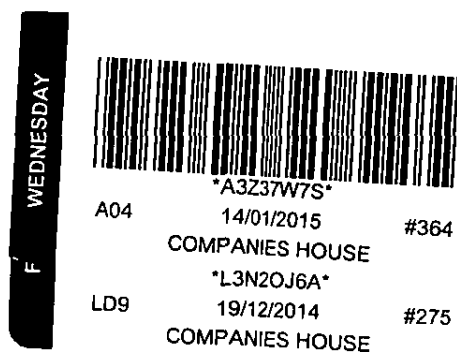


EMI Music Publishing Germany Holdco Limited
Annual Report and Financial Statements
For the Year Ended 31 March 2014



EMI Music Publishing Germany Holdco Limited

Annual Report and Financial Statements

Year ended 31 March 2014

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EMI Music Publishing Germany Holdco 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

EMI Music Publishing Germany Holdco Limited

Directors' Report

Year ended 31 March 2014

The directors present their report and the unaudited financial statements of EMI Music Publishing Germany Holdco Limited ("the Company") for the year ended 31 March 2014. The comparatives are for the year ended 31 March 2013.

Going concern

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 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 ("the Group") and for a period of at least one year from the date of signing the Company's financial statements.

Financial risk management

The Company's operations expose it to certain financial risks, primarily comprised of liquidity risk.

The Company is part of the Group's administration agreement with Sony/ATV (the "Administrator") whereby the Administrator follows its board approved policy and procedures manual that sets out specific guidelines to managing financial risk.

Liquidity risk

The company's asset base primarily comprises amounts due to or from fellow Group undertakings. The Company's current assets are sufficiently liquid to enable it to pay its bills and fund its current liabilities.

Results and dividends

The loss for the financial year amounted to €3,811,000 (2013: profit of €19,658,000). 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 2.

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 approval of the financial statements.

EMI Music Publishing Germany Holdco Limited

Directors' Report (continued)

Year ended 31 March 2014

Strategic report

The directors have not prepared a strategic report as the Company is entitled to the special provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006

Signed on behalf of the directors



F Crimmins
Director

Registered Office
30 Golden Square
London
W1F 9LD

Approved by the directors on 17/12/2014

EMI Music Publishing Germany Holdco Limited

Statement of Directors' Responsibilities

Year ended 31 March 2014

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

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

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

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- 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.

EMI Music Publishing Germany Holdco Limited**Profit and Loss Account****Year ended 31 March 2014**

	<i>Notes</i>	2014 €000	2013 €000
Impairment reversed in period		-	31,041
Interest receivable and similar income	2	2,956	9,675
Interest payable and similar charges	3	(6,767)	(21,058)
(Loss)/profit on ordinary activities before taxation		(3,811)	19,658
Tax on (loss)/profit on ordinary activities	7	-	-
(Loss)/profit for the financial year	12	(3,811)	19,658

The notes on pages 8 to 14 form part of these financial statements

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

The Company has no recognised gains and losses (2013 none) other than the results for the current and prior years as set out above

There are no material differences between the (loss)/profit on ordinary activities before taxation and the (loss)/profit for the financial year stated above and their historical cost equivalents

EMI Music Publishing Germany Holdco Limited**Balance Sheet****At 31 March 2014**

	<i>Notes</i>	2014 €000	2013 €000
Fixed assets			
Investments	8	62,616	62,616
Current assets			
Debtors	9	120,282	117,170
Creditors: amounts falling due within one year	10	(265,069)	(258,146)
Net current liabilities		(144,787)	(140,976)
Total assets less current liabilities		(82,171)	(78,360)
Net liabilities		(82,171)	(78,360)
Capital and reserves			
Called up share capital	11	-	-
Share premium account	12	143,682	143,682
Profit and loss account	12	(225,853)	(222,042)
Total shareholders' deficit	12	(82,171)	(78,360)

The notes on pages 8 to 14 form part of these financial statements

For the year ending 31 March 2014 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies

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

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

The financial statements on pages 6 to 14 were approved by the Board of directors on 17/12/2014 and signed on their behalf by



F Crimmins
Director

Company Registration Number 6388808

EMI Music Publishing Germany Holdco 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. They are stated in Euros being the primary currency in which EMI Music Publishing Germany Holdco Limited ("the Company") operates.

The accounting policies have been applied consistently, other than where new policies have been adopted.

The Company has taken advantage of the exemption under section 401 of the Companies Act 2006 not to prepare group financial statements. The parent undertaking of the smallest group for which group financial statements are prepared, and of which the Company is a member, is DH Publishing, L.P. registered in the Cayman Islands.

Going concern

The Company has made a loss for the year of €3,811,000 (2013: profit of €19,658,000) and has net current liabilities of €144,787,000 (2013: €140,976,000) at the reporting date.

At 31 March 2014, the Company had net current liabilities and net liabilities and made a loss in the year. The accounts 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 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 Group, and for a period of at least one year from the date of signing the Company's financial statements.

