

Subsidiary N° 01782046

COMPANY REGISTRATION NUMBER 06405600

**EMI Music Publishing Finance (UK) Limited**  
**Annual Report and Consolidated Financial Statements**  
**For the Year Ended 31 March 2018**



**EMI Music Publishing Finance (UK) Limited**  
**Annual Report and Consolidated Financial Statements**  
**Year ended 31 March 2018**

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<b>CONTENTS</b>	<b>PAGE</b>
Officers and Professional Advisers	1
Strategic Report	2
Directors' Report	5
Statement of Directors' Responsibilities in respect of the Annual Report and the Financial Statements	7
Independent Auditor's Report to the members of EMI Music Publishing Finance (UK) Limited	8
Consolidated Income Statement and Statement of Other Comprehensive Income	11
Consolidated Balance Sheet	12
Company Balance Sheet	13
Consolidated Statement of Changes in Equity	14
Company Statement of Changes in Equity	15
Consolidated Cash Flow Statement	16
Notes to the Financial Statements	17

**EMI Music Publishing Finance (UK) Limited**

**Officers and Professional Advisers**

**Year ended 31 March 2018**

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<b>The Board of Directors</b>	F Crimmins D H Johnson
<b>Company secretary</b>	TMF Corporate Administration Services Limited
<b>Registered office</b>	30 Golden Square London United Kingdom W1F 9LD
<b>Independent auditors</b>	BDO LLP Chartered Accountants and Statutory Auditors 55 Baker Street London W1U 7EU

**EMI Music Publishing Finance (UK) Limited****Strategic Report****Year ended 31 March 2018**

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 2018, detailing the main factors impacting upon the business during the year and a review of progress.

**Principal activities and business review**

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 2018 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 2018 or subsequently. The Directors do not anticipate any change to the principal activity of the Group during the next year.

As stated in the Consolidated Income Statement and Statement of Other Comprehensive Income on page 11 the Group made a loss before taxation of £1,537,000 in the year to 31 March 2018 compared with the previous year's profit before taxation of £70,342,000. Included in the loss before taxation in the year to 31 March 2018 is a foreign exchange loss of £56,824,000 (2017: £25,738,000 gain).

In the Consolidated Balance Sheet shown on page 12, the net assets of the Group have decreased by 2.8% from a net asset position the prior year.

	Group			Company		
	2018	2017	Change	2018	2017	Change
	£'000	£'000	%	£'000	£'000	%
(Loss)/profit before taxation	(1,537)	70,342	(102.2)	(56,648)	28,358	(299.9)
(Loss)/profit for the financial year	(3,246)	69,208	(104.7)	(56,684)	28,358	(299.9)
Total equity	111,914	115,160	(2.8)	(319,134)	(262,450)	(21.6)
NPS for the financial year	51,468	50,278	2.4	-	-	-
Operating profit	40,043	38,913	2.9	(32)	(32)	-

**Future developments**

On May 21, 2018, the Mubadala Investment Company-led Investor Group ("Mubadala"), which is the majority owner of Nile Acquisition Holding Company Limited ("NAHCL"), and Sony Corporation ("Sony"), which is the majority owner of Nile Acquisition LLC ("NALLC"), entered into a memorandum of understanding ("the Agreement") for the sale of the Mubadala's approximately 60% equity interest in EMI's Music Publishing business to Sony Corporation of America ("SCA"), a wholly owned subsidiary of Sony (the "Transaction"). On June 29, 2018, Mubadala and Sony executed a long form agreement replacing the Agreement. In July 2018, Sony acquired from the Estate of Michael Jackson ("the Estate") the 25.1% interest in NALLC held by the Estate. As a result of the acquisition, NALLC became a wholly-owned subsidiary of Sony. In August, US regulatory approval was received, and in October 2018, European Commission regulatory approval was received for the Transaction. This Transaction is expected to close in November 2018. As a result of this Transaction, EMI MP will become a wholly-owned subsidiary of SCA.

## **EMI Music Publishing Finance (UK) Limited**

### **Strategic Report**

**Year ended 31 March 2018**

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#### **Principal risks and uncertainties**

The principal risks and uncertainties facing the Company and Group concern the shift in the types of revenue sources in the worldwide market for recorded music, whose value increased overall by 8.1% in 2017, according to data from the IFPI. As physical sales and digital downloads have declined, digital subscription services have subsidised this loss and fuelled the growth in the whole market. As this change from physical revenue to streaming occurs, we still 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 song writers. 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.

#### **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. The Company and Group have short term debtors, repayable on demand.

##### *Recoverability of investments in subsidiaries*

The Company is a holding company so has a large portfolio of investments. In accordance with FRS 102.27 Impairment of Assets, if there are impairment indicators the carrying values are investments have been compared to their recoverable amounts, represented by their net realisable value, and impaired where appropriate.

##### *Credit risk*

The Company and Group have long term debtors. The risk that a debtor may fail to meet its repayment obligations is low because all of the debt is held and managed by the DH Publishing, L.P. group.

