Liquidity risk

Credit checks performed on potential customers ensure the Company's and Group's current assets are sufficiently liquid to enable it to pay its bills and fund its current liabilities.

Price risk

The Company is a holding company so has a large portfolio of investments. In accordance with FRS 11 'Impairment of Fixed Assets and Goodwill', the carrying values of the investments have been compared to their recoverable amounts, represented by their net realisable value, and impaired where appropriate.

Results and dividends

The Group profit for the financial year amounted to £237,562,000 (2014: £45,867,000). The directors have not recommended a dividend (2014: £nil).

Directors

The directors who served the Company during the year and up to the date of signing this report are listed on page 1.

EMI Music Publishing Finance (UK) Limited

Directors' Report (continued)

Year ended 31 March 2015

Qualifying third party indemnity provisions

The directors benefited from the qualifying third party indemnity provisions in place during the financial year and at the date of this report

Disclosure of information to the auditors

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's and the Group's auditors are unaware, and each Director has taken all steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information

Independent auditors

PricewaterhouseCoopers LLP were auditors of the Company for the year ended 31 March 2015. Subsequent to the year end, BDO LLP were appointed auditors for the year ended 31 March 2016

Signed on behalf of the directors



F Crimmins
Director

Registered Office
30 Golden Square
London
W1F 9LD

Approved by the directors on 11/12/2015

EMI Music Publishing Finance (UK) Limited

Statement of Directors' Responsibilities

Year ended 31 March 2015

The directors are responsible for preparing the Annual 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 the directors have prepared the group and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 Group and the Company and of the profit or loss of the group 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 accounting 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 and the Group will continue in business

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 the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the members of EMI Music Publishing Finance (UK) Limited

Report on the financial statements

Our opinion

In our opinion, EMI Music Publishing Finance (UK) Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2015 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Matters we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Consolidated and Company Balance Sheets as at 31 March 2015,
- the Consolidated Profit and Loss Account and the Consolidated Statement of Total Recognised Gains and Losses for the year then ended, and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit, or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements are not in agreement with the accounting records and returns

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

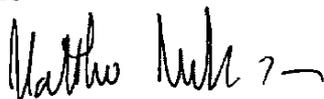
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's and the company's circumstances and have been consistently applied and adequately disclosed,
- the reasonableness of significant accounting estimates made by the directors, and
- the overall presentation of the financial statements

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Matthew Mullins (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
St Albans
11 December 2015

EMI Music Publishing Finance (UK) Limited**Consolidated Profit and Loss Account****Year ended 31 March 2015**

	<i>Note</i>	2015 £000	2015 £000	Restated 2014 £000	Restated 2014 £000
Turnover					
Continuing operations	3	137,784		134,673	
Discontinued operations	3	33,418		39,071	
	2		171,202		173,744
Cost of sales			(109,184)		(124,127)
Gross profit			62,018		49,617
Administrative expenses			(15,009)		(21,425)
Other operating income	7		-		29,200
Income from shares in group undertakings			19		4
Operating profit					
Continuing operations	3	30,192		40,405	
Discontinued operations	3	16,836		16,991	
			47,028		57,396
Profit on sale of an operation			139,786		-
Interest receivable and similar income	8		78,074		7,206
Interest payable and similar charges	9		(22,814)		(14,575)
Profit on ordinary activities before taxation	4		242,074		50,027
Tax on profit on ordinary activities	10		(4,512)		(4,160)
Profit for the financial year			237,562		45,867

The notes on pages 13 to 31 form part of these financial statements

There are no material differences between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents, for the current year and prior years

EMI Music Publishing Finance (UK) Limited**Consolidated Balance Sheet****As at 31 March 2015**

