

**COMPANY REGISTRATION NUMBER 00691827**

**EMI Paradise Music Limited**  
**Annual Report and Financial Statements**  
**For the Year Ended 31 March 2018**

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**EMI Paradise Music Limited**

**Annual Report and Financial Statements**

**Year ended 31 March 2018**

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**EMI Paradise Music Limited**

**Officers and Professional Advisers**

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<b>The board of Directors</b>	G K Moot C W Booth
<b>Company secretary</b>	TMF Corporate Administration Services Limited
<b>Registered office</b>	30 Golden Square London United Kingdom W1F 9LD
<b>Independent auditors</b>	BDO LLP Chartered Accountants and Statutory Auditors 55 Baker Street London W1U 7EU

## **EMI Paradise Music Limited**

### **Directors' Report**

#### **Year ended 31 March 2018**

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The Directors present their report and the audited financial statements of EMI Paradise Music Limited ("the Company") for the year ended 31 March 2018. The comparatives are for the year ended 31 March 2017.

#### **Going concern**

The Directors of the DH Publishing, L.P., the ultimate controlling party, 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.

#### **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 7% on prior year. The Company made a profit before taxation of £762 (2017: £910).

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 £46,539 (2017: £45,922) 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.

#### **Results and dividends**

The profit after taxation for the year amounted to £617 (2017: £728). The Directors have not recommended a dividend (2017: £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 this report.

#### **Political contributions**

The Company made no political donations or incurred any political expenditure during the year.

#### **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 2018**

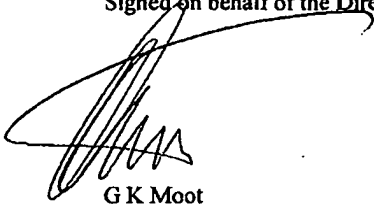
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**Independent auditors**

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

This report has been prepared in accordance with the special provisions applicable to companies subject to the small companies regime.

Signed on behalf of the Directors



G K Moot  
Director

30 Golden Square  
London  
United Kingdom  
W1F 9LD

Approved by the Directors on 30/10/2018

**EMI Paradise Music Limited**

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

**Year ended 31 March 2018**

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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 elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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; 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.

## **EMI Paradise Music Limited**

### **Independent Auditors' Report to the Members of EMI Paradise Music Limited**

**Year ended 31 March 2018**

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#### **Opinion**

We have audited the financial statements of EMI Paradise Music Limited for the year ended 31 March 2018 which comprise the income statement, the balance sheet and notes to the financial statements, including a summary of significant accounting policies. 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2018 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.

#### **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 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**

We have nothing to report in respect of the following matters in relation to which the 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.

#### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

#### **Opinion 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

## EMI Paradise Music Limited

### Independent Auditors' Report to the Members of EMI Paradise Music Limited (continued)

Year ended 31 March 2018

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

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 material misstatements in the Director's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

#### 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 at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### 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.



Andrew Viner (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
London

Signed on 30/10/2018



**EMI Paradise Music Limited****Income Statement****Year ended 31 March 2018**


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	<i>Note</i>	<b>2018</b> £	2017 £
<b>Turnover</b>	<i>3</i>	<b>7,756</b>	8,309
Cost of sales		<u>(2,774)</u>	<u>(3,136)</u>
<b>Gross profit</b>		<b>4,982</b>	5,173
Administrative expenses		<u>(4,220)</u>	<u>(4,263)</u>
<b>Operating profit and profit before taxation</b>	<i>4</i>	<b>762</b>	910
Tax on profit		<u>(145)</u>	<u>(182)</u>
<b>Profit after taxation</b>		<u><b>617</b></u>	<u>728</u>

The notes on pages 10 to 14 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 Income Statement, and therefore no Statement of Comprehensive Income has been presented.

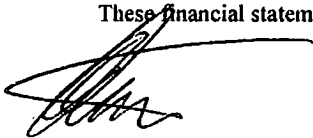
**EMI Paradise Music Limited****Balance Sheet****At 31 March 2018**

	<i>Note</i>	<b>2018</b> £	<b>2017</b> £
<b>Current assets</b>			
Debtors	7	56,028	51,823
<b>Creditors: amounts falling due within one year</b>	8	(9,489)	(5,901)
<b>Net current assets</b>		<u>46,539</u>	<u>45,922</u>
<b>Net assets</b>		<u>46,539</u>	<u>45,922</u>
<b>Capital and reserves</b>			
Called up share capital	9	100	100
Profit and loss account		<u>46,439</u>	<u>45,822</u>
<b>Shareholders' funds</b>		<u>46,539</u>	<u>45,922</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The notes on pages 10 to 14 form part of these financial statements.

These financial statements were approved by the Board of Directors on 30/10/2018 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 2018**

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**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 30 Golden Square, London, W1F 9LD.

These financial statements were prepared in accordance with the provisions of FRS 102 Section 1A - Small Entities. The presentation currency of these financial statements is sterling. All amounts are rounded to the nearest £1.

As the consolidated financial statements of DH Publishing, L.P. include the equivalent disclosures, the Company has also taken exemptions under FRS 102 available in respect of the disclosures required by FRS 102.11 Basic Financial Instruments.

