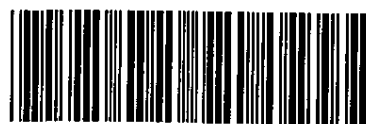


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COMPANY REGISTRATION NUMBER 06405600

EMI Music Publishing Finance (UK) Limited
Annual Report and Financial Statements
For the Year Ended 31 March 2014

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EMI Music Publishing Finance (UK) Limited

Annual Report and Financial Statements

Year ended 31 March 2014

CONTENTS	PAGE
Officers and Professional Advisers	1
Strategic Report	2
Directors' Report	4
Statement of Directors' Responsibilities	6
Independent Auditors' Report to the Members of EMI Music Publishing Finance (UK) Limited	7
Consolidated Profit and Loss Account	9
Consolidated Balance Sheet	10
Company Balance Sheet	11
Consolidated Statement of Total Recognised Gains and Losses	12
Notes to the Financial Statements	13

EMI Music Publishing Finance (UK) Limited

Officers and Professional Advisers

Year ended 31 March 2014

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 2014**

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 2014, 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 BW Publishing Ltd 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 2014 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 2014 or subsequently. The Directors do not anticipate any change to the principal activity of the Group during the next year.

	Group			Company		
	2014	2013	Change	2014	2013	Change
	£000	£000	%	£000	£000	%
Profit/(loss) before tax	50,027	(81,333)	161.51	(17,382)	(52,714)	67.03
Profit/(loss) after tax	45,867	(74,419)	161.63	(17,382)	(52,714)	67.03
Shareholders' deficit	(216,344)	(262,108)	17.46	(337,941)	(320,559)	5.42

As stated in the consolidated profit and loss account on page 9 the Group made a profit before tax of £50,027,000 in the year to 31 March 2014 compared with the previous year's loss before tax of £81,333,000. The change in profit before tax is mainly due to the significant write back of provisions against intercompany balances and an exceptional significant one-off payment relating to the finalisation of a subsidiaries pension plan liability in prior year, alongside a significant gain on disposal of an asset within the group in the current year.

Exceptional items in the year include the sale of EMI Music Publishing Consortium Ltd, previously held 100% by the company. A gain on disposal of £29,200,000 was recognised in regard to this transaction.

In the consolidated balance sheet shown on page 10, the net liabilities of the Group have decreased by 17 per cent mainly due to increased net intercompany liabilities.

Principal risks and uncertainties

The principal risks and uncertainties facing the Group concern the value of the worldwide market for recorded music which contracted 2% in 2013 and is forecasted to grow 1% in 2014 according to data from the IFPI. Whilst forecasts into 2017 see 3-4% growth in the worldwide recorded music market, the growth is assumed to be driven by digital subscription services. Thus, we believe that new digital products and services will drive a return to overall industry growth, but there are no assurances of the timing or extent of any improvement. This lag in digital services growth offsetting mechanical decline may have a negative impact, as the Group generates a significant portion of its revenues from mechanical royalties, primarily from the sale of music in CD and other formats. We are 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.

EMI Music Publishing Finance (UK) Limited

Strategic Report (continued)

Year ended 31 March 2014

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 has 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 23/12/2014

EMI Music Publishing Finance (UK) Limited

Directors' Report

Year ended 31 March 2014

The Directors present their annual report and audited consolidated financial statements for the year ended 31 March 2014. The comparatives are for the year ended 31 March 2013, and are unaudited.

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 is part of the DH Publishing, L.P. group'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 £45,867,000 (2013: £74,419,000 loss). The directors have not recommended a dividend (2013: £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 2014

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 auditor

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

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office

Signed on behalf of the directors



F Crimmins
Director

Registered Office
30 Golden Square
London
W1F 9LD

Approved by the directors on 23/12/2014

EMI Music Publishing Finance (UK) Limited

Statement of Directors' Responsibilities

Year ended 31 March 2014

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 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 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and the Group and to prevent and detect 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 the financial statements, defined below:

- give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2014 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The group financial statements and company financial statements (the "financial statements"), which are prepared by EMI Music Publishing Finance (UK) Limited, comprise:

- the consolidated and company balance sheets as at 31 March 2014;
- 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 their preparation 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.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("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.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements 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.