	<i>Note</i>	2015 £000	2014 £000
Fixed assets			
Intangible assets	<i>11</i>	6,218	10,639
Tangible assets	<i>12</i>	1,064	1,955
		<u>7,282</u>	<u>12,594</u>
Current assets			
Debtors (including £487,723,000 (2014 £350,413,000) falling due after more than one year)	<i>14</i>	784,207	465,126
Cash at bank and in hand		27,192	24,553
		<u>811,399</u>	<u>489,679</u>
Creditors: amounts falling due within one year	<i>15</i>	<u>(479,183)</u>	<u>(286,387)</u>
Net current assets		<u>332,216</u>	<u>203,292</u>
Total assets less current liabilities		<u>339,498</u>	<u>215,886</u>
Creditors: amounts falling due after more than one year	<i>16</i>	<u>(315,232)</u>	<u>(421,808)</u>
Net assets/(liabilities) excluding pension liabilities		<u>24,266</u>	<u>(205,922)</u>
Pension liabilities	<i>17</i>	-	(10,422)
Net assets/(liabilities) including pension		<u><u>24,266</u></u>	<u><u>(216,344)</u></u>
Capital and reserves			
Called up share capital	<i>18</i>	-	-
Share premium account	<i>19</i>	753	753
Other reserves	<i>19</i>	169,397	169,397
Profit and loss account	<i>19</i>	(145,884)	(386,494)
Total shareholders' funds/(deficit)	<i>19</i>	<u><u>24,266</u></u>	<u><u>(216,344)</u></u>

The notes on pages 13 to 31 form part of these financial statements

These financial statements on pages 9 to 31 were approved by the Board of Directors on 11/12/2015 and signed on their behalf by



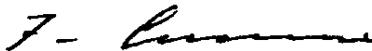
F Crimmins
Director

EMI Music Publishing Finance (UK) Limited**Company Balance Sheet****As at 31 March 2015**

	<i>Note</i>	2015 £000	2014 £000
Fixed assets			
Investments	<i>13</i>	238,369	238,369
Current assets			
Debtors (including £383,531,000 (2014 £382,721,000) falling due after more than one year)	<i>14</i>	593,622	388,812
Cash at bank and in hand		23,486	11,854
Creditors: amounts falling due within one year	<i>15</i>	<u>(396,456)</u>	<u>(149,695)</u>
Net current assets		<u>220,652</u>	<u>250,971</u>
Total assets less current liabilities		459,021	489,340
Creditors: amounts falling due after more than one year	<i>16</i>	<u>(724,042)</u>	<u>(827,281)</u>
Net liabilities		<u><u>(265,021)</u></u>	<u><u>(337,941)</u></u>
Capital and reserves			
Called up share capital	<i>18</i>	-	-
Share premium account	<i>19</i>	753	753
Other reserves	<i>19</i>	169,397	169,397
Profit and loss account	<i>19</i>	<u>(435,171)</u>	<u>(508,091)</u>
Total shareholders' deficit	<i>19</i>	<u><u>(265,021)</u></u>	<u><u>(337,941)</u></u>

The notes on pages 13 to 31 form part of these financial statements

These financial statements on pages 9 to 31 were approved by the Board of Directors on 11/12/2015 and signed on their behalf by



F Crimmins
Director

EMI Music Publishing Finance (UK) Limited**Consolidated Statement of Total Recognised Gains and Losses****Year ended 31 March 2015**

	2015	2014
	£000	£000
Profit for the financial year	237,562	45,867
Actuarial loss recognised in the pension scheme	(2,427)	(92)
Exchange adjustment	-	(11)
Total recognised gains and losses relating to the financial year	<u>235,135</u>	<u>45,764</u>

EMI Music Publishing Finance (UK) Limited

Notes to the Financial Statements

Year ended 31 March 2015

1 Accounting policies

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

The accounting policies have been applied consistently, other than where new policies have been adopted

Going concern

The Group has made a profit for the financial year of £237,562,000 (2014: £45,867,000) and has net current assets of £332,216,000 (2014: £203,292,000) at the reporting date

At 31 March 2015, the Group had net assets and made a profit in the year. The financial statements are prepared on the going concern basis as the ultimate parent company, DH Publishing, L P, has agreed to provide financial support to the Company and Group in order that it can continue to trade and meet its liabilities as they fall due. This support will continue whilst the Company remains a member of the DH Publishing, L P. group, and for a period of at least one year from the date of signing the Company's financial statements

The Company and Group operates as part of the DH Publishing, L P and have provided a guarantee to the group's lender; as such the Company and Group are affected by the terms of the group's banking facilities. The continued availability of existing bank facilities requires the group to comply with the covenants set out in those bank facilities

After considering these financial projections, the directors have concluded that they have a reasonable expectation that the Company and Group have adequate resources to continue as a going concern for the foreseeable future and as a result have prepared these financial statements on a going concern basis.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 March 2015. The acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

An associate is an undertaking in which the Group has a long term interest, usually from 20% to 50% of the equity voting rights, and over which it exercises significant influence. A joint venture is an undertaking in which the Group has a long-term interest and over which it exercises joint control. The Group's share of the profits less losses of associates and of joint ventures is included in the consolidated profit and loss account and its interest in their net assets, is included in investments in the consolidated balance sheet.