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**

EMI Paradise Music Limited has made a profit for the financial year of £617 (2017: £728) and has net current assets and net assets of £46,539 (2017: £45,922) at the reporting date.

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, and as a result of the continued support of the ultimate controlling party DH Publishing, L.P., 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 FRS 102 Section 1A – Small Entities from preparing a statement of cash flows.

**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.

**EMI Paradise Music Limited****Notes to the Financial Statements (continued)****Year ended 31 March 2018**

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**1. Accounting policies (continued)****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. In certain countries, the Company has assigned its rights to royalty income to other undertakings of the EMI Music Publishing Group.

**Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement 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.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Foreign currency**

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the income statement.

**Debtors - royalty advances**

Royalties due to a composer are credited against the outstanding advance in the year of receipt until the amount of the advance is fully recovered. If it is thought that future earnings will not amount to the net 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.

**EMI Paradise Music Limited****Notes to the Financial Statements (continued)****Year ended 31 March 2018****1. Accounting policies (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 Income Statement.

**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:

	<b>2018</b>	2017
	<b>£</b>	£
United Kingdom	<b>2,970</b>	5,384
Rest of Europe	<b>4,456</b>	2,679
USA	<b>107</b>	61
Rest of the world	<b>223</b>	185
	<b><u>7,756</u></b>	<u>8,309</u>

**4. Operating profit**

	<b>2018</b>	2017
	<b>£</b>	£
Included in operating profit is the following:		
Auditors' remuneration - audit of these financial statements	<b><u>3,500</u></b>	<u>3,500</u>

Management charges due to EMI Music Publishing Limited of £720 (2017: £763) are included within administrative expenses in the income statement.

**5. Directors' remuneration**

The Directors, who are also the Company's key management, received no remuneration from the Company during the year (2017: £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.

**EMI Paradise Music Limited****Notes to the Financial Statements (continued)****Year ended 31 March 2018****6. Staff numbers and costs**

The Company had no employees (2017: none).

**7. Debtors**

	2018 £	2017 £
Amounts owed by group undertakings	53,675	47,984
Other debtors	-	1,208
Accrued income	2,353	2,631
	<u>56,028</u>	<u>51,823</u>

At 31 March 2018, debtors falling due after more than one year amounted to £nil (2017: £nil).

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**

	2018 £	2017 £
Amounts owed to group undertakings	3,998	3,998
Taxation and social security	1,110	965
Accruals	4,381	938
	<u>9,489</u>	<u>5,901</u>

**9. Capital and reserves****Share capital****Allotted, called up and fully paid:**

	2018 £	2017 £
100 (2017: 100) Ordinary shares of £1 each at 1 April and at 31 March	<u>100</u>	<u>100</u>

**EMI Paradise Music Limited****Notes to the Financial Statements (continued)****Year ended 31 March 2018****10. Financial instruments****Carrying amount of financial instruments**

The carrying amount of financial assets and liabilities measured at amortised cost include:

	2018 £	2017 £
<b>Assets measured at amortised cost</b>		
Amounts owed by group undertakings	53,675	47,984
Accrued income	2,353	2,631
	<u>56,028</u>	<u>50,615</u>
<b>Liabilities measured at amortised cost</b>		
Amounts owed by group undertakings	3,998	3,998
Accruals	4,381	938
	<u>8,379</u>	<u>4,936</u>

**11. Related party transactions**

During the year, the Company was charged a management fee of £720 (2017: £763) by EMI Music Publishing Limited, a member of the EMI Music Publishing Group. At 31 March 2018, EMI Music Publishing Limited owed the Company £53,675 (2017: £47,984). As at 31 March 2018, the company owed EMI Music Publishing Limited £3,998 (2016: £3,998).

**12. Ultimate parent company and parent company of larger group**

The Company is a subsidiary undertaking of DH Publishing, L.P. The ultimate controlling party is DH Publishing, L.P., a partnership registered in the Cayman Islands.

The largest Group in which the results of the Company are consolidated is that headed by DH Publishing, L.P., 190 Elgin Avenue, George Town, Grand Cayman, KY1-9005, Cayman Islands. The smallest Group in which they are consolidated is that headed by EMI Music Publishing Mills Music Limited, 30 Golden Square, London, W1F 9LD, United Kingdom. The consolidated financial statements of these Groups are available to the public and may be obtained from 30 Golden Square, London, W1F 9LD, United Kingdom.

**13. Subsequent events**

On May 21, 2018, the Mubadala, which is the majority owner of NAHCL, and Sony, which is the majority owner of NALLC, entered into a memorandum of understanding ("the Agreement") for the sale of the Mubadala's approximately 60% equity interest in EMI's Music Publishing business to SCA, a wholly owned subsidiary of Sony (the "Transaction"). On June 29, 2018, Mubadala and Sony executed a long form agreement replacing the Agreement. In July 2018, Sony acquired from the Estate of Michael Jackson ("the Estate") the 25.1% interest in NALLC held by the Estate. As a result of the acquisition, NALLC became a wholly-owned subsidiary of Sony. In August, US regulatory approval was received, and in October 2018, European Commission regulatory approval was received for the Transaction. This Transaction is expected to close in November 2018. As a result of this Transaction, EMI MP will become a wholly-owned subsidiary of SCA.