

COMPANY REGISTRATION NUMBER 00910829

UNIVERSAL MUSIC PUBLISHING MGB LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



UNIVERSAL MUSIC PUBLISHING MGB LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

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UNIVERSAL MUSIC PUBLISHING MGB LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

YEAR ENDED 31 DECEMBER 2020

THE BOARD OF DIRECTORS

JG Alway
RJ Morris

COMPANY SECRETARY

A Abioye

REGISTERED OFFICE

4 Pancras Square
London
N1C 4AG
United Kingdom

AUDITOR

Deloitte LLP
Statutory Auditor
Mountbatten House
1 Grosvenor Square
Southampton
SO15 2BZ
United Kingdom

UNIVERSAL MUSIC PUBLISHING MGB LIMITED

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2020

The directors present their strategic report for the company for the year ended 31 December 2020.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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

The result of the company for the year ended 31 December 2020 and its position as at that date are set out in the statement of comprehensive income, statement of financial position and statement of changes in equity on pages 13, 14 and 15 respectively. The result and position of the company were in line with directors' expectations.

RESULTS AND DIVIDENDS

The company's profit for the financial year was £4,763,000 (2019 - profit £6,348,000). The retained profit for the year has been transferred to reserves.

The directors do not recommend a dividend payment for the year ended 31 December 2020 (2019 - £Nil).

KEY PERFORMANCE INDICATORS

The company uses a variety of performance indicators to review historical performance and plan for the future. The key indicators are turnover and gross profit margin as described below.

Turnover

Turnover has decreased by 19.2% compared to the prior year as a result of one-time benefits from accelerated overseas affiliate distributions in the prior year (6.3% decrease excluding the prior year one-time benefit due to lower performance revenue).

Gross profit margin

The company's gross profit margin decreased from 26.5% to 24.0% this year. This was the result of changes in both sales type and repertoire mix.

SECTION 172 STATEMENT

Under section 172 of the Companies Act 2006, the board of directors of a company must act to promote the success of the company for the benefit of its members as a whole, and in doing so have regard to the factors noted in section 172(1).

The board constantly assesses the implications of decisions made, in terms of the both the potential long-term consequences for the company, together with the impact on our stakeholders, including shareholders, artists and songwriters, employees, suppliers and customers, the wider community and the environment.

The company is a member of the Universal Music UK group. In making this statement, the directors are drawing upon the relevant activities of the group.

Shareholders

The company is majority owned by Vivendi SE, a company listed in France. The board regularly communicates with Vivendi SE regarding strategy and performance through a number of different channels:

- Regular and timely management accounts;
- Detailed and accurate financial budgets and forecasts;
- Collaboration as part of the Vivendi SE cash management policy; and
- Consultation and approval of any significant investment and acquisition decisions.

UNIVERSAL MUSIC PUBLISHING MGB LIMITED

STRATEGIC REPORT (continued)

YEAR ENDED 31 DECEMBER 2020

SECTION 172 STATEMENT (continued)

Artists and Songwriters

The board recognises that the success of our artists and songwriters is key to maintaining Universal Music's position as the UK's leading music company. Our A&R teams continue to work with their existing artists and songwriters to create great new music, whilst also identifying and nurturing emerging artists.

The board is mindful of the impact of Covid-19 on our artists and songwriters and the company has supported them wherever possible. We offered various forms of financial assistance such as interest-free royalty advances and fee waivers, among others, to help qualifying artists and songwriters affected by Covid-19. The board is mindful of the impact of Covid-19 on our artists and songwriters and the company has supported them wherever possible. We offered various forms of financial assistance such as interest-free royalty advances and fee waivers, among others, to help qualifying artists and songwriters affected by Covid-19.

The company has also helped artists and songwriters reach fans and generate income through alternative platforms whilst touring and other live appearances were not possible. This included numerous successful livestream events.

Some notable success and achievements over the last year include:

- Winning six out of the ten categories at the BRIT Awards 2020;
- Winning the 2020 BRITs Rising Star award; and
- Winning the Mercury Prize 2020

Employee engagement

The board understands that Universal Music UK's staff are at the heart of everything we do as a business, and the importance of an engaged and dynamic workforce to ensure we can respond to the changing musical landscape.

