

COMPANY REGISTRATION NUMBER 00691827

EMI Paradise Music Limited
Annual Report and Financial Statements
For the Year Ended 31 March 2020

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EMI Paradise Music Limited

Annual Report and Financial Statements

Year ended 31 March 2020

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EMI Paradise Music Limited

Officers and Professional Advisers

The Board of Directors	C W Booth T W Major
Company secretary	TMF Corporate Administration Services Limited
Registered office	22 Berners Street London W1T 3LP
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Embankment Place Charing Cross London WC2N 6RH

EMI Paradise Music Limited

Directors' Report

Year ended 31 March 2020

The Directors present their report and the audited financial statements of EMI Paradise Music Limited ("the Company") for the year ended 31 March 2020. The comparatives are for the year ended 31 March 2019.

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's turnover decreased by 42% on prior year due to lower UK and Europe revenues. The Company made a loss before taxation of £2,212 (2019: £596).

The Company has net assets of £43,844 (2019: £446,056) at the reporting date.

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 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.

The Directors are satisfied with the trading performance during the year and are of the opinion that the Company is well positioned to continue trading successfully.

Going concern

The Company has made a loss for the financial year of £2,212 (2019: £483) and has net assets of £43,844 (2019: £46,056) at the reporting date.

These financial statements have been prepared on a going concern basis. In preparing the financial statements the Directors have taken into account all information that could reasonably be expected to be available for the following 12 months from the date of signing the financial statements and beyond.

Given the current uncertain economic environment, caused largely by COVID-19, the Directors have carried out a review of the business and have compared the forecast future performance and anticipated cashflows.

The ultimate parent company, Sony Corporation, has agreed to provide financial support to the Company in order that it can continue to trade and meet its liabilities as they fall due.

The Directors have considered the Company's net assets, COVID-19, the Company's ongoing cash requirements, the recoverability of amounts owed by group undertakings and the letter of support received from Sony Corporation.

As a result of the review, the Directors are confident the Company has sufficient resources to continue as a going concern for at least 12 months from the date of signing these financial statements and on this basis, they consider that it is appropriate to prepare the financial statements on the going concern basis.

Results and dividends

The loss for the financial year amounted to £2,212 (2019: £483). The Directors have not recommended a dividend (2019: £nil).

Future developments

The Directors do not anticipate any significant changes to the Company's activity in the foreseeable future.

EMI Paradise Music Limited

Directors' Report (continued)

Year ended 31 March 2020

Subsequent events

Please see note 12 for details of the Company's events after the reporting date.

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 this report.

Political contributions

The Company made no political donations or incurred any political expenditure during the year (2019: £nil).

Brexit

In a referendum held on 23 June 2016, the UK resolved to leave the European Union ('EU'). On 31 January 2020, the UK left the EU and has now entered an 11 month transition period until the end of 2020. During this year, the UK government will negotiate the terms of the UK's future relationship with the EU.

Although it is still unknown what those terms will be, Brexit may create global economic uncertainty, which may affect the Company's risk profile through introducing potentially significant new uncertainties and instability in the music sector.

At the date of signing these financial statements, Brexit negotiations due to start on 18 March 2020 were put on hold due to the COVID-19 crisis. The delay has also raised expectations that the UK will request an extension to negotiations. As a result, whilst the full impact is not known, as at the date of signing there is no significant impact on the Company.

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.

Independent auditors

During the year, BDO LLP resigned as auditor; and on 29 July 2020 PricewaterhouseCoopers LLP were appointed as auditors.

Pursuant to Section 487 of the Companies Act 2016, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

Company Registration Number 00691827

EMI Paradise Music Limited

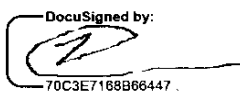
Directors' Report (continued)

Year ended 31 March 2020

Small companies' regime

The Company is entitled to take the small companies exemption, under section 414B, in relation to the requirement to prepare a Strategic report.

