

EMI Music Publishing Germany Topco Limited
(Formerly EMI MP Germany Topco Limited)

**Directors' report and financial
statements**

Registered number 6388962
for the year ended 31 March 2012

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DIRECTORS' REPORT

The Directors present their Directors' report and financial statements for the year ended 31 March 2012

Principal Activities and Review of the Business

EMI Music Publishing Germany Topco Limited (the "Company") was incorporated on 3 October 2007. The Company is a wholly owned subsidiary of EMI Music Publishing Ltd and is part of the DH Publishing LP group (the "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 2012 or subsequently. The Directors do not anticipate any change to the principal activity of the Company during the next year.

During the year the Company operated as part of the EMI Group Worldwide Holdings Limited Group ("the Group") and all of its transactions are with fellow Group undertakings. As such its activities are dependent on the activities of the Group as a whole.

	2012	2011	Change
	€000	€000	%
Loss before tax	(29,073)	(62,367)	53.38
Loss after tax	(29,073)	(62,367)	53.38
Shareholders' deficit	(53,298)	(24,225)	(120.01)

As stated in the profit and loss account on page 7 the Company made a loss before tax of €29,073,000 in the year to 31 March 2012 compared with the previous year's loss before tax of €62,367,000. This is mainly due to less intercompany provisions being raised compared to the prior year, which is partially offset by an impairment of investments in the current year.

In the balance sheet shown on page 8, the net liabilities of the Company have increased by 120.01 per cent mainly due to impairment of investments. Shareholders' deficit has increased by 120.01 per cent as a result of the retained loss for the year.

Subsequent events

On 11 November 2011, Citigroup signed definitive agreements to sell the Group's Recorded Music business to Universal Music Group and Music Publishing business to an investor Group that comprised primarily of Sony Corporation of America, the Estate of Michael Jackson, Mubadala Development Company PJSC, Jynwel Capital Limited, and the Blackstone Group's GSO Capital Partners LP (the "Investor Group"). The agreements did not take effect until clearance was received from various Competition authorities and other conditions were met. The Music Publishing business sale completed on 29 June 2012.

DIRECTORS' REPORT (continued)

Going Concern

The financial statements have been prepared on the going concern basis, notwithstanding net (current) liabilities of €53,298 thousand, which the directors believe to be appropriate for the following reasons

The Company is dependent for its working capital on funds provided to it by DH Publishing LP, the Company's ultimate parent undertaking DH Publishing LP has indicated to the Company that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the Company This should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment "

Principal Risks and Uncertainties

The Company operates as part of the Group and all of its transactions are with fellow Group undertakings and an external lender As such its activities are dependent on the activities of the Group as a whole

The risks and uncertainties facing the Company are linked to those of the Group A detailed discussion of the Group risks and uncertainties is contained in the EMI Group Worldwide Holdings Limited's annual report

Dividends

The Directors do not recommend payment of a dividend (2011 € nil)

Change of name

The Company changed its name from EMI MP Germany Topco Limited to EMI Music Publishing Germany Topco Limited on 27th December 2012

Directors' Qualifying Third Party Indemnity Provisions

Certain Directors benefited from qualifying third party indemnity provisions at the date of this report

Donations

Grants and charitable donations made during the year amounted to €nil (2011 € nil) There were no political contributions made during the year (2011 € nil)

DIRECTORS' REPORT (continued)

Directors

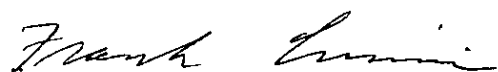
The Directors throughout the year and subsequently were as follows

A G Bebawi	(Resigned 29 June 2012)
L J Corbett	(Resigned 27 June 2012)
R C Faxon	(Resigned 27 June 2012)
C S Palmer	(Resigned 29 June 2012)
J C Quillan	(Appointed 9 May 2012, Resigned 29 June 2012)
F Crimmins	(Appointed 29 June 2012)
D H Johnson	(Appointed 29 June 2012)

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 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 auditors are aware of that information

By Order of the Board



Date: January, 28, 2013

F Crimmins
Director

Registered Office
30 Golden Square
London
W1F 9LD

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with 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 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EMI MUSIC PUBLISHING GERMANY TOPCO LIMITED

We have audited the financial statements of EMI MP Germany Topco Limited for the year ended 31 March 2012 set out on pages 7 to 16. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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.

