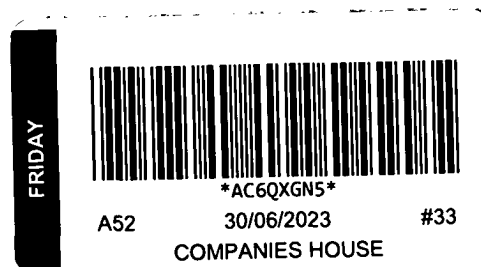


Registered in England No. 06490686

WARNER CHAPPELL PRODUCTION MUSIC LIMITED

Report and Financial Statements
30 September 2022



WARNER CHAPPELL PRODUCTION MUSIC LIMITED
Registered No. 6490686

DIRECTORS

M Lavin
K Alderton
D Young (appointed on 10 December 2021)
J Smith (resigned on 10 December 2021)

SECRETARY

CMS Cameron McKenna Nabarro Olswang LLP

AUDITOR

Ecovis Wingrave Yeats LLP
Chartered Accountants & Statutory Auditor
3rd Floor, Waverley House
7-12 Noel Street
London
W1F 8GQ

REGISTERED OFFICE

Cannon Place
78 Cannon Street
London
EC4N 6AF

WARNER CHAPPELL PRODUCTION MUSIC LIMITED

STRATEGIC REPORT

The directors submit their strategic report for the year ended 30 September 2022.

RESULTS AND DIVIDENDS

The results for the year are set out in the profit and loss account on page 9. The directors do not propose a dividend for the year ended 30 September 2022 (2021 - £nil).

BUSINESS REVIEW

The key performance indicators of the company are turnover and profit after tax.

Turnover up by 4% in the year to £2,035,945. This is primarily because during the year there was an increase in collections of digital copyright royalties. Gross profit has increased by 2% to £1,116,177, due to increase in collection of performance royalties which carries a lower cost of sale compared to mechanical and synchronisation copyright royalties.

Warner Chappell Production Music Limited accepted the benefit and burden of CRML Limited's rights and obligations and has accepted the exploitation fee set at £52,714 (2021: £112,055) for the year ending 30 September 2022. Refer to note 1 for further details.

The company's principal activity is music publishing. The company's income is generated by the use of musical compositions in which the copyright is either owned or administered by the company.

The result of the company for the period ended 30 September 2022 is set out in the Profit and Loss Account on page 9. The position of the company at 30 September 2022 is set out in the Balance Sheet on page 10. The company has a net current liability position; however its intermediate parent, Warner Music Group Corp., has committed to provide financial support to the company to enable it to meet its debts as they fall due, and for 12 months following the signing of these accounts. Both the result and the position of the company were in line with the expectations of the directors. Given the nature of its business, the company considers there to be no key performance indicators directly relating to environmental issues or employee matters.

RISKS AND UNCERTAINTIES

In general, the company is not subject to any specific risks and uncertainties other than those prevalent in the music publishing market in general. These include the continued threat of unlicensed music usage and the general decline of the physical market although new digital music platforms are now starting to deliver increased monetary benefits to music publishers which significantly offset the weakening traditional markets.

Since UK left the European Union there has been no obvious impact on the business. It is too early to assess whether the UK leaving the European Union ("Brexit") will have a material impact on the business. It seems unlikely, however, that British music will cease to be purchased, broadcast or performed in Europe, simply because of the Brexit decision.

The Covid-19 pandemic has caused ongoing uncertainty and that would require us to update any estimates, judgments or materially revise the carrying value of our assets or liabilities, or which impact the ability of the business to continue as a going concern. The Company estimates may change, however, as new events occur and additional information is obtained, and any such changes will be recognized in the financial statements. Actual results could differ from estimates, and any such differences may be material to our consolidated financial statements.

