

COMPANY REGISTRATION NUMBER 00691827

EMI Paradise Music Limited
Annual Report and Financial Statements
For the Year Ended 31 March 2015

TUESDAY



L4GYOGIY

LD4

29/09/2015

#174

COMPANIES HOUSE

EMI Paradise Music Limited

Annual Report and Financial Statements

Year ended 31 March 2015

CONTENTS	PAGE
Officers and Professional Advisers	2
Strategic Report	3
Directors' Report	4
Statement of Directors' Responsibilities	6
Independent Auditors' Report to the Members of EMI Paradise Music Limited	7
Profit and Loss Account	9
Balance Sheet	10
Notes to the Financial Statements	11

EMI Paradise Music Limited

Officers and Professional Advisers

The board of directors	G K Moot C W Booth
Company secretary	TMF Corporate Administration Services Limited
Registered office	30 Golden Square London United Kingdom W1F 9LD
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 10 Bricket Road St Albans Herts AL1 3JX

EMI Paradise Music Limited

Strategic Report

Year ended 31 March 2015

Principal activities and business review

The principal activities of the Company continued to be that of music publishing. No material change in the activities of the business is contemplated.

During the financial year, the Company experienced a rise in turnover of 52% on prior year. The Company made a profit on ordinary activities before taxation of £4,467 (2014: £2,912).

The turnover of the Company is generated from usage of the songs written by the Company's composers and will vary in any given year alongside the market conditions and popularity of various genres of music. Direct costs attributed to the turnover are the writer's shares of the royalties earned on their compositions.

The Company has net assets of £42,831 (2014: £38,498) at the reporting date.

The Company employs no staff and has no separate facilities or overheads, except for those recharged for services rendered by other companies in the EMI Music Publishing group.

Principal risks and uncertainties

The principal risks and uncertainties facing the Company concern the value of the worldwide market for recorded music which was relatively flat, declining by 0.4% percent in 2014, according to data from the IFPI. Even though physical sales and digital downloads have declined, the overall decline in mechanical revenue is expected to be offset by the continued growth in the near future by digital subscription services. We remain dependent on identifying, signing and retaining talented songwriters whose new releases are well received and whose music will continue to generate revenues for years to come. Competition for such talent is intense and our financial results would be adversely affected if we fail to identify, sign and retain song writers. External bodies such as local third-party collection societies, have a significant influence on some of our revenues. Mechanical and Performance rates as well as distribution rules are usually set by performing rights societies through board approval and as such may result in the setting of rates at levels lower than we would wish and may therefore adversely affect our ability to increase profitability.

Key performance indicators

There are no KPIs specifically relating to environmental and employee issues as the company has no employees or separate facilities. It is not possible to obtain meaningful market share information for a company of this size, so we do not consider a KPI appropriate.

Signed on behalf of the directors.



G K Moot
Director

30 Golden Square
London
United Kingdom
W1F 9LD

Approved by the directors on 23-9-2015

EMI Paradise Music Limited

Directors' Report

Year ended 31 March 2015

The directors present their report and the audited financial statements of the Company for the year ended 31 March 2015. The comparatives are for the year ended 31 March 2014.

Going concern

The directors of the Group have prepared consolidated Group financial projections for a period of more than twelve months from the date of approval of these financial statements. After considering these financial projections, the directors have concluded that they have a reasonable expectation that the Company has adequate resources to continue as a going concern for the foreseeable future and as a result have prepared these financial statements on a going concern basis.

Financial risk management

The Company's operations expose it to certain financial risks, primarily comprised of credit and liquidity risk.

The Company is part of the Group's administration agreement with Sony/ATV (the "Administrator") whereby the Administrator follows the agreed upon processes in conformity with generally accepted industry standards.

Credit risk

The Company has implemented policies in accordance with generally accepted industry standards for monitoring credit risk.

Liquidity risk

Credit checks performed on potential customers ensure the Company's current assets are sufficiently liquid to enable it to pay its bills and fund its current liabilities.

Results and dividends

The profit for the financial year amounted to £4,333 (2014: £2,242). The directors have not recommended a dividend (2014: £nil).

Directors

The directors who served the Company during the year and up to the date of signing the financial statements are listed on page 2.