**EMI Music Publishing Finance (UK) Limited**

**Strategic Report (continued)**


**Year ended 31 March 2018**

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**Key performance indicators**

Key performance indicators ("KPIs") are designed to indicate how the Company and Group has performed on key ratios, and the Company and Group uses NPS margin and operating margin as the key performance indicators which are most appropriate. The Directors are satisfied with the performance of the Group and Company against these KPIs throughout the financial year.

Signed on behalf of the Directors:



F Crimmins  
Director

30 Golden Square  
London  
United Kingdom  
W1F 9LD

Approved by the Directors on 30/10/2018

## **EMI Music Publishing Finance (UK) Limited**

### **Directors' Report**

#### **Year ended 31 March 2018**

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The Directors present their annual report and audited consolidated financial statements for the year ended 31 March 2018. The comparatives are for the year ended 31 March 2017.

#### **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.

#### **Results and dividends**

The Group loss for the financial year amounted to £3,246,000 (2017: £69,208,000 profit). The Directors have not recommended a dividend for the year (2017: £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.

#### **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.

#### **Political contributions**

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

#### **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.

**EMI Music Publishing Finance (UK) Limited**

**Directors' Report (continued)**

**Year ended 31 March 2018**

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**Independent auditors**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and BDO LLP will therefore continue in office.

Signed on behalf of the Directors.



F Crimmins  
Director

30 Golden Square  
London  
United Kingdom  
W1F 9LD

Approved by the Directors on 30/10/2018



**EMI Music Publishing Finance (UK) Limited**

**Statement of Directors' Responsibilities in respect of the Annual Report and the Financial Statements**  
**Year ended 31 March 2018**

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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 Group and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practices (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 Company and of the profit or loss of the Group and 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 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 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**EMI Music Publishing Finance (UK) Limited**

**Independent Auditor's Report to the Members of EMI Music Publishing Finance (UK) Limited**

**Year ended 31 March 2018**

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**Opinion**

We have audited the financial statements of EMI Music Publishing Finance (UK) Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 March 2018 which comprise the Consolidated Income Statement and Statement of Other Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Statements of Changes in Equity, Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2018 and of its loss 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.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**EMI Music Publishing Finance (UK) Limited**

**Independent Auditor's Report to the Members of EMI Music Publishing Finance (UK) Limited  
(continued)**

**Year ended 31 March 2018**

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**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company's 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.

**Responsibilities of Directors**

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent 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 the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**EMI Music Publishing Finance (UK) Limited**

**Independent Auditor's Report to the Members of EMI Music Publishing Finance (UK) Limited  
(continued)**

**Year ended 31 March 2018**

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**Use of our report**

*This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.*



Andrew Viner (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
London

Date 30/10/2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**EMI Music Publishing Finance (UK) Limited****Consolidated Income Statement and Statement of Other Comprehensive Income****Year ended 31 March 2018**

	<i>Note</i>	<b>2018 £'000</b>	<b>2017 £'000</b>
<b>Turnover</b>	<b>3</b>	<b>206,687</b>	<b>193,347</b>
Cost of sales		<b>(156,651)</b>	<b>(144,508)</b>
<b>Gross profit</b>		<b>50,036</b>	<b>48,839</b>
Administrative expenses		<b>(10,000)</b>	<b>(9,941)</b>
Income from shares in group undertakings		<b>7</b>	<b>15</b>
<b>Operating profit</b>	<b>4</b>	<b>40,043</b>	<b>38,913</b>
Interest receivable and similar income	<b>7</b>	<b>54,892</b>	<b>59,472</b>
Interest payable and similar charges	<b>8</b>	<b>(96,472)</b>	<b>(28,043)</b>
<b>(Loss)/profit before taxation</b>		<b>(1,537)</b>	<b>70,342</b>
Tax on (loss)/profit	<b>9</b>	<b>(1,709)</b>	<b>(1,134)</b>
<b>(Loss)/profit and total comprehensive (expense)/income</b>		<b>(3,246)</b>	<b>69,208</b>

The notes on pages 17 to 33 form part of these financial statements.

All activities in the current year relate to continuing operations.

There are no material differences between the (loss)/profit before taxation and the (loss)/profit for the financial year stated above and their historical cost equivalents, for the current year and prior years.

There was no other comprehensive income in the current or prior year.

