

***Warner/Chappell Music International  
Limited***

(Registered in No. 00050419)

**Report and Financial Statements**

**30 September 2017**



**WARNER/CHAPPELL MUSIC INTERNATIONAL LIMITED**

**Registration No. 00050419**

**DIRECTORS**

M A Lavin

W S McDowell

R D Booker

J Smith

M Smith

K Alderton (appointed on 22<sup>nd</sup> September 2016)

**SECRETARY**

Olswang Cossec Limited

**AUDITOR**

KPMG LLP

15 Canada Square

E14 5GL

**REGISTERED OFFICE**

Cannon Place

78 Cannon Street

London

EC4N 6AF

**WARNER/CHAPPELL MUSIC INTERNATIONAL LIMITED**

**STRATEGIC REPORT**

The directors present their strategic report for the year ended 30 September 2017.

**RESULTS AND DIVIDENDS**

The profit for the year is set out in the profit and loss account on page 6 to 7. The directors do not propose a dividend for the year ended 30 September 2017 (2016 - £nil).

**BUSINESS REVIEW**

The principal activity of the company during the year continued to be music publishing.

Under an Exploitation Agreement effective 1 December 1987, Warner/Chappell Music Limited accepted the benefit and burden of the company's rights and obligations under its current and future contracts with third party composers and songwriters. Under the Exploitation Agreement the company's directors have the right to set an annual fee chargeable to Warner/Chappell Music Limited. In the current year this fee was set at £nil (2016: £nil).

In addition the company receives dividends from investments in certain companies whose principal activity is also music publishing. The amounts receivable each year depend on the underlying performance of these companies. The company received dividends of £45,822 (2016: £45,253)

The company suffers no costs other than taxation.


Given the fact that the company is not actively operational and the fact that it has no employees, the company does not consider itself subject to key performance indicators other than in respect of the level of fee income received.

**RISKS AND UNCERTAINTIES**

The company is not subject to any specific risks and uncertainties other than those prevalent in the music publishing market in general. As with any business, competitive risks also exist. Traditional competitors such as other major and independent publishers are now joined by new entrants and business models. All risks and uncertainties are regularly monitored by the company's board of directors.

Due to the exploitation agreement mentioned above, the only source of income is dividends received from subsidiaries; therefore the company is not directly exposed to price risk, credit risk, liquidity or cash flow risk.

On behalf of the board



Director  
K Alderton

Date: 28/06/2018

**WARNER/CHAPPELL MUSIC INTERNATIONAL LIMITED**

**DIRECTORS' REPORT**

The directors submit their report together with the audited financial statements of the company for the year ended 30 September 2017.

**FUTURE DEVELOPMENTS**

The directors aim to continue the current management policy of maintaining the existing roster.

**DIRECTORS AND THEIR INTERESTS**

The directors of the company during the period ended 30 September 2017 were as listed on page 1.

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

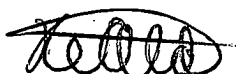
**GOING CONCERN**

The company has a net current liability position; however its intermediate parent, WMG Acquisition Corp., has committed to provide financial support to the company to enable it to meet its debts as they fall due, and for the foreseeable future.

**DISCLOSURE OF INFORMATION TO AUDITOR**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

On behalf of the board



Director  
K Alderton

Date: 28/06/2018

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

**WARNER/CHAPPELL MUSIC INTERNATIONAL LIMITED**

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

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**WARNER/CHAPPELL MUSIC INTERNATIONAL LIMITED**

**Opinion**

We have audited the financial statements of for the year ended 30 September 2017 Warner/Chappell Music International Limited which comprise the Profit and Loss account, Balance Sheet, Statement of Changes in Equity and related notes including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*;
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

**Going concern**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

**Other information**

The directors are responsible for the other information, which comprises the strategic report and the directors' report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the strategic report and the directors' report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

**Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit or

We have nothing to report in these respects.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**WARNER/CHAPPELL MUSIC INTERNATIONAL LIMITED (Continued)**

**Directors' responsibilities**

As explained more fully in their statement set out on page ~~376~~ 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**The purpose of our audit work and to whom we owe our responsibilities**

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.



