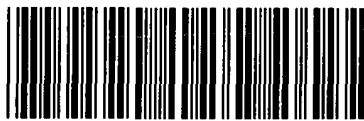


COMPANY REGISTRATION NUMBER 00806281

EMI GROUP FINANCE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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EMI GROUP FINANCE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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EMI GROUP FINANCE LIMITED
OFFICERS AND PROFESSIONAL ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2021

THE BOARD OF DIRECTORS

AM Barker
BJ Muir
DRJ Sharpe
SL Carmel

COMPANY SECRETARY

A Abioye

REGISTERED OFFICE

4 Pancras Square
London
United Kingdom
N1C 4AG

AUDITOR

Deloitte LLP
Statutory Auditor
Abbots House
Abbey Street
Reading
RG1 3BD
United Kingdom

EMI GROUP FINANCE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their strategic report for the company for the year ended 31 December 2021.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year continued to be that of a finance company.

The company is part of Universal Music Group's UK operations. Following the successful listing of Universal Music Group on the Euronext exchange, the ultimate parent undertaking and ultimate controlling party of the company changed to Universal Music Group N.V.. This change in ownership has not altered the principal activities of the company.

The result of the company for the year ended 31 December 2021 and its position as at that date are set out in the statement of comprehensive income, statement of financial position and statement of changes in equity on pages 10, 11 and 12 respectively. The result and position of the company were in line with directors' expectations.

RESULTS AND DIVIDENDS

The company's profit for the financial year was £39,470,000 (2020: £97,529,000). The reduction in profit compared to the previous year is due to lower interest rates causing a decline in interest receivable. The retained profit for the year has been transferred to reserves. The directors do not recommend a dividend payment for the year ended 31 December 2021 (2020: £nil).

KEY PERFORMANCE INDICATORS

Given the company operates as a finance company holding only intercompany loans, the directors do not consider that there are any Key Performance Indicators which require disclosure.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company uses a variety of financial instruments including cash, equity and intercompany receivables and payables in its activity as a finance company. The directors are of the view that the main risks arising from the company's financial instruments are exchange rate risk and interest rate risk, as summarised below:

Exchange rate risk

Exchange rate fluctuation presents a risk because some loans are denominated in currencies other than Sterling. The directors do not consider that the potential downside is significant enough to require hedging but continue to monitor the potential risk.

Interest rate risk

Fluctuations in interest rates have an impact on intercompany receivables and payables. However any impact on receivables will to a large extent be offset by the impact on payables. Given that the company does not have any external borrowings the directors consider the interest rate risk to be minimal.

PRINCIPAL RISKS AND UNCERTAINTIES

The company is faced with similar risks and uncertainties as other finance companies, primarily the impact of interest rate fluctuations on amounts receivable from and payable to group undertakings.

All risks and uncertainties are regularly monitored by the directors, including the following:

Brexit

On 31 January 2020, the United Kingdom (UK) left the European Union (EU) and entered a transition period. On 31 December 2020, the transition period ended and the UK left the EU single market and customs union.

Since the company's principal activity is that of a finance company, there has not been any impact on the company. The directors will continue to monitor the situation for any future impacts.

EMI GROUP FINANCE LIMITED

STRATEGIC REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

COVID-19

Given the company's principal activity is that of a finance company, the impact of COVID-19 and the related restrictions introduced by the UK government has been minimal. The directors will continue to monitor the situation for any future impact on the company.

Climate change

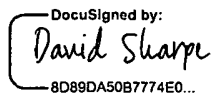
Whilst the company is not considered to be part of a heavy emitting industry, the directors recognise the importance of reducing its impacts and moving towards being a zero carbon operation.

The company, as part of Universal Music Group's UK operations, has recently signed up to the Science Based Targets Initiative which will provide a clearly-defined pathway to reduce greenhouse gas (GHG) emissions, helping prevent the worst impacts of climate change and future-proofing business growth.

FUTURE DEVELOPMENTS

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

This report was approved by the Board and signed on their behalf.

DocuSigned by:

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DRJ Sharpe
Director

Date: 13 May 2022

EMI GROUP FINANCE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report, together with the financial statements and the auditor's report of the company, for the year ended 31 December 2021.

They have included the following matters within the strategic report, otherwise required to be disclosed in the directors' report, as they are considered to be of strategic importance to the company.

- Results and dividends;
- Financial risk management objectives and policies; and
- Future developments.

DIRECTORS

The directors who served the company during the year and subsequently were as follows:

AM Barker
BJ Muir
DRJ Sharpe
SL Carmel

DIRECTORS' QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

A qualifying third party indemnity provision remains in force as at the date of approving the directors' report, subject to the provisions of section 236 of the Companies Act 2006. Universal Music Group N.V., the ultimate parent undertaking, maintains a Directors & Officers Liability Programme which indemnifies directors' personal liabilities resulting from alleged wrongful acts committed in the line of their employment, in relation to the company and its subsidiary undertakings.