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 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.

Other matter

Group financial statements - Comparatives

The consolidated financial statements for the year ended 31 March 2013, forming the corresponding figures of the consolidated financial statements for the year ended 31 March 2014, are unaudited.



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

23 December 2014

EMI Music Publishing Finance (UK) Limited**Consolidated Profit and Loss Account****Year ended 31 March 2014**

	<i>Note</i>	2014 £000	2013 £000
Turnover		173,744	181,523
Cost of sales		(124,127)	(162,697)
Gross profit		49,617	18,826
<i>Administrative expenses</i>			
Reorganisation costs		(3,764)	(7,474)
Costs recharged to management company		6,941	5,513
Exceptional pension payment		-	(47,500)
Other non-exceptional costs		(24,602)	(31,272)
Total administration expenses		(21,425)	(80,733)
Other operating income	6	29,200	476
Income from shares in group undertakings		4	12
Operating profit / (loss)		57,396	(61,419)
Interest receivable and similar income	7	7,206	46,727
Interest payable and similar charges	8	(14,575)	(66,641)
Profit / (loss) on ordinary activities before taxation	3	50,027	(81,333)
Tax on profit/(loss) on ordinary activities	9	(4,160)	6,914
Profit / (loss) for the financial year		45,867	(74,419)

The notes on pages 13 to 30 form part of these financial statements

All of the activities of the Group are classed as continuing for the current year and prior years


There are no material differences between the profit/(loss) on ordinary activities before taxation and the profit/(loss) 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****At 31 March 2014**

		2014 £000	Unaudited 2013 £000
	<i>Notes</i>		
Fixed assets			
Intangible assets	10	10,639	12,920
Tangible assets	11	1,955	2,094
		<u>12,594</u>	<u>15,014</u>
Current assets			
Debtors (including £350,413,000 (2013: £nil) due after more than one year)	13	465,126	591,583
Cash at bank and in hand		24,553	58,470
		<u>489,679</u>	<u>650,053</u>
Creditors: amounts falling due within one year	14	<u>(286,387)</u>	<u>(916,902)</u>
Net current assets / (liabilities)		<u>203,292</u>	<u>(266,849)</u>
Total assets less current liabilities		<u>215,886</u>	<u>(251,835)</u>
Creditors: amounts falling due after more than one year	15	<u>(421,808)</u>	<u>-</u>
Net liabilities excluding pension liabilities		<u>(205,922)</u>	<u>(251,835)</u>
Pension liabilities	16	<u>(10,422)</u>	<u>(10,273)</u>
Net liabilities including pension		<u>(216,344)</u>	<u>(262,108)</u>
Capital and reserves			
Called up share capital	17	-	-
Share premium account	18	753	753
Other reserves	18	169,397	169,397
Profit and loss account	18	(386,494)	(432,258)
Total Shareholder's deficit	18	<u>(216,344)</u>	<u>(262,108)</u>

The notes on pages 13 to 30 form part of these financial statements.

These financial statements on pages 9 to 30 were approved by the Board of Directors on 23/12/2014 and signed on their behalf by:


F Crimmins
Director

EMI Music Publishing Finance (UK) Limited**Company Balance Sheet****At 31 March 2014**

		2014 £000	Unaudited 2013 £000
Fixed assets	<i>Notes</i>		
Investments	12	238,369	239,266
Current assets			
Debtors (including £382,721,000 (2013: £nil) due after more than one year)	13	388,812	426,215
Cash at bank and in hand		11,854	10,591
Creditors: amounts falling due within one year	14	(149,695)	(996,631)
Net current assets / (liabilities)		250,971	(559,825)
Total assets less current liabilities		489,340	(320,559)
Creditors: amounts falling due after more than one year	15	(827,281)	-
Net liabilities		(337,941)	(320,559)
Capital and reserves			
Called up share capital	17	-	-
Share premium account	18	753	753
Other reserves	18	169,397	169,397
Profit and loss account	18	(508,091)	(490,709)
Total Shareholder's deficit	18	(337,941)	(320,559)

