

**COMPANY REGISTRATION NUMBER 03384487**

**UNIVERSAL MUSIC LEISURE LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**



**UNIVERSAL MUSIC LEISURE LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2022**

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**UNIVERSAL MUSIC LEISURE LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**  
**YEAR ENDED 31 DECEMBER 2022**

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**THE BOARD OF DIRECTORS**

BJ Muir  
SL Carmel  
P Kramer

**COMPANY SECRETARY**

A Abioye

**REGISTERED OFFICE**

4 Pancras Square  
London  
N1C 4AG

**AUDITOR**

Cooper Parry Group Limited  
Statutory Auditor  
1 Finsbury Ave  
London  
EC2M 2PF  
United Kingdom

# **UNIVERSAL MUSIC LEISURE LIMITED**

## **STRATEGIC REPORT**

### **YEAR ENDED 31 DECEMBER 2022**

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The directors present their strategic report for the company for the year ended 31 December 2022.

#### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company during the year was to act as a holding company.

The result of the company for the year ended 31 December 2022 and its position as at that date are set out in the statement of comprehensive income, statement of financial position and statement of changes in equity on pages 9, 10 and 11 respectively. The result and position of the company were in line with directors' expectations.

#### **RESULTS AND DIVIDENDS**

The company's profit for the financial year was £740,000 (2021: profit £57,000). The retained profit for the year has been transferred to reserves. The directors do not recommend a dividend payment for the year ended 31 December 2022 (2021: £Nil).

#### **KEY PERFORMANCE INDICATORS**

Since the principal activity of the company is to act as a holding company, the directors do not consider there are any Key Performance Indicators which require disclosure.

#### **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The directors are of the view that the main risk arising from the company's financial instruments is interest rate risk, as summarised below:

##### ***Interest rate risk***

Fluctuations in interest rates have an impact on intercompany receivables and payables. The company does not have any significant external borrowings and as such the directors consider the interest rate risk to be minimal at this stage.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks and uncertainties faced by the company relate to its activities as a holding company, primarily the impact of interest rate fluctuations on intercompany payable balances, and the effects of market forces on the performance and position of subsidiaries which could impact the carrying value of investments.

All risks and uncertainties are regularly monitored by the directors, including the following:

##### ***Climate change***

Whilst the company is not considered to be part of a heavy emitting industry, the directors recognise the importance of reducing its impacts and moving towards being a zero carbon operation.

The company, as part of Universal Music Group's UK operations, has recently signed up to the Science Based Targets Initiative which will provide a clearly-defined pathway to reduce greenhouse gas (GHG) emissions, helping prevent the worst impacts of climate change and future-proofing business growth.

## UNIVERSAL MUSIC LEISURE LIMITED

### STRATEGIC REPORT (continued)

YEAR ENDED 31 DECEMBER 2022

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#### FUTURE DEVELOPMENTS

Notwithstanding the risks and uncertainties outlined above, the directors do not anticipate any significant change in the activities and results of the company in the foreseeable future.

This report was approved by the Board and signed on their behalf by:

DocuSigned by:

*Paul Kramer*

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P Kramer  
Director

Date: 7 September 2023

# **UNIVERSAL MUSIC LEISURE LIMITED**

## **DIRECTORS' REPORT**

**YEAR ENDED 31 DECEMBER 2022**

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The directors present their report, together with the financial statements of the company, for the year ended 31 December 2022.

They have included the following matters within the strategic report, otherwise required to be disclosed in the directors' report, as they are considered to be of strategic importance to the company.

- Results and dividends;
- Financial risk management objectives and policies;
- Principal risks and uncertainties; and
- Future developments.

### **DIRECTORS**

The directors who served the company during the year and subsequently were as follows:

BJ Muir

SL Carmel

P Jassal (resigned 24 January 2022)

P Kramer (appointed 24 January 2022)

### **DIRECTORS' QUALIFYING THIRD PARTY INDEMNITY PROVISIONS**

A qualifying third party indemnity provision remains in force as at the date of approving the directors' report, subject to the provisions of section 236 of the Companies Act 2006. Universal Music Group N.V., the ultimate parent undertaking, maintains a Directors & Officers Liability Programme which indemnifies directors' personal liabilities resulting from alleged wrongful acts committed in the line of their employment, in relation to the company and its subsidiary undertakings.

### **DONATIONS**

The company made no charitable or political donations in either year.

### **AUDITOR**

In so far as each of the directors at the date of approving this report are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Pursuant to Section 487 of the Companies Act 2006, Cooper Parry Group Limited will be deemed to be reappointed and will therefore continue in office.