**EMI Music Publishing Finance (UK) Limited****Consolidated Balance Sheet****As at 31 March 2018**

	<i>Note</i>	2018 £'000	2017 £'000
<b>Fixed assets</b>			
Intangible assets	10	4,895	6,119
Tangible fixed assets	11	377	548
		<u>5,272</u>	<u>6,667</u>
<b>Current assets</b>			
Debtors (including £833,453,000 (2017: £nil) falling due after more than one year)	13	1,013,392	1,150,717
Cash at bank and in hand		47,461	33,420
		<u>1,060,853</u>	<u>1,184,137</u>
<b>Creditors: amounts falling due within one year</b>	14	<u>(355,574)</u>	<u>(1,075,644)</u>
<b>Net current assets</b>		<u>705,279</u>	<u>108,493</u>
<b>Total assets less current liabilities</b>		<u>710,551</u>	<u>115,160</u>
<b>Creditors: amounts falling due after more than one year</b>	15	<u>(598,637)</u>	<u>-</u>
<b>Net assets</b>		<u>111,914</u>	<u>115,160</u>
<b>Capital and reserves</b>			
Called up share capital	17	5,651	5,651
Share premium account		753	753
Other reserves		169,397	169,397
Profit and loss account		(63,887)	(60,641)
<b>Shareholders' funds</b>		<u>111,914</u>	<u>115,160</u>

The notes on pages 17 to 33 form part of these financial statements.

These financial statements on pages 11 to 33 were approved by the Board of Directors on 30/10/2018 and signed on their behalf by:

F Crimmins  
Director

  
Company Registration Number: 06405600

**EMI Music Publishing Finance (UK) Limited****Company Balance Sheet****Year ended 31 March 2018**

	<i>Note</i>	<b>2018 £'000</b>	<b>2017 £'000</b>
<b>Fixed assets</b>			
Investments	12	239,650	239,650
<b>Current assets</b>			
Debtors (including £720,336,000 (2017: £nil) falling due after more than one year)	13	779,101	922,582
Cash at bank and in hand		40,192	22,709
		<u>819,293</u>	<u>945,291</u>
<b>Creditors: amounts falling due within one year</b>	14	<u>(388,184)</u>	<u>(1,447,391)</u>
<b>Net current assets/(liabilities)</b>		<u>431,109</u>	<u>(502,100)</u>
<b>Total assets less current liabilities</b>		<u>670,759</u>	<u>(262,450)</u>
<b>Creditors: amounts falling due after more than one year</b>	15	<u>(989,893)</u>	<u>-</u>
<b>Net liabilities</b>		<u>(319,134)</u>	<u>(262,450)</u>
<b>Capital and reserves</b>			
Called up share capital	17	5,651	5,651
Share premium account		753	753
Other reserves		169,397	169,397
Profit and loss account		(494,935)	(438,251)
<b>Shareholders' deficit</b>		<u>(319,134)</u>	<u>(262,450)</u>

The notes on pages 17 to 33 form part of these financial statements.

As permitted by section 408 of the Companies Act 2006, the company has not presented its own Income Statement and Statement of Other Comprehensive Income and related notes. The Company's loss for the year was £56,684,000 (2017: £28,358,000 profit).

These financial statements were approved by the Board of Directors on 30/10/2018 and signed on their behalf by:



F Crimmins  
Director

Company Registration Number: 06405600

**EMI Music Publishing Finance (UK) Limited****Consolidated Statement of Changes in Equity****Year ended 31 March 2018**

	<b>Called up share capital £'000</b>	<b>Share premium account £'000</b>	<b>Other reserves £'000</b>	<b>Profit and loss account £'000</b>	<b>Total equity £'000</b>
<b>Balance at 1 April 2016</b>	5,651	753	169,397	(129,849)	45,952
<b>Total comprehensive income for the year</b>					
Profit for the financial year	-	-	-	69,208	69,208
Total comprehensive income for the year	-	-	-	69,208	69,208
<b>Balance at 31 March 2017</b>	<u>5,651</u>	<u>753</u>	<u>169,397</u>	<u>(60,641)</u>	<u>115,160</u>
<b>Balance at 1 April 2017</b>	5,651	753	169,397	(60,641)	115,160
<b>Total comprehensive income for the year</b>					
Loss for the financial year	-	-	-	(3,246)	(3,246)
Total comprehensive expense for the year	-	-	-	(3,246)	(3,246)
<b>Balance at 31 March 2018</b>	<u>5,651</u>	<u>753</u>	<u>169,397</u>	<u>(63,887)</u>	<u>111,914</u>

The notes on pages 17 to 33 form part of these financial statements.



**EMI Music Publishing Finance (UK) Limited****Company Statement of Changes in Equity****Year ended 31 March 2018**

	<b>Called up share capital £'000</b>	<b>Share premium account £'000</b>	<b>Other reserves £'000</b>	<b>Profit and loss account £'000</b>	<b>Total equity £'000</b>
<b>Balance at 1 April 2016</b>	5,651	753	169,397	(466,609)	(290,808)
<b>Total comprehensive income for the year</b>					
Profit for the financial year	-	-	-	28,358	28,358
Total comprehensive income for the year	-	-	-	28,358	28,358
<b>Balance at 31 March 2017</b>	<u>5,651</u>	<u>753</u>	<u>169,397</u>	<u>(438,251)</u>	<u>(262,450)</u>
<b>Balance at 1 April 2017</b>	5,651	753	169,397	(438,251)	(262,450)
<b>Total comprehensive income for the year</b>					
Loss for the financial year	-	-	-	(56,684)	(56,684)
Total comprehensive expense for the year	-	-	-	(56,684)	(56,684)
<b>Balance at 31 March 2018</b>	<u>5,651</u>	<u>753</u>	<u>169,397</u>	<u>(494,935)</u>	<u>(319,134)</u>

The notes on pages 17 to 33 form part of these financial statements.