DONATIONS

The company made no charitable or political donations in either year.

GOING CONCERN - CONTINUED SUPPORT FROM ULTIMATE PARENT UNDERTAKING

The financial statements have been prepared on the going concern basis as the company has received confirmation from Universal Music Group N.V., the company's ultimate parent undertaking, of its intention to continue to provide financial and other support to the extent necessary to enable the company to continue to pay its liabilities as and when they become due for a period not less than one year from the date of approval of these financial statements. Having regard to this intention, and the ability of Universal Music Group N.V. to provide such support if necessary, the directors believe it is appropriate to prepare these financial statements on a going concern basis, notwithstanding the net current liabilities at 31 December 2021.

EMI GROUP FINANCE LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

AUDITOR

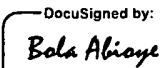
In so far as each of the directors at the date of approving this report are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

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

This report was approved by the Board and signed on their behalf.

DocuSigned by:

A Bola Abioye
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Company Secretary

Date: 13 May 2022

Company Registration Number: 00806281

EMI GROUP FINANCE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EMI GROUP FINANCE LIMITED FOR THE YEAR ENDED 31 DECEMBER 2021

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion the financial statements of EMI Group Finance Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the statement of accounting policies; and
- the related notes 1 to 14.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

EMI GROUP FINANCE LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £'000	2020 £'000
Foreign exchange (losses)/gains		<u>(3,574)</u>	<u>3,515</u>
OPERATING (LOSS)/PROFIT	4	(3,574)	3,515
Interest receivable and similar income	7	97,691	180,893
Interest payable and similar charges	8	(45,389)	(64,146)
PROFIT BEFORE TAXATION		48,728	120,262
Tax on profit	9	(9,258)	(22,733)
PROFIT FOR THE FINANCIAL YEAR		39,470	97,529
<i>Total other comprehensive income</i>		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME		39,470	97,529

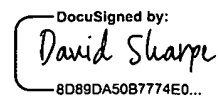
All of the activities of the company are classed as continuing operations.

The notes on pages 13 to 20 form part of these financial statements

EMI GROUP FINANCE LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £'000	2020 £'000 (Restated - Note 14)
FIXED ASSETS			
Loans to group undertakings	10	6,439,972	6,353,970
		<u>6,439,972</u>	<u>6,353,970</u>
CURRENT ASSETS			
Cash at bank		174	184
		<u>174</u>	<u>184</u>
CREDITORS: Amounts falling due within one year	11	(5,469,161)	(5,422,639)
NET CURRENT LIABILITIES		<u>(5,468,987)</u>	<u>(5,422,455)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>970,985</u>	<u>931,515</u>
NET ASSETS		<u>970,985</u>	<u>931,515</u>
CAPITAL AND RESERVES			
Called-up share capital	12	83,936	83,936
Profit and loss account		<u>887,049</u>	<u>847,579</u>
EQUITY SHAREHOLDERS' FUNDS		<u>970,985</u>	<u>931,515</u>

These financial statements were approved by the board of directors and authorised for issue on 13 May 2022 and are signed on their behalf by:

DocuSigned by:

8D89DA50B7774E0...
DRJ Sharpe
Director

Company Registration Number: 00806281

The notes on pages 13 to 20 form part of these financial statements

EMI GROUP FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

3. ACCOUNTING POLICIES (continued)

Impairment

Impairment of assets

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

Non-financial assets

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

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

Financial assets

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

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

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

Interest receivable and Interest payable

Interest receivable relates to amounts due from group undertakings and interest payable relates to amounts due to group undertakings. They are recognised in the statement of comprehensive income as they accrue under the effective interest method.

Foreign currencies

Transactions in foreign currencies are translated to the company's functional currency at the foreign exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign currency gains and losses are reported on a net basis.

EMI GROUP FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2021

3. ACCOUNTING POLICIES (continued)

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised through profit or loss in the statement of comprehensive income 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 statement of financial position 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. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, associated and joint ventures to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. 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 statement of financial position date. Deferred tax balances are not discounted.

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.

Critical accounting judgements and key sources of estimation uncertainty

The directors may make judgements in the application of the accounting policies above that have a significant impact on the amounts recognised, and may make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the company's accounting policies

The directors have concluded there are no critical judgements to disclose.

Key source of estimation uncertainty

The directors have concluded there are no key sources of estimation uncertainty to disclose.

EMI GROUP FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

4. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after (charging)/crediting:

	2021 £'000	2020 £'000
Net (losses)/gains on foreign currency translation	<u>(3,574)</u>	<u>3,515</u>

5. AUDITOR'S REMUNERATION

The auditor's remuneration for the year ended 31 December 2021 was £9,200 (2020: £3,250) and was borne by Universal Music Operations Limited in both years.

6. PARTICULARS OF EMPLOYEES

The company had no employees during the year ended 31 December 2021 (2020: none).

