

COMPANY REGISTRATION NUMBER 01782046

EMI Music Publishing Tunes Limited
Annual Report and Financial Statements
For the Year Ended 31 March 2018

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EMI Music Publishing Tunes Limited
Annual Report and Financial Statements
Year ended 31 March 2018

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EMI Music Publishing Tunes Limited

Officers and Professional Advisers

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

EMI Music Publishing Tunes Limited

Directors' Report

Year ended 31 March 2018

The Directors present their report and the unaudited financial statements of EMI Music Publishing Tunes Limited ("the Company") for the year ended 31 March 2018. The comparatives are for the year ended 31 March 2017.

Going concern

The Directors of the EMI Music Publishing Group ("the 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 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.

Principal activities and business review

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

The Company made a loss before taxation of £796,311 compared with a £598,513 loss before taxation in the prior year.

The Company has net liabilities of £6,010,395 (2017: £5,214,084) at the reporting date. The turnover of the Company is generated from usage of the songs written by the Company's composers and will vary in any given year alongside the market conditions and popularity of various genres of music. Direct costs attributed to the turnover are the writer's shares of the royalties earned on their compositions. The Company employs no staff and has no separate facilities or overheads, except for those recharged for services rendered by other companies in the EMI Music Publishing Group.

Results and dividends

The loss for the financial year amounted to £796,311 (2017: £598,513). The Directors have not recommended a dividend (2017: £nil).

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

Future developments

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.

Directors

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

Qualifying third party indemnity provisions

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

EMI Music Publishing Tunes Limited

Company Registration Number 01782046

Directors' Report (continued)

Year ended 31 March 2018

Political contributions

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

Signed on behalf of the Directors



F Crimmins
Director

30 Golden Square
London
United Kingdom
W1F 9LD

Approved by the Directors on 30/10/18

EMI Music Publishing Tunes Limited

Statement of Directors' Responsibilities in respect of the Annual Report and the Financial Statements

Year ended 31 March 2018

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

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

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

EMI Music Publishing Tunes Limited**Income Statement****Year ended 31 March 2018**

	<i>Note</i>	2018 £	2017 £
Interest payable and similar expenses	2	(796,311)	(598,513)
Loss before taxation		<u>(796,311)</u>	<u>(598,513)</u>
Tax on loss		-	-
Loss for the financial year		<u><u>(796,311)</u></u>	<u><u>(598,513)</u></u>

The notes on pages 8 to 12 form part of these financial statements.

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

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

EMI Music Publishing Tunes Limited

Company Registration Number 01782046

Balance Sheet**At 31 March 2018**

	<i>Note</i>	2018 £	2017 £
Fixed assets			
Investments	5	33,405	33,405
Current assets			
Debtors	6	15,036,677	15,036,757
Creditors: amounts falling due within one year	7	(21,080,477)	(20,284,246)
Net current liabilities		(6,043,800)	(5,247,489)
Net liabilities		(6,010,395)	(5,214,084)
Capital and reserves			
Called up share capital	8	5,186,054	5,186,054
Share premium account		54,025	54,025
Profit and loss account		(11,250,474)	(10,454,163)
Shareholders' funds		(6,010,395)	(5,214,084)

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

For the year ending 31 March 2018 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

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

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

The notes on pages 8 to 12 form part of these financial statements.

These financial statements on pages 6 to 12 were approved by the Board of Directors on 30/10/18 and signed on their behalf by:



F Crummins
Director

Company Registration Number: 01782046

EMI Music Publishing Tunes Limited

Notes to the Financial Statements

Year ended 31 March 2018

1. Accounting policies

EMI Music Publishing Tunes Limited (the "Company") is a private company incorporated, domiciled and registered in England and Wales in the United Kingdom. The registered number is 01782046 and the registered address is 30 Golden Square, London, W1F 9LD.

The Company is exempt by virtue of subject to the small companies regime of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its Group.

These financial statements were prepared in accordance with the provisions of FRS 102 Section 1A – Small Entities. The presentation currency of these financial statements is sterling. All amounts are rounded to the nearest £1.