# UNIVERSAL MUSIC LEISURE LIMITED

## DIRECTORS' REPORT (continued)

YEAR ENDED 31 DECEMBER 2022

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### DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the annual report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the board

DocuSigned by:

*Bola Abioye*

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A Abioye

Company Secretary

Date: 7 September 2023

Company Registration Number: 03384487

# **UNIVERSAL MUSIC LEISURE LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSAL MUSIC LEISURE LIMITED**

**YEAR ENDED 31 DECEMBER 2022**

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### **Opinion**

We have audited the financial statements of Universal Music Leisure Limited (the 'company') for the year ended 31 December 2022, which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the related notes, including a summary of significant accounting policies. 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 company's affairs as at 31 December 2022 and of its 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.

### **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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.



## **UNIVERSAL MUSIC LEISURE LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSAL MUSIC LEISURE LIMITED (continued)**

**YEAR ENDED 31 DECEMBER 2022**

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#### **Opinions 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 5, 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 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 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.

Irregularities, including fraud, are instances of non compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations

## UNIVERSAL MUSIC LEISURE LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSAL MUSIC LEISURE LIMITED (continued)

YEAR ENDED 31 DECEMBER 2022

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We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.
- reading the minutes of meetings of those charged with governance; enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators including the Health and Safety Executive, and the company's legal advisors.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### Other matters - unaudited comparatives

Comparative information in the financial statements is derived from the company's prior period financial statements, which were not audited.

#### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Steven Leith (Senior Statutory Auditor)

For and on behalf of Cooper Parry Group Limited, Statutory Auditor, London, United Kingdom

Date: 7 September 2023

Company Registration Number: 03384487

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**UNIVERSAL MUSIC LEISURE LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**YEAR ENDED 31 DECEMBER 2022**

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	<b>Note</b>	<b>2022 £'000</b>	<b>2021 £'000</b>
Administrative expenses		26	52
Other operating income		437	-
<b>OPERATING PROFIT</b>	<b>4</b>	<b>463</b>	<b>52</b>
Interest receivable and similar income	<b>7</b>	<b>1,873</b>	<b>234</b>
Interest payable and similar charges	<b>8</b>	<b>(1,525)</b>	<b>(179)</b>
<b>PROFIT BEFORE TAXATION</b>		<b>811</b>	<b>107</b>
Tax on profit	<b>9</b>	<b>(71)</b>	<b>(50)</b>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>740</b>	<b>57</b>
<b>Total other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>740</b>	<b>57</b>

The notes on pages 12 to 20 form part of these financial statements

**UNIVERSAL MUSIC LEISURE LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**

	<b>Note</b>	<b>2022 £'000</b>	<b>2021 £'000</b>
<b>FIXED ASSETS</b>			
Investments	<b>10</b>	<b>123,184</b>	<b>123,184</b>
		<u><b>123,184</b></u>	<u><b>123,184</b></u>
<b>CURRENT ASSETS</b>			
Debtors: Amounts falling due within one year	<b>11</b>	<b>221,533</b>	<b>219,600</b>
		<u><b>221,533</b></u>	<u><b>219,600</b></u>
<b>CREDITORS: Amounts falling due within one year</b>	<b>12</b>	<b>(117,952)</b>	<b>(116,759)</b>
		<u><b>103,581</b></u>	<u><b>102,841</b></u>
<b>NET CURRENT ASSETS</b>		<b>103,581</b>	<b>102,841</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><b>226,765</b></u>	<u><b>226,025</b></u>
<b>NET ASSETS</b>		<u><b>226,765</b></u>	<u><b>226,025</b></u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	<b>13</b>	<b>-</b>	<b>-</b>
Profit and loss account		<u><b>226,765</b></u>	<u><b>226,025</b></u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u><b>226,765</b></u>	<u><b>226,025</b></u>

These financial statements were approved by the board of directors and authorised for issue on 7 September 2023 and are signed on their behalf by:

DocuSigned by:

*Paul Kramer*

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P Kramer

Company Registration Number: 03384487

**The notes on pages 12 to 20 form part of these financial statements**

**UNIVERSAL MUSIC LEISURE LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**YEAR ENDED 31 DECEMBER 2022**

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	<b>Called-up share capital £'000</b>	<b>Profit &amp; loss account £'000</b>	<b>Total shareholders' funds £'000</b>
Balance brought forward at 1 January 2021	-	225,968	225,968
<b>Total comprehensive income</b>			
Profit for the financial year	-	57	57
	<hr/>	<hr/>	<hr/>
Balance brought forward at 1 January 2022	-	226,025	226,025
<b>Total comprehensive income</b>			
Profit for the financial year	-	740	740
	<hr/>	<hr/>	<hr/>
<b>Balance carried forward at 31 December 2022</b>	<b>-</b>	<b>226,765</b>	<b>226,765</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**The notes on pages 12 to 20 form part of these financial statements**

