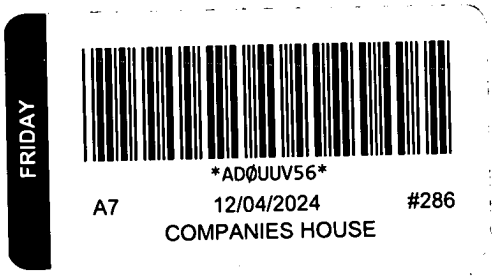
DocuSign Envelope ID: B2CE21C0-851F-4F50-85D8-319B7E12E1A6

UNIVERSAL MUSIC GROUP

UNIVERSAL MUSIC PUBLISHING MGB LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022



UNIVERSAL MUSIC GROUP INTERNATIONAL LIMITED
4 PANCRAS SQUARE LONDON N1C 4AG
REGISTERED OFFICE: AS ABOVE REGISTERED IN ENGLAND NO. 01778189
www.universalmusic.com

DocuSign Envelope ID: B2CE21C0-851F-4F50-85D8-319B7E12E1A6

UNIVERSAL MUSIC PUBLISHING MGB LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2022

UNIVERSAL MUSIC GROUP

CONTENTS **PAGE(S)**

Officers and professional advisers	1
Strategic report	2 to 4
Directors' report	5 to 6
Independent auditor's report to the members	7 to 10
Statement of comprehensive income	11
Statement of financial position	12
Statement of changes in equity	13
Notes to the financial statements	14 to 23

DocuSign Envelope ID: B2CE21C0-851F-4F50-85D8-319B7E12E1A6

UNIVERSAL MUSIC PUBLISHING LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

YEAR ENDED 31 DECEMBER 2022

UNIVERSAL MUSIC GROUP

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 Abbots House Abbey Street Reading RG1 3BD United Kingdom

DocuSign Envelope ID: B2CE21C0-851F-4F50-85D8-319B7E12E1A6

The directors present their strategic report for the company for the year ended 31 December 2022.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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

Effective as of 1st January 2022 the revenue earning rights with regards to the below companies were assigned to the company:

- Universal Music Publishing MGB International Limited (02200287)
- G. Ricordi and Co. (London) Limited (00228233)

The result of the company for the year ended 31 December 2022 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 11, 12 and 13 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 £7,263,000 (2021 - profit £4,355,000). 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 2022 (2021 - £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 increased by 67.1% compared to the prior year as a result of:

- the assignment of revenue rights from the companies listed above and
- increased digital streaming revenues.

Gross profit margin
The company's gross profit margin decreased from 23.0% to 19.4% 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.

The board constantly assesses the implications of decisions made, in terms of both the potential long-term consequences for the company, together with the impact on our stakeholders, including artists, employees, shareholders, suppliers and customers, the wider community and the environment.
The company is part of the Universal Music UK group ("UMUK"). In making this statement the directors are drawing upon the relevant activities of the group.

DocuSign Envelope ID: B2CE21C0-851F-4F50-85D8-319B7E12E1A6

SECTION 172 STATEMENT (continued)

Shareholders

The company is ultimately owned by UMG N.V., a company listed in the Netherlands. The board regularly communicates with UMG N.V. regarding strategy and performance through multiple channels, including:

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

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 Artists & Repertoire teams continue to work with their existing artists and songwriters, whilst also identifying and nurturing emerging artists and songwriters.

Other Stakeholders

Reference is made to another Universal Music UK group company; Universal Music Operations Limited for further details on the activities of the company with regard to:

- Employee engagement
- Business relationships - suppliers and customers
- The community
- The environment
- Maintaining a reputation for high standards of business conduct

STREAMLINED ENERGY & CARBON REPORTING STATEMENT

The company is within scope of Streamlined Energy and Carbon Reporting (SECR) 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

However, the company is a 'low energy user' by virtue of having consumed 40MWh or less within the UK, and as such is not disclosing energy and carbon information within this report.

DocuSign Envelope ID: B2CE21C0-851F-4F50-85D8-319B7E12E1A6

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

Interest risk
The company does not have any external borrowings and as such the directors consider the interest rate risk to be minimal at the stage.

Liquidity risk
The company does not hold any bank accounts, and liquidity is managed through the cash management policy of its ultimate parent company, Universal Music Group N.V.. Financial risk is managed by ensuring liquidity is sufficient to meet future needs, and that sufficient funding is in place before any new commitments are entered into. Cash flow forecasts are monitored by management on a regular basis.