Covid-19 of course had a huge impact on Universal Music employees, the majority of whom have worked from home whilst our 4 Pancras Square office is closed due to the lockdown restrictions. The board is incredibly proud of the resilience, teamwork and creativity that our teams have shown in adapting to the new circumstances.

The board has sought to ensure all employees are supported during this period, including new office and IT equipment, regular communication of tips and advice regarding working from home, and additional online activities to keep employees connected. Looking forward, we have set up a return to work group to manage the process of coming back to the office, ensuring all employees are consulted and informed throughout.

The Learning & Development team have partnered with UMG's Taskforce for Meaningful Change (see below) to deliver training in unconscious bias, ensuring the company's workforce is inclusive.

Neurodiversity in the workplace remains an area of focus. Following a series of sessions and workshops for staff around the subject, in January 2020 we rolled out manager sessions on neurodiversity and in February 2020 Universal Music UK published the first handbook, "Creative Differences", for embracing neurodiversity in the creative industries.

We have continued that work internally, by helping individuals get fast-tracked diagnosis assessments, offering support for neurodiverse staff including 1:1 development coaching, and exploring support services for parents of neurodiverse children.

Business relationships - suppliers and customers

The board considers that our relationship with all suppliers and customers is critical to the day-to-day running of our operations.

Our accounts payable team continues to work closely with suppliers to ensure that the payment process runs smoothly, and for the 6 months ended 31 December 2020 we reduced average time to pay invoices to 40 days, down from 45 days in the equivalent prior year period.

UNIVERSAL MUSIC PUBLISHING MGB LIMITED

STRATEGIC REPORT (continued)

YEAR ENDED 31 DECEMBER 2020

SECTION 172 STATEMENT (continued)

Business relationships - suppliers and customers (continued)

We are aware that Covid-19 has had a significant impact on many of our suppliers and we further accelerated our payment processes in 2020 to provide them with real financial support.

For customers we have similarly noted the adverse impact of Covid-19 and wherever possible have looked to extend their credit terms, or facilitate payment holidays, whilst at the same time managing the company's credit risk. We have also worked closely with our customers over the past year to launch our customer portal, which will enable them to self-manage their accounts and orders.

The community and environment

The board believes that music can play a vital role in bringing people together, working for positive change within communities.

In 2020 Universal Music Group established its Task Force for Meaningful Change. This is a group of UMG employees from around the world who work to amplify and expand UMG's current programs, devise new initiatives and support marginalized communities in the ongoing fight for equality, justice and inclusion.

Universal Music UK also continues to support a number of other causes and projects including charitable work through the Universal Music UK Sound Foundation, its role as the UK charity partner of Playlist for Life (PFL), and continued support for East London Arts & Music (ELAM), the free school for 16-19-year-olds set up in 2014.

Covid-19 and lockdown conditions have restricted the use of 4 Pancras Square in 2020, but the board is committed to using the space to host community focussed events once it becomes safe to do so.

The environment

In 2018 Universal Music UK moved into new headquarters at 4 Pancras Square certified as 'Outstanding' by BREEAM, reflecting the board's desire to make the business as environmentally friendly as possible.

Team Green is the employee led group which works to achieve this goal through numerous initiatives.

Before lockdown, Universal Music UK took the significant decision to offset all carbon emissions from staff and artist flights for 2019 by directly donating to carbon offsetting schemes. Although the volume of flights has been far lower in 2020 due to lockdown, we will be keeping our carbon offsetting strategy under regular review to ensure our yearly contribution is both meaningful and impactful.

In July 2020 we marked the second London Climate Action Week with a series of Zoom talks including topics such as carbon offsetting schemes, a beginner's guide to the climate emergency, and nature in the city.

Maintaining a reputation for high standards of business conduct

The company has a code of conduct, which is certified annually by all employees to encourage ethical behaviour as well as to highlight possible ethical threats which could be faced by employees.

The company maintains high standards of expected conduct for its employees and has clearly defined procedures for its employees to report any concerns internally. This encompasses a wide variety of areas of behaviour including anti-bribery training, commercial sensitivity and appropriate workplace conduct among others.