# UNIVERSAL MUSIC LEISURE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 DECEMBER 2022

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#### 1. GENERAL INFORMATION

Universal Music Leisure Limited is a private company limited by shares and incorporated in the UK under the Companies Act 2006 and registered in England and Wales. The registered office is 4 Pancras Square, London, N1C 4AG.

The principal activities of the company and the nature of its operations are set out in the strategic report on pages 2 to 3.

#### 2. STATEMENT OF COMPLIANCE

The company's financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

#### 3. ACCOUNTING POLICIES

##### **Basis of preparation of financial statements**

These financial statements have been prepared on a going concern basis, under the historical cost convention. The financial statements are prepared in sterling, which is the functional currency of the company, and have been rounded to the nearest £'000. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

##### **FRS 102 - Qualifying exemptions**

The company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102:

- from preparing a statement of cash flows and related notes;
- from preparing a reconciliation of the number of shares outstanding from the beginning to the end of the financial year;
- from disclosing related party transactions with wholly owned group undertakings;
- from disclosing key management personnel compensation; and
- from certain financial instrument disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instruments*.

This information is included in the consolidated financial statements of the company's parent undertaking, Universal Music Group N.V., copies of which can be obtained from Universal Music Group, 's-Gravelandseweg 80, 1217 EW Hilversum, The Netherlands.

##### **Other qualifying exemptions**

As the ultimate parent undertaking prepares publicly available consolidated financial statements and is incorporated within the European Union, the company has taken advantage of the exemption under section 401 of the Companies Act 2006 from preparing consolidated accounts. As such, these financial statements give information about the company as an individual undertaking and not about its group.

##### **Going concern**

The company's business activities, together with the factors likely to affect future developments, its financial exposures and its risk exposures, are described above.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources available to it to continue in operational existence for the foreseeable future. Accordingly, they continue to adapt the going concern basis in preparing the financial statements.

# **UNIVERSAL MUSIC LEISURE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **YEAR ENDED 31 DECEMBER 2022**

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### **3. ACCOUNTING POLICIES (continued)**

#### **Financial instruments**

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### ***Financial assets and liabilities***

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions of being 'basic' financial instruments as defined in paragraph 11.9 of FRS 102 are subsequently measured at amortised cost using the effective interest method.

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Other debt instruments not meeting conditions of being 'basic' financial instruments are measured at fair value through profit or loss.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

#### ***Investments***

Investments in subsidiaries are carried at cost less impairment.

# UNIVERSAL MUSIC LEISURE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### YEAR ENDED 31 DECEMBER 2022

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### 3. ACCOUNTING POLICIES (continued)

#### **Impairment**

##### *Impairment of assets*

Assets, other than those measured at fair value, are assessed for indicators of impairment at each statement of financial position date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

##### *Financial assets*

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

#### **Interest receivable and Interest payable**

Interest receivable and payable relate to balances due from and to group undertakings, and are recognised in profit and loss in the statement of comprehensive income as they accrue.

#### **Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised through profit or loss in the statement of comprehensive income 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 statement of financial position 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, associated and joint ventures 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 statement of financial position date. Deferred tax balances are not discounted.

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.



# UNIVERSAL MUSIC LEISURE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### YEAR ENDED 31 DECEMBER 2022

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### 3. ACCOUNTING POLICIES (continued)

#### Foreign currencies

Transactions in foreign currencies are translated to the company's functional currency at the foreign exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised through profit or loss in the statement of comprehensive income.

#### Critical accounting judgements and key sources of estimation uncertainty

The directors may make judgements in the application of the accounting policies above that have a significant impact on the amounts recognised, and may make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### Critical judgements in applying the company's accounting policies

The directors have concluded there are no critical judgements to disclose.

#### Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

#### *Impairment of investments*

The directors assess investments for indicators of impairment at each reporting date. This involves reviewing financial forecasts, the preparation of which involves an element of estimation. The carrying value of the assets potentially subject to this uncertainty is disclosed in note 9. The directors have concluded there are no key sources of estimation uncertainty to disclose.