As with any business, competitive risks also exist. Traditional competitors such as other major and independent publishers are now joined by new entrants and business models, particularly in the audio-visual sector. In order to mitigate the effect of these items, the company is constantly reviewing its artists and repertoire (A&R) strategy as well as maximising new media opportunities.

WARNER CHAPPELL PRODUCTION MUSIC LIMITED
STRATEGIC REPORT (continued)

Exposure to price and credit risk

The Company is exposed to price risk in relation to the relationship with external bodies such as local third party collection societies. Mechanical and performance royalties are calculated using rates and distribution rules which have been set by the board of performing rights societies, which directly impact company revenue.

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The company has implemented policies that require appropriate collectability checks on potential customers before sales are made.

Exposure to liquidity and cash flow risk

The Company is part of the Warner Music Group cash pooling arrangement, through which its working capital requirements are adequately covered, therefore exposure to liquidity and cash flow risk is minimal.



On behalf of the board
Director
K Alderton

Date: 28/06/2023

WARNER CHAPPELL PRODUCTION MUSIC LIMITED REPORT OF THE DIRECTORS

The directors submit their report together with the audited financial statements of the company for the year ended 30 September 2022.

DIRECTORS AND THEIR INTERESTS

The directors of the company during the period ended 30 September 2022 were as listed on page 1.

At no time during the year did any director have any interest in the shares or debentures of the company or any other group undertaking. The directors of the company have qualifying indemnities against losses or liabilities that are incurred.

POLITICAL CONTRIBUTIONS

The Company made no political donations or incurred any political expenditure during the year (2021: £nil).

GOING CONCERN

Notwithstanding net current liabilities of £1,368,183 as at 30 September 2022 (2021: £1,971,598), the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its parent company, Warner Music Group Corp., to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Warner Music Group Corp. or the entities to which it controls, not seeking repayment of the amounts currently due to the group, which at 30 September 2022 amounted to £13,229,842 (2021: £12,847,428) and providing additional financial support during that period. Warner Music Group Corp. has indicated its intention to continue to make available such funds as are needed by the company, and that the entities to which it controls does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

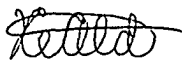
Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

DISCLOSURE OF INFORMATION TO 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 auditor is unaware; and each director has taken all the steps that he/she ought to have taken as a director to make himself/ herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

PROPOSED DIVIDENDS

The directors do not recommend the payment of a dividend.



Director
K Alderton

Date: 28/06/2023

Registered office:
Cannon Place
78 Cannon Street
London
EC4N 6AF

WARNER CHAPPELL PRODUCTION MUSIC LIMITED

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

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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
Warner Chappell Production Music Limited**

Opinion

We have audited the financial statements of Warner Chappell Production Music Limited (the 'Company') for the year ended 30 September 2022, which comprise the Statement of comprehensive income, the Balance sheet, 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 30 September 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 Auditors' 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 Auditors' 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.

**Independent Auditor's Report to the members of
Warner Chappell Production Music Limited (Continued)**

Opinion 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 Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have 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 Strategic report or 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.

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.

Auditors' 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 Auditors' 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:

Independent Auditor's Report to the members of

Warner Chappell Production Music Limited (Continued)

- We determined that the laws and regulations which are directly relevant to the financial statements are those that relate to the reporting framework Financial Reporting Standard 102 and the relevant tax compliance regulations in the jurisdictions in which the Company operates. We evaluated the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.
- In addition, there are other significant laws and regulations which may have an effect on the determination of the amounts and disclosures in the financial statements. For these laws and regulations, the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through fines or litigation being imposed. As required by the auditing standards, auditing procedures in respect of non-compliance with these identified laws and regulations are limited to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any.

Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations and fraud risks identified in the paragraphs above. In addition to the audit procedures, we remained alert to any indications of non-compliance throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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. This description forms part of our Auditors' report.

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 Auditors' 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.