**Kevin Hall (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
15 Canada Square  
London  
E14 5GL

28/06/2018

**WARNER/CHAPPELL MUSIC INTERNATIONAL LIMITED**

**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2017**

	Notes	2017 £000's	2016 £000's
Turnover	2	-	-
Gross profit		-	-
Other operating income:			
Income from participating interests	12	46	45
Profit before Taxation		46	45
Tax on profit	6	-	-
Profit after Taxation		46	45

All profits are generated from continuing operations.

There is no other comprehensive income arising other than those recognised in the profit and loss account.

The notes on pages 10 to 15 form part of these financial statements.

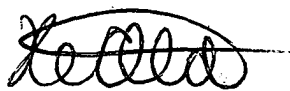


**WARNER/CHAPPELL MUSIC INTERNATIONAL LIMITED**

**BALANCE SHEET AT 30 SEPTEMBER 2017**

	Notes	2017 £000's	2016 £000's
Fixed assets:			
Investments	7	622	622
Current assets:			
Debtors	8	9,488	9,442
Current liabilities:			
Creditors	9	(9,522)	(9,522)
Net current assets		(34)	(80)
Total assets less total liabilities		588	542
Capital and reserves:			
Called up share capital	10	267	267
Profit and loss account		321	275
Shareholders' funds		588	542

The financial statements of Warner/Chappell Music International Limited (registered number 00050419) were approved by the board of directors and were signed on its behalf by:



K Alderton  
DIRECTOR

Dated: 28/06/2018

The notes on pages 10 to 15 form part of these financial statements.

**WARNER/CHAPPELL MUSIC INTERNATIONAL LIMITED**

**STATEMENT OF CHANGES IN EQUITY AT 30 SEPTEMBER 2017**

	<i>Called up Share capital £ '000</i>	<i>Profit and loss account £ '000</i>	<i>Total Equity £ '000</i>
Balance at 1 October 2015	267	230	497
Profit for the financial year	-	45	45
At 30 September 2016	<u>267</u>	<u>275</u>	<u>542</u>
Profit for the financial year	-	46	46
At 30 September 2017	<u>267</u>	<u>321</u>	<u>588</u>

## **WARNER/CHAPPELL MUSIC INTERNATIONAL LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS AT 30 SEPTEMBER 2017**

#### **1. ACCOUNTING POLICIES**

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

##### ***Basis of Preparation***

The financial statements are prepared on the historical cost basis. They were prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). The amendments to FRS 102 issued in July 2015 have been applied. The presentation currency of these financial statements is sterling.

All amounts in the financial statements have been rounded to the nearest £1000.

The Company's parent undertaking, Warner Music Group Corp., incorporated in the United States of America, includes the Company in its consolidated financial statements. The consolidated financial statements of Warner Music Group Corp. are available to the public and may be obtained from 1209 Orange Street, Wilmington, DE 19801, USA. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

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

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

##### ***Accounting convention***

These financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

##### ***Going concern***

The company has a net current liability position; however its intermediate parent, WMG Acquisition Corp., has committed to provide financial support to the company to enable it to meet its debts as they fall due, and for the foreseeable future.

##### ***Foreign currencies***

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

##### ***Investments***

Investments are stated at cost less amounts written off. The carrying values of investments are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

##### ***Intangible fixed assets: music copyrights***

Purchased music copyrights are capitalised and amortised by equal annual instalments over the period that is expected to recover the initial cost based on projected average annual income, but not exceeding 20 years. The annual charge for amortisation of intangibles is included within administrative expenses in the Profit and Loss Account.

The carrying values of intangible fixed assets are reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

## **WARNER/CHAPPELL MUSIC INTERNATIONAL LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS AT 30 SEPTEMBER 2017**

(Continued)

#### ***Impairment excluding deferred tax assets***

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### ***Deferred taxation***

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date. Deferred tax assets are only recognised to the extent that they are considered recoverable against future taxable profits.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse. Deferred tax balances are not discounted.

#### ***Group financial statements***

Consolidated accounts have not been prepared as WMG Acquisition (UK) Limited was, at 30 September 2017, a wholly-owned subsidiary of Warner Music Group Corp., a company registered in the United States of America, which prepares group accounts. Consequently these accounts only include information about the company as an individual undertaking and not about the group, as the exemption in section 401 of the Companies Act 2006 has been claimed.