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; and
- the threat of a devalued product due to piracy and the illegal use of music.

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

FUTURE DEVELOPMENTS

Notwithstanding the risks and uncertainties outlined above, the directors do not anticipate any significant change in the activities and results of the company in the foreseeable future.

Approved and signed on behalf of the Board on 9th April 2024.

DocuSigned by:
Rob Morris
2BD5FFDD7AEA4D4...

RJ Morris
Director

DocuSign Envelope ID: B2CE21C0-851F-4F50-85D8-319B7E12E1A6

The directors present their report, together with the financial statements and the auditor's report of the company for the year then ended 31 December 2022.

They 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 to the date of these financial statements 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. Universal Music Group N.V., 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.

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.

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.

DocuSign Envelope ID: B2CE21C0-851F-4F50-85D8-319B7E12E1A6

AUDITOR (continued)

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.

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;
- 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information which they are legally required to include on a website which is maintained by or on behalf of the company. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

POST BALANCE SHEET EVENTS

No post balance sheet events have been identified by management.

Approved and signed on behalf of the Board on 9th April 2024.

DocuSigned by:
Bola Abioye
8C3863FB990C4CC...

A Abioye

Company Secretary

Company Registration Number: 00910829

DocuSign Envelope ID: B2CE21C0-851F-4F50-85D8-319B7E12E1A6

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 2022 and of its profit for the year then 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.

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

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.

DocuSign Envelope ID: B2CE21C0-851F-4F50-85D8-319B7E12E1A6

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 and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

DocuSign Envelope ID: B2CE21C0-851F-4F50-85D8-319B7E12E1A6

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 Companies Act 2006 and the UK 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. These included UK Bribery Act, Employment Law, Data Protection Regulation, Money Laundering and Proceeds of Crime Act 2006.

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

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it are described below:

- Risk of fraud in relation to revenue as a result of manual top-side adjustments. To address this risk, we performed direct testing over manual journal entries to revenue, agreeing to supporting evidence, corroborating business rationale and compliance with accounting standards.
- Risk of fraud in relation to impairment of artist advances. To address this risk we performed direct testing to evaluate and assess the recoverability of exposed advance balances. We have challenged management on the assumptions used in determining expected future earnings on these advances, corroborating this information with external sources where relevant.

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 making 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.

DocuSign Envelope ID: B2CE21C0-851F-4F50-85D8-319B7E12E1A6

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS (continued)

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.

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:
C. Siviter
B3368CAAABAC483...

Claire Siviter, FCA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Reading

United Kingdom

9th April 2024

DocuSign Envelope ID: B2CE21C0-851F-4F50-85D8-319B7E12E1A6

UNIVERSAL MUSIC PUBLISHING MCB LIMITED

STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2022

UNIVERSAL MUSIC GROUP

	Note	2022 £'000	2021 £'000
TURNOVER	4	37,644	22,529
Cost of sales		(30,330)	(17,354)
GROSS PROFIT		7,314	5,175
Administrative expenses		(70)	-
PROFIT BEFORE INTEREST AND TAXATION		7,244	5,175
Interest receivable and similar income	7	4,145	371
Interest payable and similar expense	8	(2,424)	(170)
PROFIT BEFORE TAXATION		8,965	5,376
Tax on profit	9	(1,702)	(1,021)
PROFIT/COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		7,263	4,355

All of the activities of the company are classed as continuing operations. There is no other comprehensive income in the current and prior year.

The notes on pages 14 to 23 form part of these financial statements.

DocuSign Envelope ID: B2CE21C0-851F-4F50-85D8-319B7E12E1A6

UNIVERSAL MUSIC PUBLISHING LIMITED
STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

UNIVERSAL MUSIC GROUP

	Note	2022 £'000	2021 £'000
NON-CURRENT ASSETS			
Investments	10	3,121	3,121
Debtors: Amounts falling due after one year	11	221,187	33,162
		224,308	36,283
CURRENT ASSETS			
Debtors: Amounts falling due within one year	12	99,067	254,900
		99,067	254,900
CREDITORS: Amounts falling due within one year	13	(148,038)	(126,799)
		142,005	128,101
TOTAL ASSETS LESS CURRENT LIABILITIES		175,337	164,384
CREDITORS: Amounts falling due after more than one year	14	(3,600)	-
Provisions for liabilities and charges		(172)	(82)
NET ASSETS		171,565	164,302
CAPITAL AND RESERVES			
Called-up share capital	17	2	2
Profit and loss account		171,563	164,300
SHAREHOLDERS' FUNDS		171,565	164,302

These financial statements were approved by the board of directors and authorised for issue on 9th April 2024 and are signed on their behalf by:

DocuSigned by:
Rob Morris
2BD5FFDD7AEA4D4...