Jessica Teague

Jessica Teague (Senior statutory auditor)

For and on behalf of
Ecovis Wingrave Yeats LLP
Chartered Accountants & Statutory Auditor
3rd Floor, Waverley House
7-12 Noel Street
London
W1F 8GQ

Date: 28 June 2023

WARNER CHAPPELL PRODUCTION MUSIC LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 September 2022**

	Notes	2022	2021
		£	£
TURNOVER	2	2,035,945	1,960,575
Cost of sales		(919,768)	(866,213)
Gross profit		1,116,177	1,094,362
Administrative expenses		(717,112)	(684,821)
OPERATING PROFIT	3	399,065	409,541
Interest receivable	4	339,681	227,009
PROFIT BEFORE TAXATION		738,746	636,550
Tax on profit	7	(136,219)	(119,874)
PROFIT AFTER TAXATION		<u>602,527</u>	<u>516,676</u>

All profits are generated from continuing operations.

There is no other comprehensive income for the current and preceding financial years.

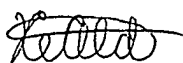
The notes on pages 12 to 18 form part of these financial statements.

WARNER CHAPPELL PRODUCTION MUSIC LIMITED

BALANCE SHEET AT 30 September 2022

	Notes	2022	2021
		£	£
FIXED ASSETS:			
Intangible assets	8	-	-
Tangible assets	9	2,561	3,449
Investments	10	5,676,059	5,676,059
		<u>5,678,620</u>	<u>5,679,508</u>
CURRENT ASSETS:			
Debtors	11	13,168,446	12,182,836
CREDITORS: amounts falling due within one year	12	(14,536,629)	(14,154,434)
NET CURRENT LIABILITIES		<u>(1,368,183)</u>	<u>(1,971,598)</u>
NET ASSETS		<u>4,310,437</u>	<u>3,707,910</u>
CAPITAL AND RESERVES			
Called up share capital	13	1	1
Profit and loss account		4,310,436	3,707,909
EQUITY SHAREHOLDERS' FUNDS		<u>4,310,437</u>	<u>3,707,910</u>

The financial statements of Warner Chappell Production Music Limited (registered company number 06490686) were approved and authorised for issue by the board and were signed on its behalf by:



K Alderton
Director

Date: 28/06/2023

The notes on pages 12 to 18 form part of these financial statements.

WARNER CHAPPELL PRODUCTION MUSIC LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 September 2022

	<i>Called up Share capital £</i>	<i>Profit and loss account £</i>	<i>Total Equity £</i>
Balance at 1 October 2020	1	3,191,233	3,191,234
Profit for the financial year	-	516,676	516,676
At 24 September 2021	<u>1</u>	<u>3,707,909</u>	<u>3,707,910</u>
Profit for the financial year	-	602,527	602,527
At 30 September 2022	<u><u>1</u></u>	<u><u>4,310,436</u></u>	<u><u>4,310,437</u></u>

The accompanying notes form part of these financial statements.

WARNER CHAPPELL PRODUCTION MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS AT 30 September 2022

1. ACCOUNTING POLICIES

A summary of the principal accounting policies, all of which have been applied consistently throughout the period, is set out below:

Basis of Preparation

The financial statements are prepared on the historical cost basis. They were prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). The presentation currency of these financial statements is sterling. The financial statements are made up for the 53 week period beginning 25 September 2021 ending 30 September 2022, in line with the period ending of the parent undertaking, Warner Music Group Corp. In previous years the financial statements have been prepared with the year ending date of 24 September. Management has completed an exercise to assess the financial impact of aligning the period end date and this has not been found to have a material impact for the users of the financial statements.

The Company is exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006 because the Company's parent undertaking, Warner Music Group Corp., a company incorporated in the USA, includes the Company in its consolidated financial statements. The consolidated financial statements of Warner Music Group Corp. are available to the public and may be obtained from 1209 Orange Street, Wilmington, DE 19801, USA.

In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation

The Company proposes to continue to adopt the reduced disclosure framework of FRS 102 in its next financial statements.