**EMI Music Publishing Finance (UK) Limited****Consolidated Cash Flow Statement****Year ended 31 March 2018**

	<i>Note</i>	<b>2018 £'000</b>	<b>2017 £'000</b>
<b>Cash flows from operating activities</b>			
(Loss)/profit for the year		(3,246)	69,208
<i>Adjustments for:</i>			
Amortisation of intangible fixed assets	10	1,386	1,508
Depreciation of tangible fixed assets	11	171	189
Interest receivable and similar income	7	(54,892)	(33,734)
Interest payable and similar charges	8	39,648	28,043
Foreign exchange loss/(gain)	8	56,824	(25,738)
Taxation	9	1,709	1,134
		<u>41,600</u>	<u>40,610</u>
Decrease/(increase) in debtors		14,862	(155,858)
(Decrease)/increase in creditors due within one year		(678,174)	794,537
Increase/(decrease) in creditors due after more than one year		<u>620,604</u>	<u>(529,335)</u>
		(1,108)	149,954
Tax paid		<u>(1,689)</u>	<u>(1,134)</u>
<b>Net cash (used in)/from operating activities</b>		<u>(2,797)</u>	<u>148,820</u>
<b>Cash flows from investing activities</b>			
Acquisition of other intangible fixed assets	10	(162)	(697)
<b>Net cash used in investing activities</b>		<u>(162)</u>	<u>(697)</u>
<b>Cash flows from financing activities</b>			
Issue/(repayment) of loans from fellow group undertakings		17,000	(150,944)
<b>Net cash from/(used in) financing activities</b>		<u>17,000</u>	<u>(150,944)</u>
Net increase/(decrease) cash and cash equivalents		14,041	(2,821)
Cash and cash equivalents at 1 April		33,420	36,241
<b>Cash and cash equivalents at 31 March</b>		<u>47,461</u>	<u>33,420</u>

The notes on pages 17 to 33 form part of these financial statements.

## **EMI Music Publishing Finance (UK) Limited**

### **Notes to the Financial Statements**

**Year ended 31 March 2018**

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#### **1 Accounting policies**

EMI Music Publishing Finance (UK) 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 06405600 and the registered address is 30 Golden Square, London, United Kingdom, W1F 9LD.

These Group and parent company financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102"). The functional and presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The parent company is included the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- The reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included a second time;
- No separate parent company Cash Flow Statement with related notes is included;
- Key Management Personnel compensation has not been included a second time; and
- Certain disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 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 Group has made a loss for the financial year of £3,246,000 (2017: £69,208,000 profit) and has net current assets of £705,279,000 (2017: £108,493,000) at the reporting date.

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.

**EMI Music Publishing Finance (UK) Limited**

**Notes to the Financial Statements (continued)**

**Year ended 31 March 2018**

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**1 Accounting policies (continued)**

**Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 March 2018.

A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the Consolidated Income Statement from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

An associate is an entity in which the Group has significant influence, but not control, over the operating and financial policies of the entity. Significant influence is presumed to exist when the investors holds between 20% and 50% of the equity voting rights.

A joint venture is a contractual arrangement undertaking in which the Group exercises joint control over the operating and financial policies of the entity. Where the joint venture is carried out through an entity, it is treated as a jointly controlled entity. The Group's share of the profits less losses of associates and of jointly controlled entities is included in the Consolidated Income Statement and its interest in their net assets is recorded on the Balance Sheet using the equity method.

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 loss for the year was £56,684,000 (2017: £28,358,000 profit).

In the parent financial statements, investments in subsidiaries, jointly controlled entities and associates are carried at cost less impairment.

**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.

*Interest-bearing borrowings classified as basic financial instruments*

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

*Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

## **EMI Music Publishing Finance (UK) Limited**

### **Notes to the Financial Statements (continued)**

**Year ended 31 March 2018**

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#### **1 Accounting policies (continued)**

##### **Foreign currencies**

Transactions in foreign currencies are translated to the Group Companies' 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 Income Statement.

##### **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 DH Publishing, L.P. group or investees of the DH Publishing, L.P. group provided that any subsidiary which is party to the transaction is wholly owned by the group.

##### **Intangible assets**

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 10.

##### **Amortisation**

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.

##### **Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

The company assesses at each reporting date whether tangible fixed assets are impaired.

##### **Depreciation**

Depreciation 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 as follows.

- Computer equipment software 5 years
- Office machinery, furniture and fittings 5-10 years
- Fixtures and fittings 5-10 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

**EMI Music Publishing Finance (UK) Limited**

**Notes to the Financial Statements (continued)**

**Year ended 31 March 2018**

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**1 Accounting policies (continued)**

**Investments**

Fixed asset investments are shown at cost less amounts written off for impairment.