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its loss for the year then ended
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EMI MUSIC PUBLISHING
GERMANY TOPCO LIMITED (continued)**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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



H Green (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square
London E14 5GL
United Kingdom

31 January 2013

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2012

	Notes	2012 €000	2011 €000
Amounts written off investments	5	(31,574)	-
Amounts written off intercompany receivables	6	-	(67,456)
Write back of intercompany receivables		289	-
OPERATING LOSS		(34,285)	(67,456)
Interest receivable and similar income	2	10,143	8,829
Interest payable and other charges	3	(7,931)	(3,740)
NET INTEREST RECEIVABLE		2,212	5,089
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(29,073)	(62,367)
Taxation	4	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(29,073)	(62,367)

All activities are continuing operations

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

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MARCH 2012

There are no recognised gains and losses attributable to the shareholders of the Company other than the loss of €29,073,000 (2011 €62,367,000 loss)

BALANCE SHEET AT 31 MARCH 2012

	Notes	2012 €000	2011 €000
FIXED ASSETS			
Investments	5	-	31,574
DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR			
Amount due from fellow Group undertaking	6	55,672	45,240
CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR			
Amount due to fellow Group undertaking	7	(108,970)	(101,039)
NET CURRENT LIABILITIES		(53,298)	(55,799)
NET LIABILITIES		(53,298)	(24,225)
CAPITAL AND RESERVES			
Share Capital	8,9	-	-
Share Premium	9	143,682	143,682
Profit and loss reserve	9	(196,980)	(167,907)
SHAREHOLDERS' DEFICIT	9	(53,298)	(24,225)

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

These financial statements were approved for issue by the Board of Directors on
 and were signed on its behalf by

28th January 2013

Frank Crimmins

F Crimmins
 Director

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Basis of Preparation

The financial statements are prepared under the historical cost convention and are stated in Euros being the primary currency in which the Company operates

The financial statements are prepared in accordance with applicable accounting standards

The Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Going Concern

EMI MP Germany Topco Limited has made a loss for the year of €29.1 million (2011: €62.4 million) and has net current liabilities of €53.3 million (2011: €55.8 million) at the reporting date.

The Company operates as part of the DH Publishing LP 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 Company has also prepared its own financial projections for a period of more than twelve months from the date of approval of these financial statements which indicate that it will be able to continue to meet its financial obligations during this period.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES (continued)

Cash Flow Statement

The Company has taken advantage of the exemption in FRS 1 (revised) not to prepare a cash flow statement as a parent undertaking prepares a consolidated cash flow statement, which includes the Company, in accordance with FRS 1 (revised)

Related Parties

As the Company is a wholly owned subsidiary of EMI Group Worldwide Holdings Limited, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the Group (or investees of the Group qualifying as related parties) The consolidated financial statements of EMI Group Worldwide Holdings Limited, within which this Company is included, can be obtained from the address given in note 11

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 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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)**1. ACCOUNTING POLICIES (continued)****Impairment of fixed assets (continued)***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.

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.

2. INTEREST RECEIVABLE AND SIMILAR INCOME

	2012	2011
	€000	€000
Interest receivable from Group undertakings	10,143	8,829

3. INTEREST PAYABLE AND OTHER CHARGES

	2012	2011
	€000	€000
Interest payable on Securitisation Bridge Facility	-	(2,523)
Interest payable to Group undertakings	(7,931)	(1,217)
	(7,931)	(3,740)

NOTES TO THE FINANCIAL STATEMENTS (Continued)**4. TAX**

Deferred tax	2012 €000	2011 €000
Originating and reversal of timing differences	-	-
Changes in recoverable amounts of deferred tax assets	-	-
	-	-
Tax on loss on ordinary activities	-	-

Factors affecting current tax charge

The current tax charge for the year is higher (2011 higher) than the standard rate of corporations tax in the UK. The differences are explained below

Loss on ordinary activities before tax	(29,073)	(62,367)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 26% (2011 – 28%)	(7,559)	(17,463)
<i>Effect of</i>		
Group relief received for nil payment - Current year	(575)	(1,425)
Permanent difference	8,134	18,888
Total current tax charge	-	-

Factors affecting future tax charge

As part of the Group, the Company may receive or surrender losses by way of Group relief. This receipt or surrender is made without charge.

On 5 July 2011, legislation to further reduce the main rate of corporation tax from 26 per cent to 25 per cent from 1 April 2012 was substantially enacted.

On 21 March 2012, a resolution was passed by Parliament to reduce the main UK corporate tax rate to 22 per cent by 1 April 2014.

On 3 July 2012, the legislation of the reduction in the UK corporate tax rate to 23% was substantially enacted. None of the above changes are reflected in the above calculation.

Deferred tax

At the balance sheet date the Company had unused tax losses of €nil (2011: €nil) available for offset against future profits.