#### ***Basic financial instruments***

##### ***Trade and other debtors / creditors***

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

##### ***Investments in subsidiaries, jointly controlled entities and associates***

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

#### ***Critical accounting judgements and estimation uncertainty***

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

## **2. TURNOVER**

Turnover represents the fee paid by Warner/Chappell Music Limited for the right to exploit the company's copyrights. In the current year this fee was set at £nil (2016: £nil).

**WARNER/CHAPPELL MUSIC INTERNATIONAL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS AT 30 SEPTEMBER 2017**

**(Continued)**

**3. EMPLOYEES AND DIRECTORS**

The company has no employees other than the 5 directors as listed on page 1.

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

	2017	2016
	£	£
Directors' remuneration	3,320	3,760
	<u>          </u>	<u>          </u>

**4. AUDITOR'S REMUNERATION**

Audit fees of £2000 (2016: £200) have been borne by another group undertaking.

**5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

Under the terms of the agreement entered into with Warner/Chappell Music Limited dated 1st December 1987, Warner/Chappell Music Limited is responsible for the payment of all costs and expenses of the company.

**6. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	2017	2016
	£000's	£000's
a) The charge based on the results for the year is as follows:		
<u>Current tax</u>		
UK corporation tax on income for the period	-	-
Total current tax	<u>          </u>	<u>          </u>
	<u>          </u>	<u>          </u>

b) Circumstances affecting current charge

The reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. A further reduction from 18% to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

Profit on ordinary activities before tax	46	45
	<u>          </u>	<u>          </u>
Profit multiplied by the standard rate of tax in the UK of 19.5% (2016: 20%)	9	9
Factors affecting charge:-		
Non taxable income	(9)	(9)
Total tax expense included in profit and loss	<u>          </u>	<u>          </u>
	-	-

**WARNER/CHAPPELL MUSIC INTERNATIONAL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS AT 30 SEPTEMBER 2017**  
(Continued)

**7. INVESTMENTS**

	2017 £	2016 £
Investments in subsidiary undertakings	621	621
Investment in participating interest	1	1
	<hr/>	<hr/>
	622	622
	<hr/>	<hr/>

In the opinion of the directors, the aggregate value of its investments in subsidiary undertakings (including amounts owed by subsidiary undertakings) is not less than the amount at which they are stated in the financial statements.

Subsidiary undertakings	Country of incorporation	Percentage of ordinary share capital held	Nature of business
Warner Chappell Overseas Holdings Ltd*	England and Wales	100%	Music publishing
Warner/Chappell Artemis Music Ltd*	England and Wales	100%	"
Ascherberg, Hopwood & Crew Ltd*	England and Wales	100%	"
Burlington Music Ltd*	England and Wales	100%	"
Chappell Music Ltd*	England and Wales	100%	"
Intersong Music Ltd*	England and Wales	100%	"
Throat Music Ltd*	England and Wales	100%	"
Warner/Chappell North America Ltd*	England and Wales	100%	"
Chappell Morris Ltd*	England and Wales	100%	"
Warner/Chappell Ltd*	England and Wales	100%	"
<b>Subsidiary undertakings of Burlington Music Ltd</b>			
Palace Music Co Ltd*	England and Wales	100%	Music publishing
<b>Associated undertakings</b>			
Held by the company:			
Diplomat Music Ltd*	England and Wales	50%	Music publishing
Jewel Music Publishing Ltd**	England and Wales	50%	"
<b>Held by Chappell Morris Ltd</b>			
Patricia Music Ltd*	England and Wales	50%	Music Publishing

\* Registered office: Cannon Place, 78 Cannon Street, London, EC4N 6AF

\*\* Registered office: Dodd Harris Suite C, Kiln House 15-17 High Street, Elstree Hertfordshire WD6 3BY

**WARNER/CHAPPELL MUSIC INTERNATIONAL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS AT 30 SEPTEMBER 2017**

(Continued)

**8. DEBTORS**

	2017	2016
	£000's	£000's
Amount due from parent undertakings	9,488	9,442

**9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017	2016
	£000's	£000's
Amount due to parent undertakings	9,522	9,522