Qualifying third party indemnity provisions

Certain directors benefited from the qualifying third party indemnity provisions in place during the financial year and at the date of approval of the financial statements.

Donations

Grants and charitable donations made during the year amounted to £nil (2014:£nil). There were no political contributions made during the year (2014: £nil).

Disclosure of information to the auditors

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

EMI Paradise Music Limited

Directors' Report (continued)

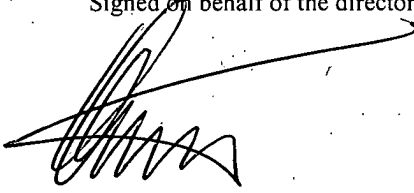
Year ended 31 March 2015

Independent auditors

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

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006

Signed on behalf of the directors



G K Moot
Director

30 Golden Square
London
United Kingdom
W1F 9LD

Approved by the directors on 23-9-2015

EMI Paradise Music Limited

Statement of Directors' Responsibilities

Year ended 31 March 2015

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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;
- 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 company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditors' report to the members of EMI Paradise Music Limited

Report on the financial statements

Our opinion

In our opinion, EMI Paradise Music Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its profit for the year then ended;
 - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.
-

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the balance sheet as at 31 March 2015;
- the profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, 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.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Matthew Mullins (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
St Albans
24 September 2015

EMI Paradise Music Limited**Profit and Loss Account****Year ended 31 March 2015**

	<i>Note</i>	2015 £	2014 £
Turnover	2	9,222	6,065
Cost of sales		(3,823)	(2,537)
Gross profit		5,399	3,528
Administrative expenses		(932)	(616)
Profit on ordinary activities before taxation	3	4,467	2,912
Tax on profit on ordinary activities	6	(134)	(670)
Profit for the financial year	10	4,333	2,242

The notes on pages 11 to 16 form part of these financial statements.

All of the activities of the Company are classed as continuing for the current and prior years.

The Company has no recognised gains and losses (2014: none) other than the results for the current and prior years as set out above.


There are no material differences between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents.

EMI Paradise Music Limited**Balance Sheet****At 31 March 2015**

	<i>Note</i>	2015 £	2014 £
Current assets			
Debtors	7	45,983	39,942
Creditors: amounts falling due within one year	8	(3,152)	(1,444)
Total assets less current liabilities		42,831	38,498
Net assets		42,831	38,498
Capital and reserves			
Called up share capital	9	100	100
Profit and loss account	10	42,731	38,398
Total shareholders' funds	10	42,831	38,498

The notes on pages 11 to 16 form part of these financial statements.

The financial statements on pages 9 to 16 were approved by the Board of Directors on ~~23-9-2015~~ and signed on their behalf by:



G K Moot
Director

Company Registration Number: 00691827

EMI Paradise Music Limited**Notes to the Financial Statements****Year ended 31 March 2015**

1. Accounting policies**Basis of preparation**

These financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The accounting policies have been applied consistently, other than where new policies have been adopted.

Going concern

EMI Paradise Music Limited has made a profit for the financial year of £4,333 (2014: £2,242) and has total assets less current liabilities of £42,831 (2014: £38,498) and net assets of £42,831 (2014: £38,498) at the reporting date.

The Company operates as part of DH Publishing, L.P. group ("the Group") and has provided a guarantee to the Group's lender; as such the Company is affected by the terms of the Group's banking facilities. The continued availability of existing bank facilities requires the Group to comply with the covenants set out in those bank facilities.

The strong group balance sheet combined with continued strong operating performance means that the Group is able to meet its ongoing working capital needs and its current debt service obligations under the finance facility agreements for a period of more than twelve months from the date of approval of these financial statements.

The directors of the Group have prepared consolidated Group financial projections for a period of more than twelve months from the date of approval of these financial statements.

After considering the financial projections, the directors have concluded that they have a reasonable expectation that the Company has adequate resources to continue as a going concern for the foreseeable future and as a result have prepared these financial statements on a going concern basis.

Cash flow statement

The Company has taken advantage of the exemption available under the Companies Act not to present a cash flow statement due to its size.

Turnover

The Company's turnover is wholly attributable to its principal activity and the directors do not believe that any part of the Company's worldwide market is significantly different from any other.

Turnover consists of income from copyrights and is recorded when reported to the Company by the relevant source. Turnover is stated after deducting all commissions and any sales related taxes levied on turnover.