Exploitation Agreement

Under an Exploitation Agreement effective 1 October 2016 Warner Chappell Production Music Limited, accepted the benefit and burden of CRML Limited's rights and obligations under its current and future contracts with third parties. Under the Exploitation Agreement the directors of CRML Limited have the right to set an annual fee chargeable to Warner Chappell Production Music Limited. In the current year this fee was set at £52,714 which covers the costs CRML has incurred in respect of Music Library costs.

Going concern

Notwithstanding net current liabilities of £1,368,183 as at 30 September 2022 (2021: £1,971,598), the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, through funding from its parent company, Warner Music Group Corp., to meet its liabilities as they fall due for that period.

Those forecasts are dependent on Warner Music Group Corp. or the entities to which it controls, not seeking repayment of the amounts currently due to the group, which at 30 September 2022 amounted to £13,229,842 (2021: £12,847,428) and providing additional financial support during that period. Warner Music Group Corp. has indicated its intention to continue to make available such funds as are needed by the company, and that the entities to which it controls does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

WARNER CHAPPELL PRODUCTION MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS AT 30 September 2022 (Continued)

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Turnover recognition

Turnover represents copyright royalties receivable and music publishing administration fees excluding value added tax. Copyright royalties are recognised at the point at which the relevant copyright is exploited. Advances in respect of future revenues are treated as deferred revenue and recognised as revenue when earned.

Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. This is particularly true of the change in accounting estimate regarding revenue recognition where estimates of when revenue is earned and amounts are accrued. The £645,779 (2021: £656,991) income accrual is however subject to a low degree of uncertainty as at the year end due to most of the accruals being updated with subsequent cash received. The £422,485 (2021: £342,050) royalty cost accrual in respect of the accrued income is estimated using the latest known average royalty rates for the period in which the financial statements are prepared.

Foreign currencies

Transactions in foreign currencies are reported at the approximate rates of exchange ruling at the date on which they took place. Assets and liabilities in foreign currencies are translated at the year-end exchange rate. All differences are taken to the profit and loss account.

Depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. The company provides depreciation at rates which are calculated to write off the cost of the tangible fixed assets by equal annual instalments over their estimated useful lives as follows:

Computer Hardware	20%	Fixtures & Fittings	10%
Leasehold Improvements	10%	Computer Software	33%

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

Intangible fixed assets: music copyrights

Purchased music copyrights are capitalised and amortised by equal annual instalments over the period that is expected to recover the initial cost based on projected average annual income, but not exceeding 20 years. The carrying values of intangible fixed assets are reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at cost. They are assessed for any impairment on an annual basis. Trade and other creditors are recognised at cost.

Investments in subsidiaries, jointly controlled entities and associates

Investments in subsidiaries, jointly controlled entities and associates are carried at cost less impairment. Income from such investments is recognised in the company's profit and loss account on the basis of dividends received and receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. The Company is part of the Warner Music Group cash pooling arrangement and therefore the majority of account balances are swept to zero overnight, with a corresponding intercompany loan balance recorded with another Warner Music Group entity.

WARNER CHAPPELL PRODUCTION MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS AT 30 September 2022 (Continued)

2. TURNOVER

Turnover represents royalties received and is attributable to one continuing activity - music publishing. The geographical areas to which turnover relates are as follows:

	2022	2021
	£	£
United Kingdom	1,020,966	1,057,784
Rest of the World	1,014,979	902,791
	<u>2,035,945</u>	<u>1,960,575</u>

3. OPERATING PROFIT

	2022	2021
	£	£
This is stated after charging:		
Depreciation	888	889
Amortisation of copyrights	-	-
Exploitation Fee	52,714	112,055
Administrative Expenses	663,510	571,877
	<u>663,510</u>	<u>571,877</u>