The directors are acutely aware of the high-profile nature of the Universal Music brand and make every effort to both protect this reputation and live up to its standards.

UNIVERSAL MUSIC PUBLISHING MGB LIMITED

STRATEGIC REPORT (continued)

YEAR ENDED 31 DECEMBER 2020

STREAMLINED ENERGY AND CARBON REPORTING STATEMENT - LOW ENERGY USER

Streamlined Energy and Carbon Reporting (SECR) was implemented on 1 April 2019, through the enforcement of the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

A company is within scope if it is a 'large undertaking' by virtue of meeting two or more of the following criteria:

- Employs at least 250 persons
- Has an annual turnover in excess of 36 million pounds
- Has an annual balance sheet total of 18 million pounds

Companies within scope are required to publicly disclose their energy consumption and carbon emissions, and additionally any intensity metrics and energy efficiency measures implemented.

However, companies are exempt from the disclosure requirements if they are a 'low energy user' by virtue of having consumed 40MWh or less within the UK, during the period in which the report is prepared.

Universal Music Publishing MGB Limited falls into the 'low energy user' classification and is therefore not disclosing energy and carbon information within this report.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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.

PRINCIPAL RISKS AND UNCERTAINTIES

The company is faced with similar general and specific 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;
- the impact of Brexit as disclosed in Future Developments below;
- the impact of Covid-19; and
- climate change which the directors do not consider poses a significant risk to the company's operations.

All risks and uncertainties are regularly monitored by the board of directors of the company.

UNIVERSAL MUSIC PUBLISHING MGB LIMITED

STRATEGIC REPORT (continued)

YEAR ENDED 31 DECEMBER 2020

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. The impact of Brexit is not deemed to be material to the business given the nature of operations.

Approved and signed on behalf of the Board on 27th May 2021.

DocuSigned by:

Rob Morris

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RJ Morris
Director

UNIVERSAL MUSIC PUBLISHING MGB LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2020

The directors present their report, together with the financial statements and the auditor's report of the company for the year ended 31 December 2020.

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

- Results and dividends.
- Statement on business relationships - Section 172 statement.
- Streamlined Energy and Carbon reporting statement - low energy user.
- Financial risk management objectives and policies.
- Future developments.

DIRECTORS

The directors who served the company during the year and subsequently 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 section 236 of the Companies Act 2006. Vivendi SE, headed by Bolloré Group, 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.

AUDITOR

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

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

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

Pursuant to Section 487 of the Companies Act 2006, Deloitte LLP will be deemed to be reappointed and will therefore continue in office.

UNIVERSAL MUSIC PUBLISHING MGB LIMITED

DIRECTORS' REPORT (continued)

YEAR ENDED 31 DECEMBER 2020

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the annual 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved and signed on behalf of the Board on 27th May 2021.

DocuSigned by:
Bola Abioye
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A Abioye

Company Secretary

Company Registration Number: 00910829

UNIVERSAL MUSIC PUBLISHING MGB LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSAL MUSIC PUBLISHING MGB LIMITED

YEAR ENDED 31 DECEMBER 2020

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion the financial statements of Universal Music Publishing MGB Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 18.

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).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC'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.

UNIVERSAL MUSIC PUBLISHING MGB LIMITED**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSAL MUSIC PUBLISHING MGB LIMITED (continued)****YEAR ENDED 31 DECEMBER 2020**

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

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.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

UNIVERSAL MUSIC PUBLISHING MGB LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSAL MUSIC PUBLISHING MGB LIMITED (continued)

YEAR ENDED 31 DECEMBER 2020

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act, pensions legislation as well as the tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team, including relevant internal specialists such as tax, and IT specialists, the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in determining accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the 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.