The notes on pages 13 to 30 form part of these financial statements

These financial statements on pages 9 to 30 were approved by the Board of Directors on 23/12/2014 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 2014**

	2014	Unaudited
	£000	2013
		£000
Profit / (loss) for the financial year	45,867	(74,419)
Actuarial loss recognised in the pension scheme	(92)	(1,475)
Exchange adjustment	(11)	-
Total recognised gains and losses relating to the financial year	<u>45,764</u>	<u>(75,894)</u>

EMI Music Publishing Finance (UK) Limited

Notes to the Financial Statements

Year ended 31 March 2014

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 £45,867,000 (2013: loss of £74,419,000) and has net current assets of £203,292,000 (2013: £266,849,000 liabilities) at the reporting date.

At 31 March 2014, the Group had net liabilities 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

The Company and Group has also prepared its own 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 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 2014. 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 is exempt from the requirement to present its own profit and loss account.

EMI Music Publishing Finance (UK) Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2014**

1 Accounting policies (continued)**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.

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 10.

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 and 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 assets 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.

EMI Music Publishing Finance (UK) Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2014****1 Accounting policies (continued)****Impairment of fixed assets (continued)***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.

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

A German subsidiary of the parent, EMI Music Publishing Germany GmbH, 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 16.

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. Turnover is stated after deducting all commissions and any sales related taxes levied on turnover.

All turnover arises from continuing activities

EMI Music Publishing Finance (UK) Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2014****2 Turnover**

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

An analysis of turnover by geographical market is given below.

	2014 £000	Unaudited 2013 £000
United Kingdom	51,548	52,203
Rest of Europe	79,367	83,107
USA	27,186	24,584
Rest of the World	15,643	21,629
	<u>173,744</u>	<u>181,523</u>

3 Profit / (loss) on ordinary activities before taxation

	2014 £000	Unaudited 2013 £000
Profit / (loss) on ordinary activities before taxation is stated after charging:		
Auditors' remuneration - audit of these financial statements	253	216
Depreciation on tangible assets	842	1,385
Amortisation on intangible assets	2,543	1,737
Restructuring costs	3,764	7,474
Cost recharged to management company	(6,941)	(5,513)
Exceptional pension payment	-	47,500
	<u>-</u>	<u>47,500</u>

The audit fee incurred by the Group represents an apportion of the overall DH Publishing, L.P group audit fee which has been allocated based on net profit share

In the year the company incurred reorganisation costs of £3,764,000 (2013: £7,474,000) relating to restructuring following the sale of the groups recorded music business on 29 June 2012. The reorganisation costs include office relocation and redundancy. Additionally £6,941,000 (2013: £5,513,000) of these and other incremental costs were recharged to the company's management company during the year."

4 Directors' emoluments

The directors did not receive any emoluments in respect of their services to the Group (2013: £nil).

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

EMI Music Publishing Finance (UK) Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2014****5 Staff numbers and costs**

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

	2014 Number	Unaudited 2013 Number
Marketing and professional divisions	38	41
Service divisions	52	96
	<u>90</u>	<u>137</u>

The aggregate payroll costs of the above were

	2014 £000	Unaudited 2013 £000
Wages and salaries	6,915	11,954
Social security costs	802	1,296
Other pension costs	585	667
	<u>8,302</u>	<u>13,917</u>

6 Other operating income

	2014 £000	Unaudited 2013 £000
Gain on investment disposal	29,200	-
Other operating income	<u>-</u>	<u>476</u>

7 Interest receivable and similar income

	2014 £000	Unaudited 2013 £000
Foreign exchange gains	2,747	6,177
Loans to fellow Group undertakings	4,459	40,550
Total interest receivable	<u>7,206</u>	<u>46,727</u>

EMI Music Publishing Finance (UK) Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2014****8 Interest payable and similar charges**

	2014 £000	Unaudited 2013 £000
Loans from fellow Group undertakings	14,106	66,248
Other interest payable	469	393
Total interest payable	14,575	66,641

9 Tax on profit/(loss) on ordinary activities

Analysis of charge in the year	2014 £000	Unaudited 2013 £000
Current tax charge	1,183	2,300
Deferred tax charge	2,977	(9,214)
Tax on profit/(loss) on ordinary activities	4,160	(6,914)

Factors affecting current tax charge

The current tax charge for the year is lower (2013: lower) than the standard rate of corporations tax in the UK of 23% (2013 - 24%). The differences are explained below.