4. INTEREST RECEIVABLE

	2022	2021
	£	£
Interest receivable from group company	339,681	227,009
	<u>339,681</u>	<u>227,009</u>

5. EMPLOYEES AND DIRECTORS

The average number of employees employed by the Company (including directors) during the year, analysed by category, was made up as follows:

	2022	2021
	£	£
Commercial and administrative	11	11
	<u>11</u>	<u>11</u>

The directors of the company are also directors of a number of subsidiaries of the ultimate parent undertaking. The cost is recognised in the accounts of Warner Chappell Music Limited which make the remuneration payments. However, the directors believe that it is practicable to apportion the remuneration between remuneration as directors of the company and their remuneration as directors of the fellow subsidiary companies. The directors' remuneration is therefore disclosed in the notes to the financial statements of the subsidiaries based on qualifying services provided to each subsidiary.

	2022	2021
	£	£
Directors' remuneration	35,676	145,953
	<u>35,676</u>	<u>145,953</u>

WARNER CHAPPELL PRODUCTION MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS AT 30 September 2022 (Continued)

Staff Cost	2022	2021
	£	£
Wages and salaries	291,524	337,175
Social security costs	38,626	41,987
Contributions to defined contribution plans	14,491	15,904
	<u>344,641</u>	<u>395,066</u>

6. AUDITOR'S REMUNERATION

Audit Fees of £5,400 (2021 - £6,500).

7. TAXATION

a) Total tax expense recognised in the profit and loss account

	2022	2021
	£	£
<u>Taxation based on the income for the period</u>		
UK Corporation tax on income	7,346	120,561
Adjustments in respect of prior periods	-	(689)
Group relief payments (receipts)	133,117	-
Overseas tax suffered	7,346	5,780
Double taxation relief	(7,346)	(5,778)
Total Current Tax recognised in profit and loss	<u>140,463</u>	<u>119,874</u>
<u>Deferred tax</u>		
Timing differences, origination and reversal	(4,244)	-
(Decrease) / Increase in Tax rates	-	-
(Over) / Under provision for prior years	-	-
	<u>136,219</u>	<u>119,874</u>

The full tax charge for the year is recognised in the Profit and Loss account.

b) Reconciliation of tax charge

The standard rate of current tax for the year based on the UK standard rate of corporation tax is 19% (2021: 19%). The current tax charge for the year differs from the standard rate for the reasons in the reconciliation below:

	2022	2021
	£	£
Profit on ordinary activities before tax	<u>738,746</u>	<u>636,550</u>
Tax on profit on ordinary activities at standard rate of 19% (2021:19%)	140,362	120,945
Factors affecting charge:-		
Expenses not deductible for tax purposes	763	460
Capital allowances in excess of depreciation	(4,906)	(844)
Effect of tax rates in foreign jurisdictions	-	2
Adjustment to tax charge in respect of previous periods	-	(689)
Total current tax recognised in profit and loss (note a above)	<u>136,219</u>	<u>119,874</u>

WARNER CHAPPELL PRODUCTION MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS AT 30 September 2022 (Continued)

c). Tax rate changes

An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will have a consequential effect on the company's future tax charge.

d). Deferred tax

	£
At 25 September 2021	-
Credited / (Charged) to profit and loss account	4,244
At 30 September 2022	<u>4,244</u>

Deferred tax assets/(liabilities) are attributable to the following:

	30 September 2022	24 September 2021
	£	£
Difference between accumulated depreciation and capital allowances	4,244	-
Other timing differences	-	-
	<u>4,244</u>	<u>-</u>

There are no unused tax losses or unused tax credits.