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 any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

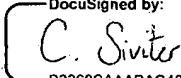
UNIVERSAL MUSIC PUBLISHING MGB LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSAL MUSIC PUBLISHING MGB LIMITED (continued)

YEAR ENDED 31 DECEMBER 2020

Use of our report

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

DocuSigned by:

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Claire Siviter, FCA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Southampton, UK

27th May 2021

UNIVERSAL MUSIC PUBLISHING MGB LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £'000	2019 £'000
TURNOVER	4	22,958	28,422
Cost of sales		(17,445)	(20,896)
GROSS PROFIT		5,513	7,526
Administrative expenses		(143)	(857)
PROFIT BEFORE INTEREST AND TAXATION		5,370	6,669
Interest receivable and similar income	8	857	1,915
Interest payable and similar charges	9	(347)	(748)
PROFIT BEFORE TAXATION	5	5,880	7,836
Tax on profit	10	(1,117)	(1,488)
PROFIT/COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		4,763	6,348

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

The notes on pages 16 to 25 form part of these financial statements.

UNIVERSAL MUSIC PUBLISHING MGB LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £'000	2019 £'000
NON-CURRENT ASSETS			
Intangible assets	11	-	145
Investments	12	3,121	3,121
		<u>3,121</u>	<u>3,266</u>
NON-CURRENT ASSETS			
Debtors: Amounts falling due after one year	13	23,550	-
CURRENT ASSETS			
Debtors: Amounts falling due within one year	14	266,049	260,793
		<u>266,049</u>	<u>260,793</u>
CREDITORS: Amounts falling due within one year	15	(132,690)	(108,792)
NET CURRENT ASSETS		<u>133,359</u>	<u>152,001</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>160,030</u>	<u>155,267</u>
PROVISIONS FOR LIABILITIES			
Provisions for liabilities and charges		(83)	(83)
NET ASSETS		<u>159,947</u>	<u>155,184</u>
CAPITAL AND RESERVES			
Called-up share capital	17	2	2
Profit and loss account		<u>159,945</u>	<u>155,182</u>
SHAREHOLDERS' FUNDS		<u>159,947</u>	<u>155,184</u>

These financial statements were approved by the board of directors and authorised for issue on 27th May 2021 and are signed on their behalf by:

DocuSigned by:

Rob Morris

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RJ Morris
Director

Company Registration Number: 00910829

The notes on pages 16 to 25 form part of these financial statements.

UNIVERSAL MUSIC PUBLISHING MGB LIMITED
STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2020

	Share capital £'000	Profit & loss account £'000	Total shareholders' funds £'000
Balance brought forward 1 January 2019	2	148,834	148,836
Total comprehensive income			
Profit for the year	-	6,348	6,348
Balance brought forward 1 January 2020	2	155,182	155,184
Total comprehensive income			
Profit for the financial year	-	4,763	4,763
Balance carried forward at 31 December 2020	2	159,945	159,947

The notes on pages 16 to 25 form part of these financial statements.

UNIVERSAL MUSIC PUBLISHING MGB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

1. GENERAL INFORMATION

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

The principal activities of the company and the nature of its operations are set out in the strategic report on pages 2 to 6.

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 pounds sterling, the currency of the primary economic environment in which the Company operates, 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 subsidiary 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 disclosing requirements in relation to financial instruments; and
- from disclosing key management personnel compensation.

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

Other qualifying exemptions

As the parent undertaking prepares publicly available consolidated financial statements and is incorporated within the European Union the company has taken advantage of the exemption under section 400 of the Companies Act 2006 from preparing consolidated financial statements. As such, these financial statements give information about the company as an individual undertaking and not about its group.

Measurement convention

The financial statements are prepared on the historical cost basis.

UNIVERSAL MUSIC PUBLISHING MGB LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 DECEMBER 2020**

3. ACCOUNTING POLICIES (continued)**Going concern**

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

After making enquiries, the directors have a reasonable expectation that the company has adequate resources available to it to continue in operational existence for the foreseeable future, and at least 12 months from the date the financial statements are authorised for issue. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Turnover

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

United Kingdom royalty 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.

Intangible assets***Music Publishing Rights***

Acquisition of music publishing catalogues are stated at cost less accumulated amortisation over 7 years on a straight line basis and less accumulated impairment losses.

The cost of intangible assets acquired in a business combination are capitalised separately from goodwill if the fair value can be measured reliably at the acquisition date.