**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.

*Non-financial assets*

The carrying amounts of the entity's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. 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.

**Employee benefits**

*Defined contribution plans and other long term employee benefits*

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the Income Statement in the periods during which services are rendered by employees.

**Expenses**

*Interest receivable and Interest payable*

Interest payable and similar expenses include interest payable and net foreign exchange losses that are recognised in the Income Statement (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

**EMI Music Publishing Finance (UK) Limited**

**Notes to the Financial Statements (continued)**

**Year ended 31 March 2018**

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**1 Accounting policies (continued)**

**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 Income Statement.

*Other reserves*

Represents capital contributions.

**Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Income Statement 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. The following timing differences are not provided for:

- differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and
- differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference.

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.

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.

**EMI Music Publishing Finance (UK) Limited**

**Notes to the Financial Statements (continued)**

**Year ended 31 March 2018**

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**1 Accounting policies (continued)**

**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.

**2 Accounting estimates and judgements**

The Group and Company makes estimates and judgements concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. These estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

*Impairment of investments in subsidiaries and non-financial assets*

The Group and Company conducts impairment reviews of investments in subsidiaries and non-financial assets whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable or tests for impairment annually in accordance with the relevant accounting standards. Determining whether an asset is impaired requires an estimation of the recoverable amount, which requires the Group and Company to estimate the value in use which is based on future cash flows, and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, an impairment loss may arise. Management believe that any reasonable possible changes in the assumptions used in the impairment reviews would not affect management's view on impairment at current year end.

*Accrued income, writer royalties and advances*

The Company uses estimates to calculate writer royalties due for the second half of the year for all the royalty receipts and uses industry standard rates to estimate the royalty accruals.

Writer advances provisions were made during the year based on calculations used in the Company and across other affiliated companies that determine the recoverability advances.

*Depreciation of tangible fixed assets*

The Group determines the estimated useful lives, residual values and related depreciation charges for its tangible fixed assets with reference to the estimated periods that the Group intends to derive future economic benefits from the use of these assets. Management will revise the depreciation charge where useful lives or residual values are materially different from those previously estimated. Actual economic lives may differ from estimated useful lives and actual residual values may differ from estimated residual values. Periodic review could potentially result in a change in depreciable lives and residual values and therefore depreciation expenses in the future periods.



**EMI Music Publishing Finance (UK) Limited****Notes to the Financial Statements (continued)****Year ended 31 March 2018****2 Accounting estimates and judgements (continued)***Amortisation of intangible fixed assets*

The Group determines the estimated useful lives, residual values and related amortisation charges for its purchased rights in copyrights with reference to their licence periods or estimated periods that the Group intends to derive future economic benefits from the use of these assets. Management will revise the amortisation charge where useful lives or residual values are materially different from those previously estimated. Actual economic lives may differ from estimated useful lives and actual residual values may differ from estimated residual values. Periodic review could potentially result in a change in amortisable lives and residual values and therefore amortisation expenses in the future periods.

**3 Turnover**

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

An analysis of turnover by geographical market is given below:

	2018 £'000	2017 £'000
United Kingdom	72,748	69,928
Rest of Europe	87,869	78,320
USA	29,566	29,786
Rest of the World	16,504	15,313
	<u>206,687</u>	<u>193,347</u>

**4 Operating profit**

	2018 £'000	2017 £'000
Included in profit is the following:		
Auditor's remuneration - audit of these financial statements	185	205
Amortisation of intangible assets	1,386	1,508
Depreciation of tangible fixed assets	171	189
Foreign exchange loss/(gains)	<u>56,824</u>	<u>(25,738)</u>

**5 Directors' remuneration**

The Directors did not receive any emoluments directly from the Group in respect of their services (2017: £nil) however, they were remunerated by a member of the DH Publishing, L.P Group for their services to the Group as a whole.

**EMI Music Publishing Finance (UK) Limited****Notes to the Financial Statements (continued)****Year ended 31 March 2018****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:

	2018 Number	2017 Number
Marketing and professional divisions	33	34
Service divisions	39	40
	<u>72</u>	<u>74</u>

The aggregate payroll costs of these persons were as follows:

	2018 £'000	2017 £'000
Wages and salaries	6,082	5,317
Social security costs	789	655
Other pension costs	462	426
	<u>7,333</u>	<u>6,398</u>

**7 Interest receivable and similar income**

	2018 £'000	2017 £'000
Foreign exchange gains	-	25,738
Interest receivable on loans to fellow Group undertakings	54,813	33,729
Other interest receivable	79	5
Total interest receivable	<u>54,892</u>	<u>59,472</u>

**8 Interest payable and similar charges**

	2018 £'000	2017 £'000
Foreign exchange losses	56,824	-
Interest payable on loans from fellow Group undertakings	39,648	27,992
Other interest payable	-	51
Total interest payable	<u>96,472</u>	<u>28,043</u>

**EMI Music Publishing Finance (UK) Limited****Notes to the Financial Statements (continued)****Year ended 31 March 2018****9 Taxation****Total tax expense recognised in the Income Statement**

