

COMPANY REGISTRATION NUMBER 05092413

UNIVERSAL MUSIC PUBLISHING MGB HOLDING UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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UNIVERSAL MUSIC PUBLISHING MGB HOLDING UK LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018

CONTENTS	PAGES
Officers and professional advisers	1
Strategic report	2 to 3
Directors' report	4 to 5
Statement of comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Notes to the financial statements	9 to 16

UNIVERSAL MUSIC PUBLISHING MGB HOLDING UK LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

THE BOARD OF DIRECTORS

JG Alway
RJ Morris

COMPANY SECRETARY

A Abioye

REGISTERED OFFICE

4 Pancras Square
London
N1C 4AG

UNIVERSAL MUSIC PUBLISHING MGB HOLDING UK LIMITED

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2018

The directors present their strategic report for the company for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was music publishing.

The result and position of the company as at and for the year ended 31 December 2018 are set out in the statement of comprehensive income, statement of changes in equity and statement of financial position on pages 6, 7 and 8 respectively. The result and position of the company were in line with directors' expectations.

RESULTS AND DIVIDENDS

The company's loss for the financial year was £Nil (2017 - loss £1,582,000). The retained loss for the year has been transferred to reserves.

The directors do not recommend a dividend payment for the year ended 31 December 2018 (2017 - £Nil).

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company uses a variety of financial instruments including cash, equity instruments and various instruments such as artist advances and trade payables that arise directly from its operations.

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

Exchange rate risk

Exchange rate fluctuation presents a risk because some revenues are received in overseas currencies. The directors do not consider that the potential downside is significant enough to require hedging but continue to monitor the potential risk.

Interest rate risk

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.

Liquidity risk

The company manages its financial risk by ensuring liquidity is sufficient to meet future needs, and that sufficient funding is in place before any new commitments are entered into. The cash position and cash flow forecasts are monitored by management on a regular basis.

PRINCIPAL RISKS AND UNCERTAINTIES

The company is faced with similar risks and uncertainties as other companies operating in the music business, broadly:

- competition from other major and independent music publishers;
- competition from alternative entertainment products;
- the threat of a devalued product due to piracy and the illegal use of music;
- uncertainty as to whether the growth in the subscription services market can replace the decline in the physical and download market; and
- interest rate fluctuations.

All risks and uncertainties are regularly monitored by the Board of Directors of the company.

UNIVERSAL MUSIC PUBLISHING MGB HOLDING UK LIMITED

STRATEGIC REPORT (continued)

YEAR ENDED 31 DECEMBER 2018

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.

Approved and signed on behalf of the Board.



RJ Morris
Director

18 FEB 2020

UNIVERSAL MUSIC PUBLISHING MGB HOLDING UK LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2018

The directors present their report, together with the financial statements and the auditor's report of the company for the year ended 31 December 2018 and the preceding year.

The directors have included the following matters with 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.
- Future developments.

DIRECTORS

The directors who served the company during the year and up to the date of this report were as follows:

JG Alway
RJ Morris

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 s236 CA 2006. Vivendi SA, 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.

POLICY ON THE PAYMENT OF CREDITORS

It is the company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the company and its suppliers, provided that all trading terms and conditions have been complied with.

DONATIONS

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

UNIVERSAL MUSIC PUBLISHING MGB HOLDING UK LIMITED

DIRECTORS' REPORT (continued)

YEAR ENDED 31 DECEMBER 2018

DIRECTORS' RESPONSIBILITIES STATEMENT

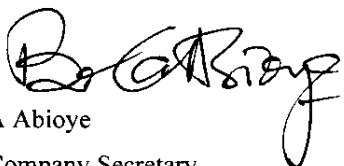
The directors are responsible for preparing the annual report and financial statements in accordance with applicable law and regulations.

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;
- 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.

Approved and signed on behalf of the Board.



A Abioye

Company Secretary

Company Registration Number: 05092413

18 FEB 2020

UNIVERSAL MUSIC PUBLISHING MGB HOLDING UK LIMITED
STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 DECEMBER 2018

	Note	Total 2018 £'000	Total 2017 £'000
TURNOVER		-	-
Cost of sales		-	-
		<hr/>	<hr/>
GROSS PROFIT		-	-
		<hr/>	<hr/>
OPERATING PROFIT		-	-
		<hr/>	<hr/>
Interest payable and similar charges	5	-	(1,958)
		<hr/>	<hr/>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		-	(1,958)
Tax on profit	6	-	377
		<hr/>	<hr/>
LOSS FOR THE FINANCIAL YEAR		-	(1,581)
		<hr/>	<hr/>