RJ Morris
Director

Company Registration Number: 00910829

The notes on pages 14 to 23 form part of these financial statements.

DocuSign Envelope ID: B2CE21C0-851F-4F50-85D8-319B7E12E1A6

	Share capital £'000	Profit & loss account £'000	Total shareholders' funds £'000
Balance brought forward 1 January 2021	2	159,945	159,947
Total comprehensive income			
Profit for the year	-	4,355	4,355
Balance brought forward 1 January 2022	2	164,300	164,302
Total comprehensive income			
Profit for the year	-	7,263	7,263
Balance carried forward at 31 December 2022	**2**	**171,563**	**171,565**

The notes on pages 14 to 23 form part of these financial statements.

DocuSign Envelope ID: B2CE21C0-851F-4F50-85D8-319B7E12E1A6

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, United Kingdom.

The principal activities of the company and the nature of its operations are set out in the strategic report on pages 2 to 4.

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, Universal Music Group N.V., copies of which can be obtained from 's-Gravelandseweg 80, 1217 EW Hilversum, The Netherlands.

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 401 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.

DocuSign Envelope ID: B2CE21C0-851F-4F50-85D8-319B7E12E1A6

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 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. Royalty expenses are charged against the relevant income of the same period.

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions of being 'basic' financial instruments as defined in paragraph 11.9 of FRS 102 are subsequently measured at amortised cost using the effective interest method.

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Other debt instruments not meeting conditions of being 'basic' financial instruments are measured at fair value through profit or loss.

DocuSign Envelope ID: B2CE21C0-851F-4F50-85D8-319B7E12E1A6

3. ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets and liabilities (continued)

Financial assets are de-recognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are de-recognised only when the obligation specified in the contract is discharged, cancelled or expires.

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

These are separate financial statements of the company. Investments in subsidiaries re 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.

Impairment

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss previously recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

DocuSign Envelope ID: B2CE21C0-851F-4F50-85D8-319B7E12E1A6

3. ACCOUNTING POLICIES (continued)

Impairment (continued)

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

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

The charge/(credit) for taxation is based on the profit/(loss) for the period and takes into account taxation deferred because of the timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date where transactions or events have occurred at that date that result in an obligation to pay more tax in the future or a right to pay less tax in future.

Timing differences are differences between the company's taxable profit and loss and its results as stated in the financial statements. No deferred tax is recognised on permanent differences.

Deferred tax is measured at the average tax rates that are expected to apply in the period in which the timing differences are expected to reverse, based on tax rates and law that have been enacted or substantively enacted by the financial position date. Deferred tax is measured on a non-discounted basis. Deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

DocuSign Envelope ID: B2CE21C0-851F-4F50-85D8-319B7E12E1A6

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 performs 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:	**2022**	2021
	£'000	£'000
Royalties	**37,644**	22,529
	37,644	22,529

Turnover by destination is as follows:

	2021	2020
	£'000	£'000
United Kingdom	**7,874**	7,885
Rest of World	**29,770**	14,644
	37,644	22,529

DocuSign Envelope ID: B2CE21C0-851F-4F50-85D8-319B7E12E1A6

5. AUDITOR'S REMUNERATION

The auditor's remuneration for the year ended 31 December 2022 was £9,202 (2021 - £11,700) and was borne by another group company in both years.

6. PARTICULARS OF EMPLOYEES

The company had no employees during the year ended 31 December 2022 (2021 - 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 (2021 - 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.

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2022	2021
	£'000	£'000
Interest receivable from group undertakings	**4,145**	371
	4,145	371

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£'000	£'000
Interest payable to group undertakings	**2,424**	170
	2,424	170

9. TAX ON PROFIT

(a) Analysis of tax charge in the year

	2022	2021
	£'000	£'000
Current tax:		
Tax on profit at the standard rate of UK Corporation tax of 19.00% (2021 - 19.00%)	**1,702**	1,021
Tax on profit	**1,702**	1,021

DocuSign Envelope ID: B2CE21C0-851F-4F50-85D8-319B7E12E1A6

9. TAX ON PROFIT (continued)

(b) Factors affecting tax charge

The tax assessed on the profit for the year is lower than the average rate of corporation tax in the UK of 19.00% (2021 - 19.00%).