	<b>2018</b>	<b>2018</b>	<b>2017</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<i>Current tax</i>				
Current tax on loss for the year	<b>1,689</b>		1,516	
Adjustments in respect of prior years	<b>46</b>		(38)	
Total current tax		<b>1,735</b>		<b>1,478</b>
<i>Deferred tax</i>				
Origination and reversal of timing differences	<b>52</b>		(344)	
Adjustments in respect of prior years	<b>(78)</b>		-	
Total deferred tax		<b>(26)</b>		<b>(344)</b>
<b>Total tax</b>		<b>1,709</b>		<b>1,134</b>

**Reconciliation of effective tax rate**

	<b>2018</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
(Loss)/profit before taxation	<b>(1,537)</b>	<b>70,342</b>
Tax using the UK corporation tax rate of 19% (2017 - 20%)	<b>(292)</b>	<b>14,068</b>
<i>Effect of:</i>		
Fixed asset differences	<b>11</b>	<b>12</b>
Expenses not deductible for tax purposes	<b>10</b>	<b>48</b>
Other permanent differences	<b>(315)</b>	<b>(303)</b>
Group relief claimed	<b>(2,647)</b>	<b>(9,872)</b>
Foreign tax suffered	<b>1,689</b>	<b>1,516</b>
Adjustments in respect of prior years	<b>(32)</b>	<b>(38)</b>
Adjustment to deferred tax in respect of corporation tax rate change	<b>342</b>	<b>(174)</b>
Deferred tax not recognised	<b>2,943</b>	<b>-</b>
Utilisation of brought forward losses	<b>-</b>	<b>(4,123)</b>
<b>Total tax expense included in profit or loss</b>	<b>1,709</b>	<b>1,134</b>

**Unrecognised deferred tax asset**

At the balance sheet date the Company had an unrecognised deferred tax asset of £6,925,216 (2017: £3,429,070) in relation to tax deductions as a result of excess interest deductions and capital allowances available for offset against future profits.

**EMI Music Publishing Finance (UK) Limited****Notes to the Financial Statements (continued)****Year ended 31 March 2018****9 Taxation (continued)****Factors affecting future tax charge**

Reductions in the main rate of UK corporation tax from 20% (effective 1 April 2015) to 19% and 17% (effective from 1 April 2017 and 1 April 2020 respectively) were substantively enacted at the balance sheet date. This will reduce the Company's future current tax charge accordingly.

**10 Intangible assets**

<b>Group</b>	<b>Copyrights £'000</b>
<b>Cost</b>	
At 1 April 2017	38,998
Additions	162
At 31 March 2018	<u>39,160</u>
<b>Amortisation and impairment</b>	
At 1 April 2017	32,879
Amortisation for the year	1,386
At 31 March 2018	<u>34,265</u>
<b>Net book value</b>	
At 31 March 2018	<u>4,895</u>
At 31 March 2017	<u>6,119</u>

The Company has no intangible assets.

**EMI Music Publishing Finance (UK) Limited****Notes to the Financial Statements (continued)****Year ended 31 March 2018****11 Tangible fixed assets**

<b>Group</b>	<b>Office machinery, furniture and fittings £'000</b>	<b>Fixtures and fittings £'000</b>	<b>Computer equipment software £'000</b>	<b>Total £'000</b>
<b>Cost</b>				
<b>At 31 March 2017 and 31 March 2018</b>	<b>160</b>	<b>1,158</b>	<b>4,645</b>	<b>5,963</b>
<b>Depreciation and impairment</b>				
At 1 April 2017	149	632	4,634	5,415
Depreciation charge for the year	3	160	8	171
<b>At 31 March 2018</b>	<b>152</b>	<b>792</b>	<b>4,642</b>	<b>5,586</b>
<b>Net book value</b>				
<b>At 31 March 2018</b>	<b>8</b>	<b>366</b>	<b>3</b>	<b>377</b>
At 31 March 2017	11	526	11	548

The Company has no tangible fixed assets.

**12 Fixed asset investments**

	<b>Shares in group undertakings £'000</b>
<b>Cost</b>	
At beginning of year	239,650
<b>Net book value</b>	
<b>As at 31 March 2018</b>	<b>239,650</b>

In the opinion of the Directors, the aggregate 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 2018****12 Fixed asset investments (continued)***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 company has the following investments in subsidiaries, associates and joint ventures whose activity is that of music publishing.