Under Section 408 of the Companies Act 2006 the Company has taken the exemption from the requirement to present its own profit and loss account. The profit for the year was £72,920,000 (2014: £17,382,000 loss)

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

EMI Music Publishing Finance (UK) Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2015

1 Accounting policies (continued)

Cash flow statement and related party disclosures

At the balance sheet date the Company was a wholly owned subsidiary of DH Publishing, L P and is included in the consolidated financial statements of DH Publishing, L P group which can be requested from 190 Elgin Avenue, George Town, Grand Cayman, KY1-9005, Cayman Islands. Consequently the Company has taken exemption from preparing the cash flow statement under the terms of FRS 1 (revised 1996). The Company is also exempt under the terms of FRS 8 from disclosing related party transactions with entities that are part of the DH Publishing, L P group or investees of the DH Publishing, L P. group.

Intangible fixed assets and amortisation

The cost of purchased rights in copyrights is capitalised. The costs are amortised on a straight line basis over their licence period or estimated useful lives up to a maximum of 20 years. Additions to intangibles and amortisation for the year are disclosed in note 11.

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset.

Investments

Investments in subsidiary and associated undertakings are stated at cost less provision to reflect any impairment.

Tangible fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Office machinery, furniture and fittings - 5 to 10 years
Fixtures and fittings - 10 to 20 years
Computer equipment software - 20% per annum

Impairment of fixed assets

The carrying amounts of the Company's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its income-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account unless it arises on a previously revalued fixed asset. An impairment loss on a revalued fixed asset is recognised in the profit and loss account if it is caused by a clear consumption of economic benefits. Otherwise impairments are recognised in the statement of total recognised gains and losses until the carrying amount reaches the asset's depreciated historic cost.

Calculation of recoverable amount

The recoverable amount of fixed assets is the greater of their net realisable value and value in use. In assessing value in use, the expected future cash flows are discounted back to their present value using a pre-tax discount rate that reflects current market assessments of the rate of return expected on an equally risky investment. For an asset that does not generate largely independent income streams, the recoverable amount is determined for the income-generating unit to which the asset belongs.

EMI Music Publishing Finance (UK) Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2015

1 Accounting policies (continued)

Impairment of fixed assets (continued)

Reversals of impairment

An impairment loss is reversed on intangible assets and goodwill only if subsequent external events reverse the effect of the original event which caused the recognition of the impairment or the loss arose on an intangible asset with a readily ascertainable market value and that market value has increased above the impaired carrying amount. For other fixed assets where the recoverable amount increases as a result of change in economic conditions or in the expected use of the asset then the resultant reversal of the impairment loss should be recognised in the current period.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Pension costs

EMI Music Publishing Germany GmbH, which was a German subsidiary of the parent company during the year, operates a pension scheme providing benefits based on final pensionable pay. The pension scheme is unfunded.

The pension scheme deficit is recognised in full. The movement in the scheme deficit is split between operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses.

EMI Music Publishing Limited, a UK subsidiary undertaking of the parent is a member of a pension scheme but is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 'Retirement benefits', accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the parent's profit and loss account represents the contributions payable to the scheme in respect of the accounting period. This is detailed further in note 17.

Taxation

The charge for taxation is based on the profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Turnover

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

Turnover consists of income from copyrights and is recorded when reported to the Group 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.

Turnover arises from both continuing and discontinued activities. See note 3 for further analysis.

EMI Music Publishing Finance (UK) Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2015****2 Turnover**

The turnover is attributable to the one principal activity of the Group

An analysis of turnover by geographical market is given below

	2015 £000	2014 £000
United Kingdom	57,819	51,548
Rest of Europe	78,309	79,367
USA	22,694	27,186
Rest of the World	12,380	15,643
	<u>171,202</u>	<u>173,744</u>

3 Analysis of continuing and discontinued operations

On 30 March 2015 a subsidiary of the Company, EMI Music Publishing Limited, sold its shares in EMI Music Publishing Germany Topco Limited outside of the Group to EMI Music Publishing Group International B V Consequently, the net assets of EMI Music Publishing Germany Topco Limited and its German subsidiaries have been disposed of by the Group, as of this date