Signed on behalf of the Directors

DocuSigned by:

70C3E7168B86447

T W Major
Director

22 Berners Street
London
W1T 3LP

Approved by the Directors on 12/15/2020

EMI Paradise Music Limited

Statement of Directors' Responsibilities in Respect of the Annual Report and the Financial Statements

Year ended 31 March 2020

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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are 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 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.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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

Report on the audit of the financial statements

Opinion

In our opinion, EMI Paradise Music Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 March 2020; the profit and loss account and other comprehensive income; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 March 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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 in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

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

Auditors' responsibilities for the audit of the financial statements

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

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 auditors' report.

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

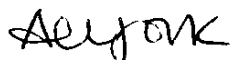
Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Amy York (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
16 December 2020

EMI Paradise Music Limited**Profit and Loss Account and Other Comprehensive Income****Year ended 31 March 2020**

	<i>Note</i>	2020 £	2019 £
Turnover	<i>3</i>	2,891	4,994
Cost of sales		(1,097)	(1,596)
Gross profit		1,794	3,398
Administrative expenses		(4,006)	(3,994)
Operating loss and loss before taxation	<i>4</i>	(2,212)	(596)
Tax on loss		-	113
Loss for the financial year		(2,212)	(483)

The notes on pages 12 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.

There are no items of comprehensive income other than those in the Profit and Loss Account, and therefore no Statement of Other Comprehensive Income has been presented.

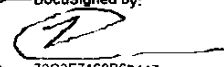
EMI Paradise Music Limited**Balance Sheet****At 31 March 2020**

	<i>Note</i>	2020 £	2019 £
Current assets			
Debtors (including £47,087 (2019: £nil) due after more than one year)	8	47,941	50,191
Creditors: amounts falling due within one year	9	(4,097)	(4,135)
Net current assets		43,844	46,056
Net assets		43,844	46,056
Capital and reserves			
Called up share capital	10	100	100
Profit and Loss Account		43,744	45,956
Shareholders' funds		43,844	46,056

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the provisions of FRS 102 Section 1A - Small Entities.

The notes on pages 12 to 17 form part of these financial statements.

The financial statements on pages 10 to 17 were approved by the Board of Directors on 12/15/2020 and signed on their behalf by:

DocuSigned by:

 70C3E7168B65447

T W Major
 Director

Company Registration Number: 00691827

EMI Paradise Music Limited

Notes to the Financial Statements

Year ended 31 March 2020

1. Accounting policies

EMI Paradise Music Limited (the "Company") is a private company limited by shares, incorporated, domiciled and registered in England and Wales in the United Kingdom. The registered number is 00691827 and the registered address is 22 Berners Street, London, W1T 3LP.

These financial statements were prepared in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102"). The presentation currency of these financial statements is sterling. All amounts are rounded to the nearest £1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the Directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2.

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.

Going concern

The Company has made a loss for the financial year of £2,212 (2019: £483) and net assets of £43,844 (2019: £46,056) at the reporting date.

These financial statements have been prepared on a going concern basis. In preparing the financial statements the Directors have taken into account all information that could reasonably be expected to be available for the following 12 months from the date of signing the financial statements and beyond.

Given the current uncertain economic environment, caused largely by COVID-19, the Directors have carried out a review of the business and have compared the forecast future performance and anticipated cashflows.

The ultimate parent company, Sony Corporation, has agreed to provide financial support to the Company in order that it can continue to trade and meet its liabilities as they fall due.

The Directors have considered the Company's net assets, COVID-19, the Company's ongoing cash requirements, the recoverability of amounts owed by group undertakings and the letter of support received from Sony Corporation.

As a result of the review, the Directors are confident the Company has sufficient resources to continue as a going concern for at least 12 months from the date of signing these financial statements and on this basis, they consider that it is appropriate to prepare the financial statements on the going concern basis.