Emoluments for the directors of the company are paid for by fellow group subsidiary, Universal Music Operations Limited. That fellow group company has not recharged any amount to the company (2020: £nil) on the basis that they are unable to make a reasonable apportionment of the portion of these total emoluments that relate to qualifying services provided by directors of the company.

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2021 £'000	2020 £'000
Interest receivable from group undertakings	<u>97,691</u>	<u>180,893</u>
	<u>97,691</u>	<u>180,893</u>

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2021 £'000	2020 £'000
Interest payable to group undertakings	<u>45,389</u>	<u>64,146</u>
	<u>45,389</u>	<u>64,146</u>

EMI GROUP FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

9. TAX ON PROFIT

(a) Analysis of tax charge in the year

	2021	2020
	£'000	£'000
Current tax:		
In respect of the year		
UK Corporation tax based on the results for the year at 19.00% (2020: 19.00%)	9,258	16,406
Adjustments in respect of previous years	-	(117)
Group relief payable for losses claimed from other group undertakings	-	6,444
	<u>9,258</u>	<u>22,733</u>
Tax on profit	<u>9,258</u>	<u>22,733</u>

(b) Factors affecting tax charge

The tax assessed on the profit for the year is the same as (2020: less than) the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%).

Under the Finance Act 2021, the main rate of corporation tax was increased from 19% to 25% with effect from 1 April 2023. This change was substantively enacted for UK GAAP purposes on 24 May 2021. Deferred tax assets and liabilities are measured at the rate that is enacted and expected to apply to the accounting period when the asset is realised or the liability is settled, based on the above rates.

	2021	2020
	£'000	£'000
Profit before taxation	48,728	120,262
Profit at the standard rate of UK Corporation tax of 19.00% (2020: 19.00%)	9,258	22,850
Adjustments in respect of previous periods	-	(117)
Current tax charge for the financial year	<u>9,258</u>	<u>22,733</u>

10. LOANS TO GROUP UNDERTAKINGS

	2021	2020
	£'000	£'000
		<i>(Restated - Note 14)</i>
Loans to group undertakings	6,439,972	6,353,970
	<u>6,439,972</u>	<u>6,353,970</u>

Within loans to group undertakings, £1,764,988,000 (2020: £1,742,895,000) relates to amounts due from parent companies, and £4,674,984,000 (2020: £4,611,075,000) relates to amounts due from other group companies.

At 31 December 2021 and 31 December 2020, all debtors are measured at amortised cost. They are unsecured and interest rates are linked to LIBOR. From 1 January 2022, balances denominated in Sterling will be linked to SONIA and balances denominated in Euros will be linked to EURIBOR.

EMI GROUP FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

11. CREDITORS: Amounts falling due within one year

	2021 £'000	2020 £'000
Amounts owed to group undertakings	5,451,032	5,406,233
Corporation tax	18,129	16,406
	<u>5,469,161</u>	<u>5,422,639</u>

Within amounts owed to group undertakings, £2,174,018,000 (2020: £2,130,105,000) relates to amounts owed to parent companies, and £3,277,014,000 (2020: £3,276,128,000) relates to amounts owed to other group companies.

All amounts owed to fellow group undertakings are classified as current as they are repayable on demand. The interest rates are linked to LIBOR. From 1 January 2022, balances denominated in Sterling will be linked to SONIA and balances denominated in Euros will be linked to EURIBOR.

At 31 December 2021 and 31 December 2020, all creditors are measured at amortised cost and no security has been provided against the balances.

12. CALLED-UP SHARE CAPITAL AND RESERVES

Allotted, called up and fully paid:

	2021 No	£'000	2020 No	£'000
Ordinary shares of £1 each	83,936,000	83,936	83,936,000	83,936
	<u>83,936,000</u>	<u>83,936</u>	<u>83,936,000</u>	<u>83,936</u>

The company has one class of ordinary shares which have attached to them full voting, dividend and capital distribution (including on winding up) rights. They do not confer any rights of redemption.

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

13. ULTIMATE PARENT COMPANY

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

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

Universal Music Group
's-Gravelandseweg 80
1217 EW Hilversum
The Netherlands

EMI GROUP FINANCE LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2021

14. PRIOR YEAR ADJUSTMENT

During the year the directors identified amounts due from group undertakings totalling £6,353,970,000 relating to the year-ended 31 December 2020 which should have been classified as loans to group undertakings within fixed assets. The comparative figures in the primary statements and notes have been restated to reflect this reclassification. The effects of this adjustment are as follows:

	As originally stated £'000	2020 Impact of adjustment £'000	As restated £'000
Statement of financial position:			
Fixed assets			
Loans to group undertakings	-	6,353,970	6,353,970
DEBTORS: Amounts falling due within one year	6,353,970	(6,353,970)	-
NET CURRENT ASSETS/(LIABILITIES)	<u>931,515</u>	<u>(6,353,970)</u>	<u>(5,422,455)</u>