The results attributable to the German subsidiaries in the current and prior years, have been reclassified as discontinued and can be seen below along with the results of the continuing operations. Subsequently, the prior year comparatives have been restated to remove their impact

	2015			2014		
	Continuing £000	Discontinued £000	Total £000	Continuing £000	Discontinued £000	Total £000
Group turnover	137,784	33,418	171,202	134,673	39,071	173,744
Cost of sales	(95,664)	(13,520)	(109,184)	(106,455)	(17,672)	(124,127)
Gross profit	42,120	19,898	62,018	28,218	21,399	49,617
Administrative expenses	(11,947)	(3,062)	(15,009)	(16,997)	(4,428)	(21,425)
Other operating income	-	-	-	29,180	20	29,200
Income from shares in group undertakings	19	-	19	4	-	4
Group operating profit	<u>30,192</u>	<u>16,836</u>	<u>47,028</u>	<u>40,405</u>	<u>16,991</u>	<u>57,396</u>

EMI Music Publishing Finance (UK) Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2015****4 Profit on ordinary activities before taxation**

	2015 £000	2014 £000
Profit on ordinary activities before taxation is stated after charging		
Auditors' remuneration - audit of these financial statements	165	253
Depreciation on tangible assets (note 12)	974	842
Amortisation on intangible assets (note 11)	2,477	2,543
Restructuring costs	1,249	3,764
Cost recharged to management company	<u>(6,395)</u>	<u>(6,941)</u>

In the year the company incurred reorganisation costs of £1,249,000 (2014 £3,764,000) relating to restructuring following the sale of the group on 29 June 2012. The reorganisation costs include office relocation and redundancy. Additionally £6,395,000 (2014 £6,941,000) of overhead and other incremental costs were recharged to the company's administrator during the year.

5 Directors' emoluments

The directors did not receive any emoluments directly from the Group in respect of their services (2014 £nil), however they were remunerated by a member of the US Group for their services to the Group as a whole.

6 Staff numbers and costs

The monthly average number of persons employed by the Group (including directors) during the year, analysed by category, was as follows

	2015 Number	2014 Number
Marketing and professional divisions	36	38
Service divisions	44	52
	<u>80</u>	<u>90</u>

The aggregate payroll costs of the above were

	2015 £000	2014 £000
Wages and salaries	4,616	6,915
Social security costs	659	802
Other pension costs	482	585
	<u>5,757</u>	<u>8,302</u>

EMI Music Publishing Finance (UK) Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2015****7 Other operating income**

	2015 £000	2014 £000
Gain on investment disposal	-	29,200

8 Interest receivable and similar income

	2015 £000	2014 £000
Foreign exchange gains	61,431	2,747
Loans to fellow Group undertakings	15,235	4,459
Exchange adjustment on pension scheme	1,408	-
Total interest receivable	78,074	7,206

9 Interest payable and similar charges

	2015 £000	2014 £000
Loans from fellow Group undertakings	21,796	14,106
Other interest payable	1,018	469
Total interest payable	22,814	14,575

EMI Music Publishing Finance (UK) Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2015****10 Tax on profit on ordinary activities**

Analysis of charge in the year	2015	2015	2014	2014
	£000	£000	£000	£000
<i>Foreign tax</i>				
Current tax on income for the year	2,191		1,782	
Adjustments in respect of prior years	(306)		(599)	
Total current tax		1,885		1,183
<i>Deferred tax</i>				
Origination/reversal of timing differences	2,498		2,283	
Adjustments in respect of prior years	129		694	
Total deferred tax		2,627		2,977
Tax on profit on ordinary activities		4,512		4,160

Factors affecting current tax charge

The current tax charge for the year is lower (2014 lower) than the standard rate of corporations tax in the UK of 21% (2014 - 23%). The differences are explained below

	2015	2014
	£000	£000
Profit on ordinary activities before taxation	242,074	50,027
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2014 - 23%)	50,836	11,506
<i>Effect of</i>		
Fixed asset differences	21	-
Expenses not deductible for tax purposes	2,067	-
Income not taxable for tax purposes	(30,597)	(6,711)
Other permanent differences	(205)	(95)
Group relief surrendered for nil consideration	(7,623)	(565)
Foreign tax credits	973	-
Overseas tax rate differences	2,174	1,966
Adjustments in respect of prior years	(306)	(599)
Differences between capital allowances and depreciation	48	-
Other short-term timing differences	(1,419)	(4,294)
Utilisation of tax losses and other deductions	(11,641)	(25)
Other movements	(2,443)	-
Total current tax charge	1,885	1,183