All turnover arises from continuing activities. In certain countries, the Company has assigned its rights to royalty income to other undertakings of the EMI Music Publishing Group.

EMI Paradise Music Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2015****1. Accounting policies (continued)****Taxation**

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

Debtors - royalty advances

Royalties due to an advancee are credited against the outstanding advance in the year of receipt until the amount of the advance is extinguished. If it is thought that future earnings will not amount to the written-down value of an advance, a provision for the estimated shortfall will be raised. Advances are included in debtors as recoverable within one year although certain amounts may be recovered after more than one year.

2. Turnover

The turnover is attributable to the one principal activity of the Company.

An analysis of turnover by geographical market is given below:

	2015 £	2014 £
United Kingdom	5,488	5,688
Rest of Europe	3,549	267
USA	30	7
Rest of the world	155	103
	<u>9,222</u>	<u>6,065</u>

EMI Paradise Music Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2015****3. Profit on ordinary activities before taxation**

	2015	2014
	£	£
Profit on ordinary activities before taxation is stated after charging:		
Auditors' remuneration - audit of these financial statements	10	10

The audit fee incurred by the Company represents an apportion of the overall group audit fee which has been allocated based on net profit share.

Management charges of £928 (2014: £606) due to EMI Music Publishing Limited are included in administrative expenses in the profit and loss account.

Amounts receivable by the Company's auditors and their associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required, instead, to be disclosed on a consolidated basis in the consolidated financial statements of the Group.

4. Directors' emoluments

The directors received no remuneration for their services to the Company during the year (2014: £nil).

Remuneration for services provided by all directors have been borne by EMI Music Publishing Limited and has been presented within that Company's financial statements.

5. Staff costs

The Company had no employees (2014: none).

EMI Paradise Music Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2015****6. Tax on profit on ordinary activities****Analysis of charge in the year**

	2015 £	2014 £
<i>UK corporation tax</i>		
Current tax on income for the year	469	670
Adjustments in respect of prior periods	(335)	-
Total current tax	<u>134</u>	<u>670</u>

Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is less than (2014: equal) the standard rate of corporation tax in the UK of 21% (2014 - 23%).

	2015 £	2014 £
Profit on ordinary activities before taxation	4,467	2,912
Current tax at 21% (2014 - 23%)	938	670
Group relief claimed	(469)	-
Adjustments in respect of prior periods	(335)	-
Total current tax	<u>134</u>	<u>670</u>

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 24% to 23% (effective 1 April 2013) was substantively enacted on 3 July 2012. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013.

In the Budget on 8 July 2015, the Chancellor announced additional planned reductions to 18% by 2020. This will reduce the company's future current tax charge accordingly.

EMI Paradise Music Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2015****7. Debtors**

	2015 £	2014 £
Amounts owed by group undertakings	42,548	38,056
Prepayments and accrued income	3,435	1,886
	<u>45,983</u>	<u>39,942</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Prepayments and accrued income amounts relate to advances paid to artists less the provisions made against those balances, and an estimate of accrued income at the balance sheet date.

8. Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	2,342	768
Corporation tax	810	676
	<u>3,152</u>	<u>1,444</u>

9. Called up share capital**Allotted and fully paid:**

	2015 Number	£	2014 Number	£
100 (2014: 100) Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

10. Reconciliation of movements in shareholders' funds

	Called up share capital £	Profit and loss account £	Total shareholders' funds £
At 1 April 2014	100	38,398	38,498
Profit for the financial year	-	4,333	4,333
At 31 March 2015	<u>100</u>	<u>42,731</u>	<u>42,831</u>

EMI Paradise Music Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2015

11. Related party transactions

During the year, the Company paid a management fee of £928 (2014: £606) to EMI Music Publishing Limited, a member of the EMI Music Publishing Group. At 31 March 2015, EMI Music Publishing Limited owed the Company £42,548 (2014: £38,056).

12. Ultimate parent company

The Company's immediate parent undertaking is EMI Music Publishing Mills Music Limited, a company registered in England and Wales.

The result of the Company is included in the DH Publishing, L.P. financial statements. The address from which the financial statements can be requested is DH Publishing, L.P., 190 Elgin Avenue, George Town, Grand Cayman, KY-9005, Cayman Islands.