Subsidiary undertaking	Country of Incorporation	Class of share held	Ownership 2018 %	Ownership 2017 %
EMI Music Publishing Limited (A)†	UK	Ordinary	100	100
EMI Songs Limited (A)†	UK	Ordinary	100	100
EMI Music Publishing Tunes Limited (A)†	UK	Ordinary	100	100
EMI United Partnership Limited (A)†	UK	Ordinary	100	100
EMI Music Publishing Europe Limited (A)†	UK	Ordinary	100	100
EMI MP UK Spareco 167 Limited (B)(C)†	UK	Ordinary	100	100
Acton Green Music Limited (A)	UK	Ordinary	100	100
Bardell Smith Publishing Limited (A)	UK	Ordinary	100	100
Cinderella Music Limited (B)(C)	UK	Ordinary	100	100
EMI Music Publishing Copyright Holdings Limited (B)(C)	UK	Ordinary	100	100
EMI Melodies Limited (A)	UK	Ordinary	100	100
Laurel Music Company Limited (B)(C)	UK	Ordinary	100	100
Loma Music Company Limited (B)(C)	UK	Ordinary	100	100
Mercury Music Co Limited (B)(C)	UK	Ordinary	100	100
Motor Music Limited (A)	UK	Ordinary	100	100
And Son Music Limited (A)	UK	Ordinary	100	100
Ardmore & Beechwood Limited (A)	UK	Ordinary	100	100
B.Feldman & Co. Limited (A)	UK	Ordinary	100	100
Berry Music Co Limited (B)(C)	UK	Ordinary	100	100
Big Ben Music Limited (A)	UK	Ordinary	100	100
Biot Music Limited (B)(C)	UK	Ordinary	100	100
Dix Limited (B)(C)	UK	Ordinary	100	100
Donna Music Limited (B)(C)	UK	Ordinary	100	100
EMI Film & Theatre Music Limited (A)	UK	Ordinary	100	100
EMI Harmonies Limited (A)	UK	Ordinary	100	100
EMI Music Publishing Mills Music Limited (B)(C)	UK	Ordinary	100	100
EMI Multimood Music Limited (B)(C)	UK	Ordinary	100	100
Francis Day & Hunter Limited (A)	UK	Ordinary	100	100
General Music UK Limited (A)	UK	Ordinary	100	100
Gloucester Place Music Limited (A)	UK	Ordinary	100	100
Hit & Run Music (Publishing) Limited (A)	UK	Ordinary	100	100
Arcadia 99 Limited (A)	UK	Ordinary	100	100
Charisma Music Publishing Co. Limited(The) (A)	UK	Ordinary	100	100
K.P.M. Music Limited (B)(C)	UK	Ordinary	100	100
DGI Library Limited (A)	UK	Ordinary	100	100
The Ded Good Music Library Limited (A)	UK	Ordinary	100	100
Keith Prowse Music Publishing Company Limited (B)(C)	UK	Ordinary	100	100
Lawrence Wright Music Company Limited (B)(C)	UK	Ordinary	100	100

**EMI Music Publishing Finance (UK) Limited****Notes to the Financial Statements (continued)****Year ended 31 March 2018****12 Fixed asset investments (continued)**

Subsidiary undertaking	Country of incorporation	Class of share held	Ownership 2018 %	Ownership 2017 %
Levels Songs Limited (A)	UK	Ordinary	100	100
Music House (International) Limited (A)	UK	Ordinary	100	100
Nisbet and Beck Music Limited (A)	UK	Ordinary	100	100
Sam Fox Publishing Company (London) Limited (B)(C)	UK	Ordinary	100	100
Screen Gems-EMI Music Limited (B)(C)	UK	Ordinary	100	100
Peter Maurice Music Company Limited(The) (A)	UK	Ordinary	100	100
Themes International (Music) Limited (A)	UK	Ordinary	100	100
Delabel Music Publishing (UK) Limited (A)	UK	Ordinary	100	100
Robbins Music Corporation Limited (B)(C)	UK	Ordinary	100	100
Peers Music Limited (A)	UK	Ordinary	100	100
Play MusicFinder Limited (B)(C)	UK	Ordinary	100	100
Purple Fox Limited (A)	UK	Ordinary	100	100
Purple Firefly Limited (B)(C)	UK	Ordinary	100	100
Manchester Music Limited (B)(C)	UK	Ordinary	100	100
EMI Paradise Music Limited*	UK	Ordinary	67	67
Touch it Music Production Limited (A)	UK	Ordinary	100	100
Hit and Run Music (Publishing) Inc. (A)	USA	Ordinary	100	100
Hidden Pun Music Inc (A)	USA	Ordinary	100	100
Charisma Music Publishing USA Inc. (A)	USA	Ordinary	100	100

(A) Subsidiaries that are exempt from audit by virtue of S479A of the Companies Act 2006.

(B) Dormant subsidiaries that are exempt from preparing individual accounts by virtue of S394A of the Companies Act 2006.

(C) Dormant subsidiaries that are exempt from filing with the registrar individual accounts by virtue of S448A of the Companies Act 2006.

† Directly owned

\* 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.

The following are the principal undertakings in which the Company's interest as at 31 March 2018 is more than 20%, and whose activity is that of music publishing.

	Country of Incorporation	Class of share held	Ownership 2018 %	Ownership 2017 %
<b>Associated undertakings - associates</b>				
Box & Cox Publications Limited (A)	UK	Ordinary	24	24
British Lion Music Limited (A)	UK	Ordinary	40	40
Hermusic Limited	UK	Ordinary	40	40
<b>Associated undertakings - joint ventures</b>				
Kennedy Street Music Limited	UK	Ordinary	50	50
Moss Rose Music Limited	UK	Ordinary	50	50

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.