EMI Music Publishing Finance (UK) Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2015****10 Tax on profit on ordinary activities (continued)****Deferred tax asset recognised**

The deferred tax included in the balance sheet is as follows

	2015 £000	2014 £000
Other timing differences	-	9,192
Provision for deferred tax	-	9,192
		£000
At 1 April 2014		9,192
Charge to the consolidated profit and loss account for the year		(2,627)
Deferred tax transfer		(440)
Disposal		(6,127)
At 31 March 2015		-

Factors affecting future tax charge

Reductions in the main rate of UK corporation tax from 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. In the Budget on 8 July 2015, the Chancellor announced additional planned reductions to 18% by 2020. This will reduce the Company's future current tax charge accordingly.

Deferred tax

As explained in the Strategic Report on page 2, the Group disposed of the net assets of its German subsidiaries on 30 March 2015. The recognised deferred tax asset was primarily related to the German subsidiary movements and balances, so it has been derecognised following their disposal from the Group.

At the balance sheet date the Group had an unrecognised deferred tax asset in relation to unutilised tax losses of £21m (2014 £68m) and pension and other timing differences of £14m (2014 £29m). Because there is as yet insufficient certainty over the levels and timing of suitable taxable profits for future periods, the directors have decided not to recognise any deferred taxation asset in respect of these timing differences.

EMI Music Publishing Finance (UK) Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2015****11 Intangible assets**

Group	Copyrights £000
Cost	
At 1 April 2014	39,134
Additions	91
Disposals	(2,532)
At 31 March 2015	<u>36,693</u>
Accumulated amortisation	
At 1 April 2014	28,495
Charge for the year	2,477
On disposals	(497)
At 31 March 2015	<u>30,475</u>
Net book value	
At 31 March 2015	<u>6,218</u>
At 31 March 2014	<u>10,639</u>

EMI Music Publishing Finance (UK) Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2015****12 Tangible assets**

Group	Office machinery, furniture and fittings £000	Fixtures and fittings £000	Computer equipment software £000	Total £000
Cost				
At 1 April 2014	177	1,463	4,889	6,529
Additions	-	10	-	10
Disposals	(17)	(315)	(244)	(576)
At 31 March 2015	160	1,158	4,645	5,963
Accumulated depreciation				
At 1 April 2014	160	391	4,023	4,574
Charge for the year	2	196	776	974
On disposals	(17)	(283)	(349)	(649)
Transfers	-	8	(8)	-
At 31 March 2015	145	312	4,442	4,899
Net book value				
At 31 March 2015	15	846	203	1,064
At 31 March 2014	17	1,072	866	1,955

13 Investments**a) Shares in group undertakings**

Company	Cost £000	Provisions £000	Net book value £000
As at 1 April 2014	239,650	(1,281)	238,369
As at 31 March 2015	239,650	(1,281)	238,369

In accordance with FRS 11 'Impairment of Fixed Assets and Goodwill', the carrying values of the investments have been compared to their recoverable amounts, represented by their net realisable value, and impaired where appropriate. The Directors do not consider value in use to be materially different to the net realisable value of the investment, and therefore use the investment's net recoverable value as its recoverable amount.

In the opinion of the Directors, the value of the investments is at least equal to their carrying value

EMI Music Publishing Finance (UK) Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2015****13 Investments (continued)****b) Principal subsidiary undertakings**

The subsidiary undertakings listed below are exempt from the Companies Act 2006 requirements relating to the audit of their individual financial statements by virtue of Section 479A of the Act as this Company has guaranteed the subsidiary Companies under Section 479C of the Act

The following are the principal subsidiary undertakings of the Company as at 31 March 2015