**10. SHARE CAPITAL**

	2017	2016
	£	£
Allotted, called up and fully paid:		
100,000 ordinary shares of £1 each	100,000	100,000
100,000 deferred shares of £1 each	100,000	100,000
66,666 new ordinary shares of £1 each	66,666	66,666
	<hr/>	<hr/>
	266,666	266,666
	<hr/>	<hr/>

The rights of the various classes of share are as follows:

**a) New Ordinary Shares**

Holders of New Ordinary Shares are entitled to receive, out of the profits of the company, a fixed non-cumulative preferential dividend of 10% per annum on the amount paid up on the New Ordinary Shares. Payment of the dividend is at the discretion of the company but any such dividend is to be paid prior to the dividend payable on the Ordinary Shares and the Deferred Shares. After preferential dividends have been paid on the New Ordinary Shares, the Ordinary Shares and the Deferred Shares, the profits shall be distributed solely amongst the holders of the New Ordinary Shares. New Ordinary Shareholders have one vote for every New Ordinary Share held. On a winding up, the assets of the company shall be applied in repayment of the par value of the New Ordinary Shares, together with a further distribution of £9 per New Ordinary Share, before a repayment of capital on the Ordinary Shares and the Deferred Shares. The New Ordinary Shares shall also entitle the holders to all the remaining assets after the capital on the Ordinary Shares and the Deferred Shares has been repaid.

**WARNER/CHAPPELL MUSIC INTERNATIONAL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS AT 30 SEPTEMBER 2017**

(Continued)

**10. SHARE CAPITAL (Continued)**

**b) Ordinary Shares**

Holders of Ordinary Shares shall be entitled to receive, out of the profits of the company, a fixed non-cumulative preferential dividend of 0.1% per annum on the amount paid up on the Ordinary Shares. Payment of the dividend is at the discretion of the company. Such a dividend is to be paid after the preferential dividend payable on the New Ordinary Shares and Ordinary Shareholders shall have no further rights to participate in the profits of the company. Ordinary Shareholders have one vote for every 100,000 shares held. On a winding up, the holders of Ordinary Shares shall be entitled to a repayment of the par value on their shares only after the repayment of the par value, together with a further distribution of £9, has been paid on the New Ordinary Shares. Ordinary Shareholders have no further rights to participate in a return of assets on the winding up of the company or otherwise.

**c) Deferred Shares**

Deferred Shareholders are entitled to receive, out of the profits of the company, a fixed non-cumulative preferential dividend of 0.05% per annum on the amount paid up on the Deferred Shares. Payment of the dividend is at the discretion of the company. Such a dividend is to be paid after the dividend payable on the Ordinary Shares and Deferred Shareholders have no further rights to participate in the profits of the company. Deferred Shareholders have one vote for every 100,000 shares held. On a winding up, Deferred Shareholders shall be entitled to a repayment of the par value on such shares ranking pari passu with the holders of Ordinary Shares but after the repayment of the par value, together with a further distribution of £9, has been made on the New Ordinary Shares. Deferred Shareholders have no further rights to participate in a return of capital in a winding up or otherwise.

**11. PARENT UNDERTAKING AND CONTROLLING PARTY**

The company is owned 100% by Warner/Chappell Music Ltd., Cannon Place, 78 Cannon Street London EC4N 6AF, is, the company's immediate parent undertaking.

At 30 September 2017, AI Entertainment Holdings LLC, 2711 Centerville Road, Suite 400, Wilmington, DE 19808, a company incorporated in the United States of America, was the ultimate parent undertaking. Warner Music Group Corp., an entity incorporated in the United States of America, was the parent undertaking of the smallest group of undertakings of which the company was a member and for which group financial statements are drawn up. Copies of Warner Music Group Corp.'s financial statements can be obtained from 1209 Orange Street, Wilmington, DE 19801, USA.

**12. RELATED PARTY TRANSACTIONS**

The company received dividends of £45,821 (2016: £45,253) from related undertakings as follows:

	2017	2016
	£	£
Jewel Music Publishing Company Limited	39,500	41,000
	<hr/>	<hr/>
	39,500	41,000
	<hr/>	<hr/>

During the period, the company did not receive a dividend (2016: £nil) from its 50% owned joint venture, Diplomat Music Limited.

The company has taken advantage of the exemption in FRS 102 not to disclose details of transactions between wholly-owned group undertakings.