**EMI Music Publishing Finance (UK) Limited****Notes to the Financial Statements (continued)****Year ended 31 March 2018****13 Debtors**

<b>Group</b>	<b>2018 £'000</b>	<b>2017 £'000</b>
Trade debtors	13,697	11,947
Amounts owed by Group undertakings	900,223	1,037,196
Other debtors	19	1
Prepayments and accrued income	99,453	101,573
	<u>1,013,392</u>	<u>1,150,717</u>
Due within on year	179,939	1,150,717
Due after more than one year	833,453	-
	<u>1,013,392</u>	<u>1,150,717</u>
<b>Company</b>	<b>2018 £'000</b>	<b>2017 £'000</b>
Amounts owed by Group undertakings	779,101	922,582
	<u>779,101</u>	<u>922,582</u>
Due within on year	58,765	922,582
Due after more than one year	720,336	-
	<u>779,101</u>	<u>922,582</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 2018****14 Creditors: amounts falling due within one year**

<b>Group</b>	<b>2018 £'000</b>	<b>2017 £'000</b>
Trade creditors	125,381	113,736
Amounts owed to Group undertakings	221,264	953,281
Taxation and social security	3,907	3,769
Other creditors	-	8
Accruals and deferred income	5,022	4,850
	<u>355,574</u>	<u>1,075,644</u>
<b>Company</b>	<b>2018 £'000</b>	<b>2017 £'000</b>
Trade creditors	51	-
Amounts owed to Group undertakings	388,064	1,447,386
Taxation and social security	69	5
	<u>388,184</u>	<u>1,447,391</u>

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

**15 Creditors: amounts falling due after more than one year**

<b>Group</b>	<b>2018 £'000</b>	<b>2017 £'000</b>
Amounts owed to Group undertakings	598,637	-
	<u>598,637</u>	<u>-</u>
<b>Company</b>	<b>2018 £'000</b>	<b>2017 £'000</b>
Amounts owed to Group undertakings	989,893	-
	<u>989,893</u>	<u>-</u>

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

**EMI Music Publishing Finance (UK) Limited****Notes to the Financial Statements (continued)****Year ended 31 March 2018****16 Employee benefit****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 £462,038 (2017: £426,000).

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

**17 Capital and reserves**

Share capital	2018 £	2017 £
<b>Allotted and called up</b>		
5,650,818 (2017: 5,650,818) Ordinary shares of £1 each	<u>5,650,818</u>	<u>5,650,818</u>

**18 Financial instruments****Group - Carrying amount of financial instruments**

The carrying amount of financial assets and liabilities include:

	2018 £'000	2017 £'000
<b>Financial assets measured at amortised cost</b>		
Cash and cash equivalents	47,461	33,420
Trade and other debtors	13,716	11,947
Amounts owed by group undertakings	900,223	1,037,196
Accrued income	49,475	48,291
	<u>1,010,875</u>	<u>1,130,854</u>
<b>Financial liabilities measured at amortised cost</b>		
Trade and other creditors	125,381	113,744
Amounts owed to group undertakings	819,901	953,281
Accruals	4,219	4,468
	<u>949,501</u>	<u>1,071,493</u>

**19 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 DH Publishing, L.P. group or investees of the DH Publishing, L.P. group provided that any subsidiary which is party to the transaction is wholly owned by the group.

**EMI Music Publishing Finance (UK) Limited**

**Notes to the Financial Statements (continued)**

**Year ended 31 March 2018**

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**20 Ultimate parent company and parent company of larger group**

The Company is a subsidiary undertaking of DH Publishing, L.P. The ultimate controlling party is DH Publishing, L.P., a partnership registered in the Cayman Islands.

The largest and smallest group in which the results of the Company are consolidated is that headed by DH Publishing, L.P. The consolidated financial statements of these groups are available to the public and may be obtained from 190 Elgin Avenue, George Town, George Town, Grand Cayman, KY1-9005, Cayman Islands.

**21. Subsequent events**

On May 21, 2018, the Mubadala, which is the majority owner of NAHCL, and Sony, which is the majority owner of NALLC, entered into a memorandum of understanding ("the Agreement") for the sale of the Mubadala's approximately 60% equity interest in EMI's Music Publishing business to SCA, a wholly owned subsidiary of Sony (the "Transaction"). On June 29, 2018, Mubadala and Sony executed a long form agreement replacing the Agreement. In July 2018, Sony acquired from the Estate of Michael Jackson ("the Estate") the 25.1% interest in NALLC held by the Estate. As a result of the acquisition, NALLC became a wholly-owned subsidiary of Sony. In August, US regulatory approval was received, and in October 2018, European Commission regulatory approval was received for the Transaction. This Transaction is expected to close in November 2018. As a result of this Transaction, EMI MP will become a wholly-owned subsidiary of SCA.