As the consolidated financial statements of DH Publishing, L.P. include the equivalent disclosures, the Company has taken exemptions under FRS 102 available in respect of certain disclosures required by FRS 102.11 Basic Financial Instruments.

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 10.

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

EMI Music Publishing Tunes Limited has made a loss for the financial year of £796,311 (2017: £598,513) and has net current liabilities of £6,043,800 (2017: £5,247,489) and net liabilities of £6,010,395 (2017: £5,214,084) at the reporting date.

The Directors of EMI Music Publishing Group (the "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 the financial projections the Directors have concluded that they have a reasonable expectation that the Company 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.

Cash flow statement

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

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 Tunes Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2018

1. Accounting policies (continued)

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. 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.

Foreign currency

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

Investments

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

Debtors - royalty advances

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

Expenses

Interest payable

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

Interest payable is recognised in profit or loss as it accrues, using the effective interest method.

EMI Music Publishing Tunes Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2018****2. Interest payable and similar expenses**

	2018	2017
	£	£
Interest payable on loans from group undertakings	<u>796,311</u>	<u>598,513</u>

3. Directors' remuneration

The Directors, who are also the Company key management, received no remuneration for their services to the Company during the year (2017: £nil).

The Directors were remunerated by a member of the US Group for their services to the Group as a whole.

4. Staff numbers and costs

The Company had no employees (2017: none).

5. Fixed asset investments

	Shares at cost
	£
Cost	
At 1 April 2017	33,405
At 31 March 2018	<u>33,405</u>
Net book value	
At 31 March 2018	<u>33,405</u>
At 31 March 2017	<u>33,405</u>

EMI Music Publishing Tunes Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2018****5. Fixed asset investments (continued)**

The details of the unquoted investments in joint ventures and associated undertakings whose activity is that of music publishing, are as follows:

	Country of incorporation	Class of shares held	Ownership 2018 %	Ownership 2017 %
Acton Green Music Limited	UK	Ordinary	100	100
Bardell Smith Publishing Limited	UK	Ordinary	100	100
Cinderella Music Limited	UK	Ordinary	100	100
EMI Melodies Limited	UK	Ordinary	100	100
Laurel Music Company Limited	UK	Ordinary	100	100
Lorna Music Company Limited	UK	Ordinary	100	100
Mercury Music Company Limited	UK	Ordinary	100	100
Motor Music Limited	UK	Ordinary	67	67
EMI Music Publishing Copyright Holdings 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, United Kingdom.

In the opinion of the Directors, the aggregate value of interests consisting of shares in and balances with joint ventures and associated undertakings, is not less than the amounts at which those investments are stated in the Balance Sheet.

6. Debtors

	2018 £	2017 £
Amounts owed by group undertakings	<u>15,036,677</u>	<u>15,036,757</u>

At 31 March 2018, debtors falling due after more than one year amounted to £nil (2017: £nil).

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

7. Creditors: amounts falling due within one year

	2018 £	2017 £
Amounts owed to group undertakings	<u>21,080,477</u>	<u>20,284,246</u>

Amounts owed to group undertakings are unsecured, bear interest at 4%, have no fixed date of repayment and are repayable on demand.

EMI Music Publishing Tunes Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2018****8. Capital and reserves****Share capital****Allotted, called up and fully paid:**

	2018	2017
	£	£
51,860,543 (2017: 51,860,543) Ordinary shares of £0.10 each at 1 April and at 31 March	<u>5,186,054</u>	<u>5,186,054</u>

9. 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 Group in which the results of the Company are consolidated is that headed by DH Publishing, L.P., 190 Elgin Avenue, George Town, Grand Cayman, KY1-9005, Cayman Islands. The smallest Group in which they are consolidated is that headed by EMI Music Publishing Finance (UK) Limited, 30 Golden Square, London, W1F 9LD, United Kingdom. The consolidated financial statements of these Groups are available to the public and may be requested from 30 Golden Square, London, W1F 9LD, United Kingdom.

10. Accounting estimates and judgements

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

11. 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.