The Company operates as part of the DH Publishing, L.P. group ("the Group") and has provided a guarantee to the Group's lender, as such the Company is 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 strong balance sheet combined with continued strong operating performance means that the Group is able to meet its ongoing working capital needs and its current debt service obligations under the finance facility agreements for a period of more than twelve months from the date of approval of these financial statements.

The directors of the group have prepared consolidated Group financial projections for a period of more than twelve months from the date of approval of these financial statements.

After considering these financial projections, the directors have concluded that they have a reasonable expectation that the Company has adequate resources to continue as a going concern for the foreseeable future and as a result have prepared these financial statements on a going concern basis.

EMI Music Publishing Germany Holdco 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 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.

Investments

Investments in subsidiary and associated undertakings are stated at cost less provision to reflect any impairment.

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 asset 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.

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.

EMI Music Publishing Germany Holdco Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2014****1 Accounting policies (continued)****Taxation**

The charge for taxation is based on the (loss)/profit 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

2 Interest receivable and similar income

	2014	2013
	€000	€000
Interest receivable from group undertakings	<u>2,956</u>	<u>9,675</u>

3 Interest payable and similar charges

	2014	2013
	€000	€000
Interest payable to group undertakings	6,545	21,233
Foreign exchange loss/(gain)	222	(175)
	<u>6,767</u>	<u>21,058</u>

4 (Loss)/profit on ordinary activities before taxation

	2014	2013
	€000	€000
(Loss)/profit on ordinary activities before taxation is stated after charging		
Auditors' remuneration - audit of these financial statements	<u>-</u>	<u>-</u>

Amounts receivable in the prior year by the Company's auditors and their associates, other than the audit of the Company's financial statements, were not disclosed as the information was required, instead, to be disclosed on a consolidated basis in the consolidated financial statements of the Group

5 Directors' emoluments

The directors did not receive any emoluments in respect of their services to the Company (2013 €nil)

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

EMI Music Publishing Germany Holdco Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2014****6 Staff costs**

The Company had no employees (2013 none)

7 Tax on (loss)/profit on ordinary activities**Analysis of charge in the year**

	2014 €000	2013 €000
Total current tax	-	-

Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities 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

(Loss)/profit on ordinary activities before taxation	(3,811)	19,658
Current tax at 23% (2013 - 24%)	825	4,718
Group relief received for nil payment	(825)	(4,718)
Total current tax	-	-

Factors that may affect 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 Company had unused tax losses of nil (2013 nil) available for offset against future profits

EMI Music Publishing Germany Holdco Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2014****8 Investments****a) Shares in group undertakings**

	Cost €000	Provisions €000	Net book value €000
As at the start of the year	103,032	(40,416)	62,616
Movement in period	-	-	-
As at 31 March 2014	103,032	(40,416)	62,616

The Company holds an investment in EMI Music Publishing Group Germany GmbH, recognised at a carrying value of €62,616,000 (2013 €62,616,000)

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.

b) Principal subsidiary undertakings

The following were the principal subsidiary undertakings of the Company at 31 March 2014

Subsidiary Undertaking	Country of Incorporation	Class of share held	% held	Nature of Business
EMI Music Publishing Group Germany GmbH*	Germany	Ordinary	100%	Music Publishing
EMI Music Publishing Group Beteiligungs	Germany	Ordinary	100%	Music Publishing

* Held directly

9 Debtors

	2014 €000	2013 €000
Amounts owed by group undertakings	120,282	117,170

Amounts owed by group undertakings are unsecured, bear interest at 2.75% and have a 3 year term for repayment.

EMI Music Publishing Germany Holdco Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2014****10 Creditors: amounts falling due within one year**

	2014	2013
	€000	€000
Amounts owed to group undertakings	265,069	258,146

Amounts owed to group undertakings are unsecured, bear interest at 2.75 to 3% and have a 3 year term for repayment

11 Called up share capital

	2014		2013	
	Number	€	Number	€
Allotted and fully paid.				
4 (2013: 4) Ordinary shares of £1 each	<u>4</u>	<u>5</u>	<u>4</u>	<u>5</u>

Share capital has been converted into Euros based on the historic rate on the date the shares were issued as of 28 March 2008

12 Reconciliation of movement in shareholders' deficit

	Called up share capital €000	Share premium €000	Profit and loss account €000	Total €000
At the start of the year	-	143,682	(222,042)	(78,360)
Loss for the year	-	-	(3,811)	(3,811)
At 31 March 2014	<u>-</u>	<u>143,682</u>	<u>(225,853)</u>	<u>(82,171)</u>

EMI Music Publishing Germany Holdco Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2014

13 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 EMI Music Publishing Germany Topco Limited, a company registered in England and Wales

The parent undertaking of the largest 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

The parent undertaking of the smallest group to consolidate these financial statements is EMI Music Publishing Finance (UK) Limited

The address from which the financial statements can be requested is EMI Music Publishing Finance (UK) Limited, 30 Golden Square, London, W1F 9LD, United Kingdom