### 4. OPERATING PROFIT

Operating profit is stated after crediting:

	2022 £'000	2021 £'000
Net gain on foreign currency translation	26	52

### 5. AUDITORS' REMUNERATION

The auditor's remuneration for the year ended 31 December 2022 was £5,500 (2021: £5,000) and was borne by Universal Music Operations Limited.

**UNIVERSAL MUSIC LEISURE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**YEAR ENDED 31 DECEMBER 2022**

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**6. PARTICULARS OF EMPLOYEES**

The company had no employees during the year ended 31 December 2022 (2021: none).

Emoluments for the directors of the company are paid for by a fellow group company. The fellow group company has not recharged any amount to the company (2021: nil) on the basis that they are unable to make a reasonable apportionment of the portion of these total emoluments that relate to qualifying services provided by directors of the company.

**7. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2022 £'000	2021 £'000
Interest receivable from group undertakings	<u>1,873</u>	<u>234</u>

**8. INTEREST PAYABLE AND SIMILAR CHARGES**

	2022 £'000	2021 £'000
Interest payable to group undertakings	<u>1,525</u>	<u>179</u>

**9. TAX ON PROFIT**

**(a) Analysis of tax charge in the year**

	2022 £'000	2021 £'000
<b>Current tax:</b>		
<b>UK Taxation</b>		
Group relief payable for losses claimed from other group undertakings	<u>71</u>	<u>50</u>
Tax on profit	<u>71</u>	<u>50</u>

**UNIVERSAL MUSIC LEISURE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**YEAR ENDED 31 DECEMBER 2022**

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**9. TAX ON PROFIT (continued)**

**(b) Factors affecting current tax charge**

The tax assessed on the profit on ordinary activities for the year is the same as (2021: higher than) the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%).

Under the Finance Act 2021, the main rate of corporation tax was increased from 19% to 25% with effect from 1 April 2023. This change was substantively enacted for IFRS and UK GAAP purposes on 24 May 2021. Deferred tax assets and liabilities are measured at the rate that is enacted and expected to apply to the accounting period when the asset is realised or the liability is settled, based on the above rates.

	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
Profit before taxation	<b>811</b>	<b>107</b>
Profit at the standard rate of UK Corporation tax of 19.00% (2021: 19.00%)	<b>154</b>	<b>20</b>
(Non taxable income) / Expenses not deductible for tax purposes	<b>(83)</b>	<b>30</b>
Current tax charge for the financial year	<b>71</b>	<b>50</b>

**10. INVESTMENTS**

	<b>Shares in subsidiaries £'000</b>
<b>COST</b>	
At 1 January 2022 and 31 December 2022	<b>195,009</b>
<b>PROVISION FOR IMPAIRMENT</b>	
At 1 January 2022 and 31 December 2022	<b>71,825</b>
<b>NET BOOK VALUE</b>	
At 31 December 2021 and 31 December 2022	<b>123,184</b>

The directors are of the opinion that the aggregate value of the company's remaining investments in subsidiary undertakings is not less than the amount at which they are stated in the accounts.

# UNIVERSAL MUSIC LEISURE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### YEAR ENDED 31 DECEMBER 2022

#### 10. INVESTMENTS (continued)

##### Subsidiary Undertakings

The subsidiaries of Universal Music Leisure Limited as at 31 December 2022 are listed below. Those marked with an asterisk are 100% directly owned. All other companies are held through subsidiary undertakings which are 100% owned.

There are active strike off applications in place for both Turnfirst Limited and First Classic Limited.

The following subsidiaries are all incorporated in England and Wales and have the registered address of 4 Pancras Square, London, N1C 4AG:

Name	Shareholding type	%	Nature of business
A & M Records Limited*	Ordinary/preferred	100%	Dormant company
Decca Music Group Limited*	Ordinary/preferred	100%	Dormant company
Globe Productions Limited*	Ordinary	100%	Dormant company
Go! Discs Limited*	Ordinary	100%	Dormant company
Island Records Limited*	Ordinary	100%	Dormant company
Mercury Records Limited*	Ordinary	100%	Dormant company
Polydor Limited*	Ordinary	100%	Dormant company
Know Existence Limited	Ordinary	100%	Dormant company
Systemtactic Limited*	Ordinary	100%	Dormant company
Universal Music Group International Limited*	Ordinary	100%	Management services company
Universal Music Neighbouring Rights Limited	Ordinary	100%	Management of neighbouring rights
Universal Music Operations Limited*	Ordinary	100%	Marketing and distribution of recorded music
Universal Music (CR) Limited	Ordinary	100%	Marketing and distribution of recorded music
Composed Technology International Limited	Ordinary	80%	Dormant company
Naughty Records Limited	Ordinary	51%	Marketing and distribution of recorded music
One Mode Productions Limited	Ordinary	100%	Marketing and distribution of recorded music
Turnfirst Limited	Ordinary	100%	Dormant company
First Classic Limited	Ordinary	100%	Dormant company
Vice Versa Limited	Ordinary	100%	Dormant company
ZTT Records Limited	Ordinary	100%	Dormant company
Stiff Records Limited	Ordinary	100%	Dormant company
All Around The World Limited	Ordinary	100%	Holding company
All Around The World Productions Limited	Ordinary	100%	Marketing and distribution of recorded music
Penny Street TV Limited	Ordinary	100%	TV production company
AATW Limited	Ordinary	100%	Dormant company
All Around The World Reproductions Limited	Ordinary	100%	Dormant company
All Around The World TV Limited	Ordinary	100%	Dormant company
Clubland Productions Limited	Ordinary	100%	Dormant company
TV Two Limited	Ordinary	100%	Online advertising company
Ultimate..... Hits Limited	Ordinary	100%	Dormant company
RG2016 Limited	Ordinary	100%	Dormant company
Universal Music UK Limited*	Ordinary	100%	Dormant company

**UNIVERSAL MUSIC LEISURE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**YEAR ENDED 31 DECEMBER 2022**

**10. INVESTMENTS (continued)**

The following subsidiaries are all incorporated in England and Wales and have the registered address of 4 Pancras Square, London, NIC 4AG:

<b>Name</b>	<b>Shareholding type</b>	<b>%</b>	<b>Nature of business</b>
Universal Music Publishing Europe Limited*	Ordinary	100%	Music publishing company
Universal Music Publishing International Limited*	Ordinary	100%	Music publishing company
Universal Music Publishing Limited*	Ordinary	100%	Music publishing company
Universal Music Publishing BL Limited	Ordinary	100%	Music publishing company
Universal Music Publishing PGM Limited	Ordinary	100%	Music publishing company
Universal/Anxious Music Limited	Ordinary	100%	Music publishing company
Universal/Island Music Limited	Ordinary	100%	Music publishing company
Universal/MCA Music Limited	Ordinary	100%	Music publishing company
Universal/Dick James Music Limited*	Ordinary	100%	Music publishing company
Universal Music (WT) Limited	Ordinary	100%	Marketing and distribution of recorded music
This Record Co. Limited	Ordinary	100%	Dormant company
D. J. M. Records Limited	Ordinary	100%	Dormant company
Perfect Songs Limited	Ordinary	100%	Music publishing company
Jeeves Music Limited	Ordinary	66.67%	Music publishing company

**11. DEBTORS: Amounts due within one year**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Amounts due from group undertakings	<b>221,533</b>	<b>219,600</b>
	<b>221,533</b>	<b>219,600</b>

Within amounts due from group undertakings, £4,033,000 (2021: £3,982,000) is due from parent companies, £129,247,000 (2021: £139,146,000) is due from subsidiary companies and £88,253,000 (2021: £76,472,000) from other group companies.

**12. CREDITORS: Amounts falling due within one year**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Amounts owed to group undertakings	<b>117,952</b>	<b>116,759</b>
	<b>117,952</b>	<b>116,759</b>

Within amounts owed to group undertakings, £23,624,000 (2021: £23,319,000) is owed to parent companies, £93,974,000 (2021: £93,086,000) is owed to subsidiary companies, and £354,000 (2021: £354,000) is owed to other group companies.

**UNIVERSAL MUSIC LEISURE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**YEAR ENDED 31 DECEMBER 2022**

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**13. SHARE CAPITAL AND RESERVES**

Allotted, called up and fully paid:

	2022		2021	
	No	£'000	No	£'000
Ordinary shares of £1 each	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>

The profit and loss account reflects cumulative profits or losses, net of dividends and other adjustments.

**14. ULTIMATE PARENT COMPANY**

The immediate parent undertaking is Universal Music (UK) Holdings Limited. The ultimate parent undertaking and controlling party is Universal Music Group N.V. a company incorporated and domiciled in the Netherlands.

The smallest and largest group in which the result of the company is consolidated is that headed by Universal Music Group N.V.. Copies of its annual report in English may be obtained from its registered office at:

Universal Music Group  
's-Gravelandseweg 80  
1217 EW Hilversum  
The Netherlands