Profit/(loss) on ordinary activities before taxation	50,027	(81,333)
Profit / (loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 23% (2013 - 24%)	11,506	(19,520)
<i>Effect of</i>		
Group relief surrendered for nil payment - Current year	(565)	-
Permanent difference	(95)	(5)
Timing differences	(4,294)	11,322
Losses carried forward	23	7,748
Losses brought forward	(48)	(42)
Gain on investment not taxable	(6,711)	-
Overseas tax rate differences	1,966	1,881
Prior year	(599)	916
Total current tax charge	1,183	2,300

EMI Music Publishing Finance (UK) Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2014****9 Tax on profit on ordinary activities (continued)****Deferred tax asset recognised**

The deferred tax included in the balance sheet is as follows:

	2014 £000	Unaudited 2013 £000
Other timing differences	9,192	12,169
Provision for deferred tax	<u>9,192</u>	<u>12,169</u>
		£000
At 1 April 2013		12,169
Deferred tax charge in the consolidated profit and loss account		<u>(2,977)</u>
At 31 March 2014		<u>9,192</u>

Factors affecting future tax charge

In the 2012 Finance Act, the UK Government reduced the main rate of UK corporation tax from 24% to 23% with effect from 1 April 2013. This rate reduction was substantively enacted on 3 July 2012

In March 2013, the UK Budget announced a reduction in the UK corporation tax rate from 23% to 21%, effective from 1 April 2014, and also announced a reduction in the UK corporation tax rate from 21% to 20%, effective from 1 April 2015. The rate reductions to 21% and 20% were both substantively enacted on 2 July 2013.

Deferred tax

At the balance sheet date the Group had an unrecognised deferred tax asset in relation to unutilised tax losses of £68m (2013: £67m) and Pension and other timing differences of £29m (2013: £41m). 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 2014****10 Intangible fixed assets**

Group	Copyrights £000
Cost	
At 1 April 2013	38,872
Additions	262
At 31 March 2014	39,134
Accumulated amortisation	
At 1 April 2013	25,952
Charge for the year	2,543
At 31 March 2014	28,495
Net book value	
At 31 March 2014	10,639
At 31 March 2013	12,920

11 Tangible fixed assets

Group	Office machinery, furniture and fittings £000	Fixtures and fittings £000	Computer equipment software £000	Total £000
Cost				
At 1 April 2013	161	809	4,856	5,826
Additions / Disposals	16	654	33	703
At 31 March 2014	177	1,463	4,889	6,529
Accumulated depreciation				
At 1 April 2013	158	236	3,338	3,732
Charge for the year	2	155	685	842
At 31 March 2014	160	391	4,023	4,574
Net book value				
At 31 March 2014	17	1,072	866	1,955
At 31 March 2013	3	573	1,518	2,094

EMI Music Publishing Finance (UK) Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2014****12 Investments****a) Shares in group undertakings**

Company	Cost £000	Provisions £000	Net book value £000
As at 1 April 2013	239,650	(384)	239,266
Movement in year	-	(897)	(897)
As at 31 March 2014	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 2014****12 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 2014.