Under the Finance Act 2021, the main rate of corporation tax was increased from 19% to 25% with effect from 1 April 2023. This change was substantively enacted for UK GAAP purposes on 24 May 2021. 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.

	2022 £'000	2021 £'000
Profit before taxation	**8,965**	5,376
Tax on profit at the standard rate of UK Corporation tax of 19.00% (2021 - 19.00%)	**1,704**	1,021
Adjustments in respect of prior years	**(1)**	-
Impact of tax losses utilised in the period	**(1)**	-
Total tax charge for the financial year	**1,702**	1,021

10. INVESTMENTS

	Total £'000
COST	
At 1 January 2022	**19,383**
At 31 December 2022	**19,383**
PROVISION FOR IMPAIRMENT	
At 1 January 2022	**16,262**
At 31 December 2022	**16,262**
At 31 December 2022	**3,121**
At 31 December 2021	3,121

DocuSign Envelope ID: B2CE21C0-851F-4F50-85D8-319B7E12E1A6

10. INVESTMENTS (continued)

Subsidiary 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.

All of the above investments are held directly.

11. DEBTORS: Amounts falling due after one year

	2022 £'000	2021 £'000
Other debtors	**30,211**	33,162
Amounts owed by group undertakings	**190,976**	-
	221,187	33,162

Other debtors represent artist and songwriter advances receivable.

12. DEBTORS: Amounts due within one year

	2022 £'000	2021 £'000
Amounts owed by group undertakings	**86,360**	248,201
Other debtors	**12,707**	6,699
	99,067	254,900

Within amounts owed by group undertakings, £175,000 is due from parent companies, £61,393,000 is due from subsidiary companies and £24,793,000 is due from other group companies.

All amounts owed from fellow group undertakings are classified as current as they are repayable on demand. The interest rates are linked to SONIA from 1 January 2022. Interest rates were linked to LIBOR prior to 1 January 2022.

DocuSign Envelope ID: B2CE21C0-851F-4F50-85D8-319B7E12E1A6

13. CREDITORS: Amounts falling due within one year

	2022 £'000	2021 £'000
Trade creditors	**10,070**	6,707
Amounts owed to group undertakings	**133,275**	120,090
Other taxation and social security	**2**	2
Accruals	**4,691**	-
	148,038	126,799

Within amounts owed to group undertakings, £Nil is owed to parent companies, £10,000 is owed to subsidiary companies and £133,265,000 is owed to other group companies.

All amounts owed to fellow group undertakings are classified as current as they are repayable on demand. The interest rates are linked to SONIA from 1 January 2022. Interest rates were linked to LIBOR prior to 1 January 2022.

14. CREDITORS: Amounts falling due after more than one year

	2022 £'000	2021 £'000
Other creditors	**3,600**	-
	3,600	-

Other creditors represent accrued contractual commitments.

15. CAPITAL COMMITMENTS

The company had no capital commitments as at 31 December 2022 or 31 December 2021.

16. POST BALANCE SHEETS EVENTS

No post balance sheet events have been identified by management.

DocuSign Envelope ID: B2CE21C0-851F-4F50-85D8-319B7E12E1A6

17. CALLED-UP SHARE CAPITAL

Authorised:

	2022		2021	
	No	**£'000**	No	£'000
Ordinary shares of £1 each	**2,001**	**2**	2,001	2
	2,001	**2**	2,001	2

Allotted, called up and fully paid:

	2022		2021	
	No	**£'000**	No	£'000
Ordinary shares of £1 each	**2,001**	**2**	2,001	2
	2,001	**2**	2,001	2

18. ULTIMATE PARENT COMPANY

The immediate parent undertaking is Universal Music Publishing MGB Holding UK Limited. The ultimate parent undertaking and controlling party is Universal Music Group N.V. a company incorporated and domiciled in the Netherlands.

The smallest and largest group in which the result of the Company is consolidated is that headed by Universal Music Group N.V. A copy of its annual accounts in English may be obtained from its registered office at:

Universal Music Group

's-Gravelandseweg 80

1217 EW Hilversum

The Netherlands