8. INTANGIBLE ASSETS

	Copyrights
	£
Cost:	
At 25 September 2021	915,000
Additions	-
At 30 September 2022	<u>915,000</u>
Amortisation:	
At 25 September 2021	915,000
Charged during the year	-
At 30 September 2022	<u>915,000</u>
Net book values:	
At 30 September 2022	<u>-</u>
At 25 September 2021	<u>-</u>

WARNER CHAPPELL PRODUCTION MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS AT 30 September 2022 (Continued)

9. TANGIBLE ASSETS

	Computer hardware £	Computer software £	Leasehold improvements £	Fixtures and fittings £	Total £
Cost:					
At 25 September 2021	14,507	21,843	-	-	36,350
Additions	-	-	-	-	-
Disposal			-	-	
At 30 September 2022	14,507	21,843	-	-	36,350
Accumulated depreciation:					
At 25 September 2021	11,058	21,843	-	-	32,901
Charged during the period	888	-	-	-	888
Disposals			-	-	
At 30 September 2022	11,946	21,843	-	-	33,789
Net book values:					
At 30 September 2022	2,561	-		-	2,561
At 25 September 2021	3,449	-	-	-	3,449

10. INVESTMENTS

The cost of investments held at 30 September 2022 was as follows:

	2022 £	2021 £
Investments in subsidiary undertakings	5,676,059	5,676,059
(a) CRML Limited		£
Balance at 24 September 2021 and 30 September 2022 at cost		5,477,397

The company owns 99% of the issued ordinary share capital of CRML Limited, Cannon Place, 78 Cannon Street, London, England, EC4N 6AF, an entity incorporated in England and Wales. In the opinion of the directors, the value of the investment in CRML Limited, including amounts owed by CRML Limited to the company, is not less than the amount at which the investment is included in the financial statements.

(b) Destiny Music Limited

Balance at 24 September 2021 and 30 September 2022 at cost	£ 198,662

The company owns 99% of the issued ordinary share capital of Destiny Music Limited, Cannon Place, 78 Cannon Street, London, England, EC4N 6AF, an entity incorporated in England and Wales. In the opinion of the directors, the value of the investment in Destiny Music Limited, including amounts owed by Destiny Music Limited to the company, is not less than the amount at which the investment is included in the financial statements.

Subsidiary undertakings of CRML Limited

CPM Music Ltd	England and Wales	100%	Music publishing
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WARNER CHAPPELL PRODUCTION MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS AT 30 September 2022 (Continued)

11. DEBTORS

	2022	2021
	£	£
Trade debtors	6,908	14,215
Due from group undertakings	12,505,429	11,506,480
Taxation	6,086	5,150
Accrued Income	645,779	656,991
Royalty Advances	-	-
Deferred Tax	4,244	-
	<u>13,168,446</u>	<u>12,182,836</u>

Amounts due from group undertakings are unsecured, repayable on demand and interest has accrued at an average interest rate of 2.77% during the year.

12. CREDITORS: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	816,131	890,633
Due to group undertakings	13,229,842	12,847,428
Group Relief	-	-
Taxation and social security	1,202	2,572
Other Creditors	9,869	6,918
Royalty Accruals	422,485	342,050
Accruals	57,100	64,833
	<u>14,536,629</u>	<u>14,154,434</u>

Amounts due to group undertakings are unsecured, repayable on demand and interest free.

13. SHARE CAPITAL

	Allotted, called up and fully paid	
	2022	2021
	£	£
1 ordinary share of £1 each	<u>1</u>	<u>1</u>

14. PARENT UNDERTAKING AND CONTROLLING PARTY

Warner Chappell Music Ltd, Cannon Place, 78 Cannon Street, London, England, EC4N 6AF is the company's immediate parent undertaking.

At 30 September 2022, Ai Entertainment Holdings LLC, 2711 Centerville Road, Suite 400, Wilmington, DE 19808, was the ultimate parent undertaking. Warner Music Group Corp., an entity incorporated in the United States of America, was the parent undertaking of the smallest and largest group of undertakings of which the company was a member and for which group financial statements are drawn up. Copies of Warner Music Group Corp.'s financial statements can be obtained from 1209 Orange Street, Wilmington, DE 19801, USA.