All of the activities of the company are classed as continuing operations

The notes on pages 9 to 16 form part of these financial statements

UNIVERSAL MUSIC PUBLISHING MGB HOLDING UK LIMITED
STATEMENT OF FINANCIAL POSITION
YEAR ENDED 31 DECEMBER 2018

	Note	2018 £'000	2017 £'000
FIXED ASSETS			
Investments	7	100,000	100,000
		<u>100,000</u>	<u>100,000</u>
CREDITORS: Amounts falling due within one year	8	(152,207)	(152,207)
NET CURRENT LIABILITIES		<u>(152,207)</u>	<u>(152,207)</u>
TOTAL LIABILITIES LESS CURRENT LIABILITIES		<u>(52,207)</u>	<u>(52,207)</u>
NET LIABILITIES		<u>(52,207)</u>	<u>(52,207)</u>
CAPITAL AND RESERVES			
Called-up equity share capital	11	-	-
Profit and loss account		(52,207)	(52,207)
EQUITY SHAREHOLDERS' DEFICIT		<u>(52,207)</u>	<u>(52,207)</u>

For the year ended 31 December 2018 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

Approved by the Board for issue on 18th February 2020

On behalf of the Board of Directors



RJ Morris

Company Registration Number: 05092413

The notes on pages 9 to 16 form part of these financial statements

UNIVERSAL MUSIC PUBLISHING MGB HOLDING UK LIMITED
STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2018

	Share capital £'000	Profit & Loss Account £'000	Total shareholders' deficit £'000
Balance brought forward at 1 January 2017	-	(50,626)	(50,626)
Balance at 1 January 2017	-	(50,626)	(50,626)
Total comprehensive income			
Loss for the year	-	(1,581)	(1,581)
Balance brought forward at 1 January 2018	-	(52,207)	(52,207)
Balance at 1 January 2018	-	(52,207)	(52,207)
Total comprehensive income for the period			
Loss for the year	-	-	-
Balance carried forward at 31 December 2018	-	(52,207)	(52,207)

The notes on pages 9 to 16 form part of these financial statements

UNIVERSAL MUSIC PUBLISHING MGB HOLDING UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

1. GENERAL INFORMATION

Universal Music Publishing MGB Holding UK 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, NIC 4AG.

The principal activities of the company and the nature of its operations are set out in the strategic report on page 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

The presentation currency of these financial statements is sterling and 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 disclosing transactions with other wholly owned subsidiaries;
- from preparing a reconciliation of the number of shares outstanding from the beginning to the end of the financial year;
- from disclosure requirements in relation to financial instruments;
- from disclosing key management personnel compensation.

This information is included in the consolidated financial statements of the company's parent undertaking, Vivendi SA, copies of which can be obtained from 42 Avenue de Friedland, 75380 Paris, Cedex 08, France.

Measurement convention

The financial statements are prepared on the historical cost basis.

UNIVERSAL MUSIC PUBLISHING MGB HOLDING UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

3. ACCOUNTING POLICIES (continued)

Going concern - continued support from parent undertaking

The financial statements have been prepared on the going concern basis as the company has received confirmation for Societe d'Investissements et de Gestion 104 S.A.S., the company's intermediate parent undertaking, of its intention to continue to provide financial and other support to the extent necessary to enable the company to continue to pay its liabilities as and when they become due for a period not less than one year from the date of approval of these financial statements. Having regard to this intention, the directors believe it is appropriate to prepare these financial statements on a going concern basis, notwithstanding the deficit on net current liabilities at 31 December 2018.

Turnover

Turnover represents royalty income, excluding VAT. Turnover is attributable to one activity; music publishing.

United Kingdom royalty income is credited to the statement of comprehensive income in the period to which it relates, or if it cannot be reliably estimated, on a receipt basis. Overseas royalty income, which is all collected on behalf of the company by other group undertakings, is credited to the statement of comprehensive income in the period overseas sales are reported to the company. Royalties payable are charged against the relevant income of the same period.

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.

Advances

Advances to unproven artists are expensed. Advances to other artists are written down to the estimated amount that will be recoverable from future royalty payments to the artist. Net advances to artists are classified as falling due within one year, although elements may not be recovered until more than one year. Long term advances to artists, where the effect of the time value of money is material, are discounted.

UNIVERSAL MUSIC PUBLISHING MGB HOLDING UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018

3. ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Equity instruments

Equity instruments issued by the company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges, unwinding of the discount on provisions, and net foreign exchange losses that are recognised through profit or loss in the statement of comprehensive income.

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

Interest income and interest payable are recognised in profit or loss as they accrue. Foreign currency gains and losses are reported on a net basis.

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 extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

UNIVERSAL MUSIC PUBLISHING MGB HOLDING UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018

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. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised through profit or loss in the statement of comprehensive income except for differences arising on the retranslation of qualifying cash flow hedges and items which are fair valued with changes taken to other 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 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 Group's accounting policies

The following are the critical judgements that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Provisions against recoupable advances

Provisions are made against advances not deemed recoupable from future royalties or other payments due to artists and repertoire owners. Management perform a detailed assessment to reflect their best estimate of recoupable advances.