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	67	Music Publishing
And Son Music Limited	UK	01305920	Ordinary	99	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	99	Music Publishing
Biot Music Limited	UK	01835949	Ordinary	99	Music Publishing
Dix Limited	UK	00184742	Ordinary	100	Music Publishing
Donna Music Limited	UK	00835501	Ordinary	99	Music Publishing
EMI Film & Theatre Music Limited	UK	00970812	Ordinary	99	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 2014****12 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	99	Music Publishing
DGI Library Limited	UK	04617391	Ordinary	100	Music Publishing
The Ded Good Music Library Limited	UK	03426791	Ordinary	80	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	75	Music Publishing
Music House (International) Limited	UK	01994142	Ordinary	100	Music Publishing
Nisbet and Beck Music Limited	UK	01383392	Ordinary	99.9	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	99	Music Publishing
Delabel Music Publishing (UK) Limited	UK	04128736	Ordinary	100	Music Publishing
Robbins Music Corporation Limited	UK	00511653	Ordinary	99.5	Music Publishing
Peers Music Limited	UK	00730403	Ordinary	99	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
EMI Music Publishing Germany Topco Limited	UK	06388962	Ordinary	100	Music Publishing
EMI Music Publishing Germany Holdco Limited	UK	06388808	Ordinary	100	Music Publishing
Manchester Music Limited	UK	00871015	Ordinary	100	Music Publishing

EMI Music Publishing Finance (UK) Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2014****12 Investments (continued)**

The following are the principal undertakings in which the company's interest as at 31 March 2014 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
EMI Paradise Music Limited	UK	00691827	Ordinary	50	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

13 Debtors

Group	Unaudited	
	2014	2013
	£000	£000
Trade debtors	26,843	27,169
Amounts owed by Group undertakings	365,119	486,366
Other debtors	-	2,918
Prepayments and accrued income	63,972	62,961
Deferred taxation	9,192	12,169
	465,126	591,583

Company	Unaudited	
	2014	2013
	£000	£000
Trade debtors	20	-
Amounts owed by Group undertakings	388,786	426,215
Other debtors	6	-
	388,812	426,215

Amounts owed by group undertakings are unsecured, bear interest at 0% - 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 2014****14 Creditors: amounts falling due within one year**

Group	2014	Unaudited
	£000	2013
		£000
Trade creditors	99,355	144,952
Amounts owed to Group undertakings	172,274	746,044
Other creditors including taxation and social security	8,099	7,799
Accruals and deferred income	6,659	18,107
	<u>286,387</u>	<u>916,902</u>
Company	2014	Unaudited
	£000	2013
		£000
Amounts owed to Group undertakings	149,695	996,292
Other creditors	-	339
	<u>149,695</u>	<u>996,631</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

Group	2014	Unaudited
	£000	2013
		£000
Amounts owed to Group undertakings	420,156	-
Accruals and deferred income	1,652	-
	<u>421,808</u>	<u>-</u>
Company	2014	Unaudited
	£000	2013
		£000
Amounts owed to Group undertakings	827,281	-
	<u>827,281</u>	<u>-</u>

Amounts owed to group undertakings are unsecured, bear interest at 0% - 3%, 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 2014****16 Pension scheme****Defined benefit scheme**

	2014	Unaudited
	£000	2013
		£000
Present value of funded defined benefit obligations	(10,422)	(10,273)
Net liability	(10,422)	(10,273)
 Movement in present value of defined benefit obligation		
	2014	Unaudited
	£000	2013
		£000
At 1 April 2013	(10,273)	(8,351)
Current service cost	(19)	(42)
Interest cost	(324)	(376)
Actuarial losses	(92)	(1,475)
Benefits paid	84	64
Exchange adjustments	202	(93)
At 31 March 2014	(10,422)	(10,273)

EMI Music Publishing Finance (UK) Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2014****16 Pension schemes (continued)**

Expense recognised in the profit and loss account

	2014 £000	Unaudited 2013 £000
Current service cost	19	42
Interest on defined benefit pension plan obligation	324	376
Exchange adjustment	(202)	93
Total	<u>141</u>	<u>511</u>

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

	2014 £000	Unaudited 2013 £000
Administrative expenses	19	42
Interest payable and similar charges	122	469
	<u>141</u>	<u>511</u>

The total amount recognised in the consolidated statement of total recognised gains and losses in respect of actuarial losses is £92,000 (2013 £1,475,000)

EMI Music Publishing Finance (UK) Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2014****16 Pension schemes (continued)**

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

	2014	Unaudited 2013
	%	%
Discount rate	3.2	3.00
Future salary increases	3.0	3.00
Other material assumptions (e.g. future pension increases, inflation (RPI, CPI))	2.0	2.00

In valuing the liabilities of the pension fund at 31 March 2014, mortality assumptions have been made as indicated below. If life expectancy had been changed to assume that all members of the fund lived for one year longer, the value of the reported liabilities at 31 March 2014 would have increased by £323,410 before deferred tax.