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.

UNIVERSAL MUSIC PUBLISHING MGB LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 DECEMBER 2020**

3. ACCOUNTING POLICIES (continued)**Financial instruments (continued)*****Advances***

Advances to unproven artists, where no discernible track record of activity is evidenced, 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.

Investments in subsidiaries, jointly controlled entities and associates

These are separate financial statements of the company. Investments in subsidiaries, jointly controlled entities and associates are carried at cost less impairment.

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.

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges, unwinding of the discount on provisions.

Interest receivable and similar income include interest receivable on funds invested. Interest receivable and interest payable are recognised in statement of comprehensive income as they accrue.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised through profit or loss in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

UNIVERSAL MUSIC PUBLISHING MGB LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 DECEMBER 2020****3. ACCOUNTING POLICIES (continued)****Critical accounting judgements and key sources of estimation uncertainty**

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

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

Critical judgements in applying the company's accounting policies

The following are critical judgements that the directors have made in the process of applying the 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 artist and repertoire owners. Management perform a regular 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.

4. TURNOVER**Turnover by activity is as follows:**

	2020 £'000	2019 £'000
Royalties	22,958	28,422
	<u>22,958</u>	<u>28,422</u>

Turnover by destination is as follows:

	2020 £'000	2019 £'000
United Kingdom	7,647	8,053
Rest of World	15,311	20,369
	<u>22,958</u>	<u>28,422</u>

UNIVERSAL MUSIC PUBLISHING MGB LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 DECEMBER 2020****5. PROFIT BEFORE TAX**

Profit before tax is stated after charging:

	2020 £'000	2019 £'000
Amortisation of intangible assets	<u>143</u>	<u>857</u>

6. AUDITOR'S REMUNERATION

The auditor's remuneration for auditing of the financial statements for the year ended 31 December 2020 was £11,700 (2019 - £11,590) and was borne by another group company in both years.

7. PARTICULARS OF EMPLOYEES

The company had no employees during the year ended 31 December 2020 (2019 - 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 (2019 - 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.

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	2020 £'000	2019 £'000
Interest receivable from group undertakings	<u>857</u>	<u>1,915</u>
	<u>857</u>	<u>1,915</u>

9. INTEREST PAYABLE AND SIMILAR CHARGES

	2020 £'000	2019 £'000
Interest payable to group undertakings	<u>347</u>	<u>748</u>
	<u>347</u>	<u>748</u>

UNIVERSAL MUSIC PUBLISHING MGB LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 DECEMBER 2020****10. TAX ON PROFIT****(a) Analysis of tax charge in the year**

	2020 £'000	2019 £'000
Current tax:		
In respect of the year		
Profit at the standard rate of UK Corporation tax of 19.00% (2019 - 19.00%)	1,117	1,488
Tax on profit	<u>1,117</u>	<u>1,488</u>

(b) Factors affecting tax charge

The tax assessed on the profit for the year is the same (2019 - same) as the standard rate of corporation tax in the UK of 19.00% (2019 - 19.00%).

Under the Finance Act 2016, the main rate of corporation tax was reduced from 19% to 17% effective from 1 April 2020. However, a change to the main UK corporation tax rate, announced in the Budget on 11 March 2020, was substantively enacted for IFRS and UK GAAP purposes on 17 March 2020. The rate applicable from 1 April 2020 now remains at 19%, rather than the previously enacted reduction to 17%. Deferred tax assets and liabilities are measured at the rate that is enacted and expected to apply to the accounting period when the asset is realised or the liability is settled, based on the above rates. An increase to the main rate of corporation tax to 25% for large businesses was announced in the Spring Budget but has not yet been substantively enacted.