Subsidiary undertaking	Country of Incorporation	Company number	Class of share held	% held	Nature of Business
EMI Music Publishing Limited*	UK	00594758	Ordinary	100	Music Publishing
EMI Songs Limited*	UK	00874639	Ordinary	100	Music Publishing
EMI Music Publishing Tunes Limited*	UK	01782046	Ordinary	100	Music Publishing
EMI United Partnership Limited*	UK	01688838	Ordinary	100	Music Publishing
EMI Music Publishing Europe Limited*	UK	00291686	Ordinary	100	Music Publishing
EMI MP UK Spareco 167 Limited*	UK	06449766	Ordinary	100	Music Publishing
Acton Green Music Limited	UK	01186681	Ordinary	100	Music Publishing
Bardell Smith Publishing Limited	UK	01182469	Ordinary	100	Music Publishing
Cinderella Music Limited	UK	00722348	Ordinary	100	Music Publishing
EMI Music Publishing Copyright Holdings Limited	UK	02200692	Ordinary	100	Music Publishing
EMI Melodies Limited	UK	01512980	Ordinary	100	Music Publishing
Laurel Music Company Limited	UK	00657872	Ordinary	100	Music Publishing
Lorna Music Company Limited	UK	00667372	Ordinary	100	Music Publishing
Mercury Music Co Limited	UK	00570882	Ordinary	100	Music Publishing
Motor Music Limited	UK	01318708	Ordinary	100	Music Publishing
And Son Music Limited	UK	01305920	Ordinary	100	Music Publishing
Ardmore & Beechwood Limited	UK	00606756	Ordinary	100	Music Publishing
B Feldman & Co Limited	UK	00414515	Ordinary	100	Music Publishing
Berry Music Co Limited	UK	00543038	Ordinary	100	Music Publishing
Big Ben Music Limited	UK	01013566	Ordinary	100	Music Publishing
Biot Music Limited	UK	01835949	Ordinary	100	Music Publishing
Dix Limited	UK	00184742	Ordinary	100	Music Publishing
Donna Music Limited	UK	00835501	Ordinary	100	Music Publishing
EMI Film & Theatre Music Limited	UK	00970812	Ordinary	100	Music Publishing
EMI Harmonies Limited	UK	00970422	Ordinary	100	Music Publishing
EMI Music Publishing Mills Music Limited	UK	00746968	Ordinary	100	Music Publishing
EMI Multimood Music Limited	UK	00746959	Ordinary	100	Music Publishing
Francis, Day & Hunter Limited	UK	00203742	Ordinary	100	Music Publishing

* Directly owned

EMI Music Publishing Finance (UK) Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2015****13 Investments (continued)**

Subsidiary undertaking	Country of Incorporation	Company number	Class of share held	% held	Nature of Business
General Music UK Limited	UK	01840398	Ordinary	100	Music Publishing
Gloucester Place Music Limited	UK	01492259	Ordinary	100	Music Publishing
Hit & Run Music (Publishing) Limited	UK	01333197	Ordinary	100	Music Publishing
Arcadia 99 Limited	UK	02041330	Ordinary	100	Music Publishing
Charisma Music Publishing Co Limited(The)	UK	01211507	Ordinary	100	Music Publishing
K P M Music Limited	UK	00660023	Ordinary	100	Music Publishing
DGI Library Limited	UK	04617391	Ordinary	100	Music Publishing
The Ded Good Music Library Limited	UK	03426791	Ordinary	100	Music Publishing
Keith Prowse Music Publishing Company Limited	UK	00553066	Ordinary	100	Music Publishing
Lawrence Wright Music Company Limited	UK	00269300	Ordinary	100	Music Publishing
Levels Songs Limited	UK	06607524	Ordinary	100	Music Publishing
Music House (International) Limited	UK	01994142	Ordinary	100	Music Publishing
Nisbet and Beck Music Limited	UK	01383392	Ordinary	100	Music Publishing
Sam Fox Publishing Company (London) Limited	UK	00217080	Ordinary	100	Music Publishing
Screen Gems-EMI Music Limited	UK	00188714	Ordinary	100	Music Publishing
Peter Maurice Music Company Limited(The)	UK	00250282	Ordinary	100	Music Publishing
Themes International (Music) Limited	UK	01090387	Ordinary	100	Music Publishing
Delabel Music Publishing (UK) Limited	UK	04128736	Ordinary	100	Music Publishing
Robbins Music Corporation Limited	UK	00511653	Ordinary	100	Music Publishing
Peers Music Limited	UK	00730403	Ordinary	100	Music Publishing
Play MusicFinder Limited	UK	04302889	Ordinary	100	Music Publishing
Purple Fox Limited	UK	07931888	Ordinary	100	Music Publishing
Purple Firefly Limited	UK	07968779	Ordinary	100	Music Publishing
Manchester Music Limited	UK	00871015	Ordinary	100	Music Publishing
EMI Paradise Music Limited*	UK	00691827	Ordinary	67	Music Publishing
Hit and Run Music (Publishing) Inc	USA		Ordinary	100	Music Publishing
Hidden Pun Music Inc	USA		Ordinary	100	Music Publishing
Charisma Music Publishing USA Inc	USA		Ordinary	100	Music Publishing