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows:

- Current pensioner aged 65: 83.9 years (male), 87.9 years (female)
- Future retiree upon reaching 65: 83.6 years (male), 88.7 years (female)

History of plans

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

Balance sheet

	2014	Unaudited 2013	Unaudited 2012	Unaudited 2011	Unaudited 2010
	£000	£000	£000	£000	£000
Present value of scheme liabilities	(10,422)	(10,273)	(8,351)	(7,773)	(7,798)
Deficit	(10,422)	(10,273)	(8,351)	(7,773)	(7,798)
<i>Experience adjustments</i>	2014	2013	2012	2011	2010
	%	%	%	%	%
Experience adjustment on scheme liabilities	1.43	23.02	7.43	-0.32	22.14
	1.43	23.02	7.43	-0.32	22.14

The Company expects to contribute £236,000 to its defined benefit plans in the next financial year.

EMI Music Publishing Finance (UK) Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2014****16 Pension schemes (continued)**

A subsidiary of the Group, EMI Music Publishing Limited, was a member of the EMI Group Pension Fund (UK Fund), a defined benefit pension scheme for EMI Group Limited and its subsidiaries in the UK.

Following the closure of the UK Fund to new entrants in 2005, EMI entered into a consultation process with the 209 current employees still contributing to the UK Fund, in February 2012. On 15 May 2012, an agreement was reached between EMI and the employee members of the pension scheme and the UK Fund was closed to future accrual. All members transferred into a new defined contributions scheme. The closure of the plan does not impact current pensioners, or affect the benefits already accrued by current employees who were still contributing to the scheme.

In August 2012, ownership of the UK Fund was transferred to Citigroup (the sale of Recorded Music business was conditional on Citigroup taking over the responsibility for EMI's UK defined benefits pension scheme). As a result of the change in ownership of the UK fund, a final payment was made by Citigroup during the year ended 31 March 2013 for £47,500,000 extinguishing all previous liabilities of the company in relation to the scheme which the Company reimbursed to Citigroup.

17 Called up share capital

Group	2014 £	Unaudited 2013 £
Allotted and fully paid		
2 (2013: 2) Ordinary shares of £2 each	<u>2</u>	<u>2</u>
Company	2014 £	2013 £
Allotted and fully paid		
2 (2013: 2) Ordinary shares of £2 each	<u>2</u>	<u>2</u>

18 Reconciliation of movement in shareholder's deficit

Group	Called Up Share Capital £000	Share Premium Account £000	Other Reserves £000	Profit & Loss Account £000	Total £000
At the 1 April 2013	-	753	169,397	(432,258)	(262,108)
Profit for the year	-	-	-	45,867	45,867
Exchange adjustment	-	-	-	(11)	(11)
Actuarial loss on pension scheme	-	-	-	(92)	(92)
At 31 March 2014	<u>-</u>	<u>753</u>	<u>169,397</u>	<u>(386,494)</u>	<u>(216,344)</u>

EMI Music Publishing Finance (UK) Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2014****18 Reconciliation of movement in shareholder's deficit (continued)****Company**

	Called Up Share Capital £000	Share Premium Account £000	Other Reserves £000	Profit & Loss Account £000	Total £000
As at 1 April 2013	-	753	169,397	(490,709)	(320,559)
Loss for the year	-	-	-	(17,382)	(17,382)
At 31 March 2014	-	753	169,397	(508,091)	(337,941)

19 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 BW Publishing Ltd, a company registered in England and Wales.

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.