	2020 £'000	2019 £'000
Profit before taxation	5,880	7,836
Profit at the standard rate of UK Corporation tax of 19.00% (2019 - 19.00%)	1,117	1,489
Impact of tax losses utilised in the period	-	(1)
Current tax charge for the financial year	<u>1,117</u>	<u>1,488</u>

UNIVERSAL MUSIC PUBLISHING MGB LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2020

11. INTANGIBLE ASSETS

	Music Publishing Rights £'000
COST	
At 1 January 2020	36,368
At 31 December 2020	<u><u>36,368</u></u>
AMORTISATION	
At 1 January 2020	36,223
Charge for the year	145
At 31 December 2020	<u><u>36,368</u></u>
NET BOOK VALUE	
At 31 December 2020	<u><u>-</u></u>
At 31 December 2019	<u><u>-</u></u>

12. INVESTMENTS

	Total £'000
COST	
At 1 January 2020	19,383
At 31 December 2020	<u><u>19,383</u></u>
PROVISION FOR IMPAIRMENT	
At 1 January 2020	16,262
At 31 December 2020	<u><u>16,262</u></u>
At 31 December 2020	<u><u>3,121</u></u>
At 31 December 2019	<u><u>3,121</u></u>

UNIVERSAL MUSIC PUBLISHING MGB LIMITED**NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 DECEMBER 2020****12. INVESTMENTS (continued)****Subsidiary and Associate Undertakings**

Name	Ordinary share holding	Nature of business
Universal Music Publishing International MGB Limited	100%	Music Publishing
Universal Publishing Production Music Limited	100%	Music Publishing
Fiction Songs Limited	100%	Music Publishing
Mucho Loco Music Limited	100%	Music Publishing
Complete Music Limited	100%	Music Publishing
G Ricordi & Co London Limited	100%	Music Publishing

The registered office address of all of the undertakings listed above is 4 Pancras Square, London, N1C 4AG.

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.

13. DEBTORS: Amounts falling due after one year

	2020	2019
	£'000	£'000
Other debtors	23,550	-
	23,550	-

The company has revisited the presentation of advances to reflect a more appropriate representation of the expected timing of related benefits hence the significant movements noted in the year on year disclosure.

14. DEBTORS: Amounts falling due within one year

	2020	2019
	£'000	£'000
Amounts owed by group undertakings	241,412	249,338
Other debtors	24,637	11,455
	266,049	260,793

Within amounts owed by group undertakings, £175,000 is due from parent companies, £60,055,000 is due from subsidiary companies and £181,182,000 is due from other group companies.

All amounts owed from fellow group undertakings are classified as current as they are repayable on demand. All amounts due from group undertakings are unsecured and repayable on demand. Interest accrues on these amounts at 1-month LIBOR plus 0.1%.

The company has revisited the presentation of advances to reflect a more appropriate representation of the expected timing of related benefits hence the significant movements noted in the year on year disclosure.

UNIVERSAL MUSIC PUBLISHING MGB LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 DECEMBER 2020

15. CREDITORS: Amounts falling due within one year

	2020 £'000	2019 £'000
Trade creditors	6,299	7,368
Amounts owed to group undertakings	111,391	101,424
Accruals and deferred income	15,000	-
	<u>132,690</u>	<u>108,792</u>

Within amounts owed to group undertakings, £Nil is owed to parent companies, £10,000 is owed to subsidiary companies and £111,381,000 is owed to other group companies.

All amounts owed to fellow group undertakings are classified as current as they are repayable on demand. All amounts due from group undertakings are unsecured and repayable on demand. Interest accrues on these amounts at 1-month LIBOR plus 0.1%.

16. CAPITAL COMMITMENTS

The company had no capital commitments at 31 December 2020 or 31 December 2019.

17. CALLED-UP SHARE CAPITAL

Authorised:

	2020 No	£'000	2019 No	£'000
Ordinary shares of £1 each	2,001	2	2,001	2
	<u>2,001</u>	<u>2</u>	<u>2,001</u>	<u>2</u>

Allotted, called up and fully paid:

	2020 No	£'000	2019 No	£'000
Ordinary shares of £1 each	2,001	2	2,001	2
	<u>2,001</u>	<u>2</u>	<u>2,001</u>	<u>2</u>

UNIVERSAL MUSIC PUBLISHING MGB LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2020

18. ULTIMATE PARENT COMPANY

The immediate parent undertaking is Universal Music Publishing MGB Holding UK 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 SE, a company incorporated in France. Copies of its annual report in English may be obtained from its registered office at:

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 its registered office at:

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