*Ordinary share capital held (where different to voting rights held) by EMI Music Publishing Limited or its subsidiary undertakings. EMI Paradise Music Limited (50% of share capital held) is included as a subsidiary since EMI Music Publishing Limited has control through the proportion of voting rights held

EMI Music Publishing Finance (UK) Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2015****13 Investments (continued)**

The following are the principal undertakings in which the company's interest as at 31 March 2015 is more than 20%

	Country of Incorporation	Company number	Class of share held	% held	Nature of Business
Associated undertakings - associates					
Hermusic Limited	UK	00829056	Ordinary	40	Music Publishing
Box & Cox Publications Limited	UK	00440825	Ordinary	24	Music Publishing
British Lion Music Limited	UK	01083122	Ordinary	40	Music Publishing
Associated undertakings - joint ventures					
Kennedy Street Music Limited	UK	00784527	Ordinary	50	Music Publishing
Moss Rose Music Limited	UK	00787741	Ordinary	50	Music Publishing

The registered office address of all subsidiary and associated undertakings incorporated in the UK is 30 Golden Square, London, W1F 9LD

The registered office address of all subsidiary and associated undertakings incorporated in the USA is 245 Fifth Avenue, Suite 1101, New York, NY 10016

14 Debtors

Group	2015	2014
	£000	£000
Trade debtors	5,576	26,843
Amounts owed by Group undertakings	716,356	365,119
Other debtors	10	-
Deferred taxation	-	9,192
Prepayments and accrued income	62,265	63,972
	<u>784,207</u>	<u>465,126</u>
Company	2015	2014
	£000	£000
Trade debtors	-	20
Amounts owed by Group undertakings	593,622	388,786
Other debtors	-	6
	<u>593,622</u>	<u>388,812</u>

Amounts owed by group undertakings are unsecured, bear interest at 2% - 3% and have loan terms of between 1 year and 3 years

Amounts owed by group undertakings of longer than 1 year contain clauses denying the repayment of the principal balance at any time

Prepayments and accrued income amounts relate to advances paid to artists less the provisions made against those balances, and an estimate of accrued income at the balance sheet date

EMI Music Publishing Finance (UK) Limited
Notes to the Financial Statements (continued)
Year ended 31 March 2015

15 Creditors: amounts falling due within one year

Group	2015	2014
	£000	£000
Trade creditors	59,141	99,355
Amounts owed to Group undertakings	410,560	172,274
Taxation and social security	1,775	7,483
Other creditors	24	616
Accruals and deferred income	7,683	6,659
	<u>479,183</u>	<u>286,387</u>
	<u><u>479,183</u></u>	<u><u>286,387</u></u>
Company	2015	2014
	£000	£000
Amounts owed to Group undertakings	396,427	149,695
Other creditors	24	-
Accruals and deferred income	5	-
	<u>396,456</u>	<u>149,695</u>
	<u><u>396,456</u></u>	<u><u>149,695</u></u>

Amounts owed to Group undertakings are unsecured, bear interest at 1.5% - 3% and have a 1 year term for repayment

16 Creditors: amounts falling due after more than one year

Group	2015	2014
	£000	£000
Amounts owed to Group undertakings	314,813	420,156
Accruals and deferred income	419	1,652
	<u>315,232</u>	<u>421,808</u>
	<u><u>315,232</u></u>	<u><u>421,808</u></u>
Company	2015	2014
	£000	£000
Amounts owed to Group undertakings	724,042	827,281
	<u>724,042</u>	<u>827,281</u>
	<u><u>724,042</u></u>	<u><u>827,281</u></u>

Amounts owed to Group undertakings are unsecured, bear interest at 2% - 14%, have 3 year loan terms and contain clauses denying the repayment of the principal balance at any time

EMI Music Publishing Finance (UK) Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2015****17 Pension scheme****Defined contribution scheme**

The Group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Group to the scheme and amounted to £473,000 (2014 £566,000)

There were no outstanding or prepaid contributions at either the beginning or end of the financial year

Defined benefit scheme

As explained in the Strategic Report on page 2, the Group disposed of the net assets of its German subsidiaries on 30 March 2015. This includes the pension scheme operated by EMI Music Publishing Germany GmbH. As a result of this disposal, the defined benefit obligation is no longer recognised on the Group balance sheet