Cash flow statement

The Company has taken advantage of the exemption available under FRS 102 Section 1A – Small Entities from preparing a statement of cash flows.

EMI Paradise Music Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2020**

1. Accounting policies (continued)**Classification of financial instruments issued by the Company**

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Basic financial instruments*Trade and other debtors/creditors*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus 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. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Impairment*Financial assets (including trade and other debtors)*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

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 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. It is recorded when reported to the Company by the relevant source, or when the Company reasonably estimates that the income has been earned from a relevant source. Turnover is stated after deducting all commissions and any sales related taxes levied on turnover. All turnover arises from continuing activities.

EMI Paradise Music Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2020****1. Accounting policies (continued)****Taxation**

Tax on the profit or loss for the year comprises current tax. Tax is recognised in the Profit and Loss Account except to the extent that it relates to items recognised directly in Equity or Other Comprehensive Income, in which case it is recognised directly in Equity or Other Comprehensive Income.

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

2. Accounting estimates and judgements

In preparing these financial statements, the Directors do not consider that they have made any accounting estimates or judgements which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

3. Turnover

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

An analysis of turnover by geographical market is given below:

	2020	2019
	£	£
United Kingdom	339	1,838
Rest of Europe	2,327	2,864
USA	59	65
Rest of the world	166	227
	<u>2,891</u>	<u>4,994</u>

4. Operating loss and loss before taxation

	2020	2019
	£	£
Included in operating loss is the following:		
Auditors' remuneration - audit of these financial statements	<u>3,500</u>	<u>3,500</u>

Cost recharges due to EMI Music Publishing Limited of £506 (2019: £494) are included within administrative expenses in the Profit and Loss Account.

EMI Paradise Music Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2020****5. Directors' remuneration**

The Directors, who are also the Company's key management, received no remuneration from the Company during the year (2019: £nil).

Remuneration for services provided by all Directors have been borne by SM Publishing (UK) Limited and has been presented within that company's financial statements.

6. Staff numbers and costs

The Company had no employees (2019: none).

7. Debtors

	2020 £	2019 £
Amounts owed by group undertakings	47,087	48,233
Accrued income	741	1,845
Taxation	113	113
	<u>47,941</u>	<u>50,191</u>
Due within one year	854	50,191
Due after more than one year	47,087	-
	<u>47,941</u>	<u>50,191</u>

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

8. Creditors: amounts falling due within one year

	2020 £	2019 £
Accruals	4,097	4,135

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

	2020 £	2019 £
100 (2019: 100) ordinary shares of £1 each at 31 March	100	100

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

EMI Paradise Music Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2020

9. Called up share capital (continued)

Reserves

Called up share capital

Represents the nominal value of shares issued.

Profit and Loss Account

Represents the reserves for net gains and losses recognised in the Profit and Loss Account.

10. Related party transactions

During the year, the Company received a cost recharge of £506 (2019: £494) from EMI Music Publishing Limited, a member of the EMI Music Publishing Group. At 31 March 2020, EMI Music Publishing Limited owed the Company £47,087 (2019: £48,233). As at 31 March 2020, the Company owed EMI Music Publishing Limited £nil (2019: £nil).

11. Ultimate parent company and parent company of larger group

The ultimate parent undertaking and controlling party of the Company is Sony Corporation, a company registered in Japan.

The Company is 50% owned by Terence Nelhams. The other parent undertakings are EMI Music Publishing Mills Music Limited who own 49% and EMI Music Publishing Tunes Limited who own 1%.

The largest group in which the results of the Company are equity accounted is that headed by Sony Corporation, 1-7-1 Konan Minato-ku, Tokyo, Japan, 108-0075. The smallest group in which they have historically been equity accounted into is that headed by EMI Music Publishing Finance (UK) Limited, 22 Berners Street, London, W1T 3LP, United Kingdom. The consolidated financial statements of these groups are available to the public and may be requested from 22 Berners Street, London, W1T 3LP, United Kingdom.