Key source of estimation uncertainty

The directors have concluded there are no key sources of estimation uncertainty to disclose.

UNIVERSAL MUSIC PUBLISHING MGB HOLDING UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018

4. PARTICULARS OF EMPLOYEES

The company had no employees during the year ended 31 December 2018 (2017 - 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 (2017 - 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.

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2018 £'000	2017 £'000
Interest payable to group undertakings	-	1,806
	<u>-</u>	<u>1,806</u>
	<u>-</u>	<u>1,806</u>

6. TAX ON LOSS

(a) Analysis of tax credit in the year

	2018 £'000	2017 £'000
Current tax:		
UK Taxation		
In respect of the year		
Group relief payable for losses surrendered from other group undertakings	-	(377)
	<u>-</u>	<u>(377)</u>
Tax on loss	<u>-</u>	<u>(377)</u>

UNIVERSAL MUSIC PUBLISHING MGB HOLDING UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018

6. TAX ON LOSS (continued)

(b) Factors affecting current tax credit

The tax assessed on the loss the year is the same as the standard rate of corporation tax in the UK of 19.00% (2017 – 19.25%).

Under the Finance (No. 2) Act 2015, the main rate of corporation tax rate was reduced from 19.25% to 19.00% effective from 1 April 2018. A further reduction to 17.00% from 1 April 2020 will apply by virtue of the Finance Act 2016 s46 which was enacted on 15 September 2016. Deferred tax assets and liabilities are measured at the rate that is expected to apply to the accounting period when the asset is realised or the liability is settled, based on the above rates.

	2018	2017
	£'000	£'000
Loss before taxation	-	(1,958)
Loss at the standard rate of UK Corporation tax of 19.00% (2017: 19.25%)	-	(377)
Current tax charge/(credit) for the financial year	-	(377)

7. INVESTMENTS

	Total
	£'000
COST/FAIR VALUE	
At 1 January 2018	100,000
At 31 December 2018	100,000
NET BOOK VALUE	
At 31 December 2018	100,000
At 31 December 2017	100,000

Subsidiary Undertakings

The subsidiaries of Universal Music Publishing MGB Holding UK Limited, all incorporated in England and Wales as at 31 December 2018 were as follows:

Name	Country of incorporation	Ordinary share holding	Nature of business
Universal Music Publishing MGB Limited	UK	100%	Music publishing

The registered office address of the subsidiary company is 4 Pancras Square, London, N1C 4AG.

UNIVERSAL MUSIC PUBLISHING MGB HOLDING UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018

7. INVESTMENTS (continued)

The directors have considered the carrying value of investments and are of the opinion that the aggregate value of the company's investments in subsidiary and associate undertakings, including amounts owed by subsidiary and associate undertakings, is not less than the amount at which they are stated in the financial statements.

8. CREDITORS: Amounts falling due within one year

	2018 £'000	2017 £'000
Amounts owed to group undertakings	152,207	152,207
	<u>152,207</u>	<u>152,207</u>

All amounts owed to fellow group undertakings are classified as current as they are repayable on demand. Interest rates on intercompany loans have been agreed between parties on a loan by loan basis.

9. POST BALANCE SHEET EVENT

No post balance sheet events have been identified by management.

10. CAPITAL COMMITMENTS

The company had no capital commitments at 31 December 2018 or 31 December 2017.

11. SHARE CAPITAL

Authorised:

	2018 No	£'000	2017 No	£'000
Ordinary shares of £ each	1,000	1	1,000	-
	<u>1,000</u>	<u>1</u>	<u>1,000</u>	<u>-</u>

Allotted, called up and fully paid:

	2018 No	£'000	2017 No	£'000
Ordinary shares of £ each	1,000	1	1,000	-
	<u>1,000</u>	<u>1</u>	<u>1,000</u>	<u>-</u>

UNIVERSAL MUSIC PUBLISHING MGB HOLDING UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018

12. ULTIMATE PARENT COMPANY

The immediate parent undertaking at is Universal Music Holdings Limited. The ultimate parent undertaking and controlling party is Bolloré Group.

The smallest group in which the results of the company are consolidated is that headed by Vivendi SA, a company incorporated in France. Copies of its annual report in English may be obtained from:

42 Avenue de Friedland
75380 Paris
Cedex 08
France

The largest group in which the results of the company are consolidated is that headed by Bolloré Group, a company incorporated in France. Copies of its annual report in English may be obtained from:

Tour Bolloré
31-32 quai de Dion Bouton
92 811 Puteaux
France