	2015 £000	2014 £000
Present value of funded defined benefit obligations	-	(10,422)
Net liability	-	(10,422)
Movement in present value of defined benefit obligation		
	2015 £000	2014 £000
At 1 April	(10,422)	(10,273)
Current service cost	(9)	(19)
Interest cost	(307)	(324)
Actuarial losses	(2,427)	(92)
Benefits paid	84	84
Exchange adjustments	1,408	202
Disposal of defined benefit obligation	11,673	-
At 31 March	-	(10,422)

EMI Music Publishing Finance (UK) Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2015****17 Pension schemes (continued)**

Expense recognised in the profit and loss account

	2015 £000	2014 £000
Current service cost	9	19
Interest on defined benefit pension plan obligation	307	324
Exchange adjustment	(1,408)	(202)
Total	(1,092)	141

The expense is recognised in the following line items in the profit and loss account

	2015 £000	2014 £000
Administrative expenses	9	19
Interest receivable and similar income	(1,408)	-
Interest payable and similar charges	307	122
	(1,092)	141

The total amount recognised in the consolidated statement of total recognised gains and losses in respect of actuarial losses is £2,427,000 (2014 £92,000)

EMI Music Publishing Finance (UK) Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2015****17 Pension schemes (continued)**

Principal actuarial assumptions (expressed as weighted averages) at the year end were as follows

	2015 %	2014 %
Discount rate	-	3.2
Future salary increases	-	3.0
Other material assumptions (e.g. future pension increases, inflation (RPI, CPI))	-	2.0

History of plans

The history of the plans for the current and prior years is as follows:

Balance sheet

	2015 £000	2014 £000	Unaudited 2013 £000	Unaudited 2012 £000	Unaudited 2011 £000
Present value of scheme liabilities	-	(10,422)	(10,273)	(8,351)	(7,773)
Deficit	-	(10,422)	(10,273)	(8,351)	(7,773)

	2015 %	2014 %	2013 %	2012 %	2011 %
Experience adjustments					
Experience adjustment on scheme liabilities	-	1.43	23.02	7.43	-0.32

EMI Music Publishing Finance (UK) Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2015

18 Called up share capital

Group	2015 £	2014 £
Allotted and fully paid		
2 (2014: 2) Ordinary shares of £1 each	<u>2</u>	<u>2</u>
Company		
Allotted and fully paid		
2 (2014: 2) Ordinary shares of £1 each	<u>2</u>	<u>2</u>

19 Reconciliation of movements in shareholders' (deficit)/funds

Group	Called up share capital £000	Share premium account £000	Other reserves £000	Profit & loss account £000	Total £000
At the 1 April 2014	-	753	169,397	(386,494)	(216,344)
Reclassification of amounts owed to and from group undertakings	-	-	-	5,475	5,475
Profit for the financial year	-	-	-	237,562	237,562
Actuarial loss on pension scheme	-	-	-	(2,427)	(2,427)
At 31 March 2015	<u>-</u>	<u>753</u>	<u>169,397</u>	<u>(145,884)</u>	<u>24,266</u>

EMI Music Publishing Finance (UK) Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2015****19 Reconciliation of movements in shareholders' (deficit)/funds (continued)****Company**

	Called up share capital £000	Share premium account £000	Other reserves £000	Profit & loss account £000	Total £000
As at 1 April 2014	-	753	169,397	(508,091)	(337,941)
Profit for the financial year	-	-	-	72,920	72,920
At 31 March 2015	-	753	169,397	(435,171)	(265,021)

20 Change in ownership

On 27 March 2015 the Company's immediate parent undertaking, BW Publishing Limited, sold the entire share capital of the Company consisting of 2 ordinary shares of £1 each, to EMI Music Publishing Group International B V, a member of the EMI Music Publishing Group

21 Ultimate parent company

The ultimate parent undertaking and controlling party of the Group is DH Publishing, L P, a partnership registered in the Cayman Islands

The Company's immediate parent undertaking is EMI Music Publishing Group International B V, a company registered in the Netherlands

The parent undertaking of the largest and smallest group to consolidate these financial statements is DH Publishing, L P

The address from which the financial statements can be requested is DH Publishing, L P, 190 Elgin Avenue, George Town, Grand Cayman, KY1-9005, Cayman Islands