NOTES TO THE FINANCIAL STATEMENTS (Continued)**5. INVESTMENTS****a) SHARES IN GROUP UNDERTAKINGS**

	<u>Cost</u> €000	<u>Provisions</u> €000	<u>Net Book</u> <u>Value</u> €000
At the start of the year	103,031	(71,457)	31,574
Impairment	-	(31,574)	(31,574)
	<hr/>	<hr/>	<hr/>
At 31 March 2012	103,031	(103,031)	-
	<hr/>	<hr/>	<hr/>

Citigroup Inc signed definitive agreements to sell the Recorded Music and Music Publishing divisions on 11 November 2011. The sales price was subsequently allocated by country and for certain legal entities on a fair market value basis (which is considered to approximate net realisable value). This triggered an impairment review of the carrying value of the Company's assets as the sales agreements provided information from a third party of the recoverable amount of the Company's assets. As a result of this impairment review, the Company impaired its investment in EMI Music Publishing Germany Holdco Limited to nil.

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 EMI Music Publishing Germany Topco Limited at 31 March 2012:

Subsidiary undertakings	Country of Incorporation	Class of shares	Proportion Held	Nature of business
EMI Music Publishing Germany Holdco Limited*	Germany	Ordinary	100%	Holding Company
EMI Group Germany GmbH	Germany	Ordinary	100%	Music Publishing

* Held directly

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. DEBTORS	2012	2011
	€000	€000
Amounts falling due within one year		
Amounts due from fellow Group undertakings	112,696	103,867
Interest receivable from fellow Group undertakings	10,143	8,829
Provision against amounts due from fellow Group undertakings	(67,167)	(67,456)
	<hr/>	<hr/>
	55,672	45,240
	<hr/>	<hr/>
 7. CREDITORS	 2012	 2011
	€000	€000
Amounts falling due after more than one year		
Amounts due to fellow Group undertakings	107,593	99,822
Interest payable to fellow Group undertakings	1,377	1,217
	<hr/>	<hr/>
	108,970	101,039
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS (Continued)**8. SHARE CAPITAL**

	2012 €	2011 €
Authorised 100 ordinary shares of £1 each	100	100
Allotted, called up and fully paid 1 ordinary share of £1	1	1

On 3 October 2007 the Company issued one (£1 ordinary) share for consideration of £1, settled in cash. The share was issued at a premium of €143,682,000.

Share capital has been converted into Euros based on the historic rate on the date the shares were issued as of 3 October 2007.

9. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Share Capital €000	Share Premium €000	Profit and loss reserve €000	Total €000
At the beginning of the year	-	143,682	(167,907)	(24,225)
Profit for the year	-	-	(29,073)	(29,073)
At the end of the year	-	143,682	(196,980)	(53,298)

10. DIRECTORS' EMOLUMENTS AND STAFF COSTS

No Directors received any remuneration during neither the previous or current year in respect of their services to the Company. The Company had no employees during either the previous or current year.

11. ULTIMATE PARENT COMPANY

The ultimate parent undertaking of the Group is DH Publishing L P, a partnership registered in the Cayman Islands.

The immediate parent of the Company is EMI Music Publishing Limited, a company registered in England and Wales.

Prior to the change of ownership (see note 14), the Company's previous ultimate parent undertaking and controlling party was Citigroup Inc, a company registered in Delaware, United States.

The parent undertaking of the largest group to consolidate these financial statements is EMI Group Worldwide Holdings Limited.

NOTES TO THE FINANCIAL STATEMENTS (Continued)**12. AUDITOR'S REMUNERATION**

The auditor's remuneration is borne by an intermediate parent undertaking EMI Group Limited and is as follows

	2012	2011
	€000	€000
Audit of the financial statements	4	4

Amounts receivable by the Company's auditors and their associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of EMI Group Worldwide Holdings Limited, the Company's intermediate parent

13. TERMS OF INTERCOMPANY BALANCES

Loans to and from fellow Group undertakings and the parent undertaking 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.

14. SUBSEQUENT EVENTS

On 11 November 2011, Citigroup signed definitive agreements to sell the Group's Recorded Music business to Universal Music Group and Music Publishing business to an investor Group that comprised primarily of Sony Corporation of America, the Estate of Michael Jackson, Mubadala Development Company PJSC, Jynwel Capital Limited, and the Blackstone Group's GSO Capital Partners LP (the 'Investor Group'). The agreements did not take effect until clearance was received from various Competition authorities and other conditions were met. The Music Publishing business sale completed on 29 June 2012.