

BARDELL SMITH PUBLISHING LIMITED 01182469

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COMPANY REGISTRATION NUMBER 06405600

EMI Music Publishing Finance (UK) Limited
Annual Report and Financial Statements
For the Year Ended 31 March 2016

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EMI Music Publishing Finance (UK) Limited

Annual Report and Financial Statements

Year ended 31 March 2016

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EMI Music Publishing Finance (UK) Limited

Officers and Professional Advisers

Year ended 31 March 2016

The board of directors	F Crimmins D H Johnson
Company secretary	TMF Corporate Administration Services Limited
Registered office	30 Golden Square London United Kingdom W1F 9LD
Independent auditors	BDO LLP Chartered Accountants and Statutory Auditors 55 Baker Street London W1U 7EU

EMI Music Publishing Finance (UK) Limited**Strategic Report****Year ended 31 March 2016**

The directors present the strategic report of EMI Music Publishing Finance (UK) Limited (the "Company") and its subsidiary undertakings (together the "Group") for the year ended 31 March 2016, detailing the main factors impacting upon the business during the year and a review of progress

Principal activities and business review

The Company is a wholly owned subsidiary of EMI Music Publishing Group International B V and is part of the DH Publishing, L P group DH Publishing, L P is the ultimate parent undertaking

The principal activity of the Company is that of a finance company There has not been any change to the principal activity of the Company during the year ended 31 March 2016 or subsequently The Directors do not anticipate any change to the principal activity of the Company during the next year

The principal activity of the Group continued to be that of music publishing There has not been any change to the principal activity of the Group during the year ended 31 March 2016 or subsequently The Directors do not anticipate any change to the principal activity of the Group during the next year

The results attributable to the German subsidiaries disposed of in the prior year have been presented as discontinued and can be seen in the Consolidated Income Statement and Other Comprehensive Income on page 8

As stated in the Consolidated Income Statement and Other Comprehensive Income on page 8 the Group made a profit on ordinary activities before taxation of £21,560,000 in the year to 31 March 2016 compared with the previous year's profit on ordinary activities before taxation of £242,074,000 This decrease was as a result of the profit on disposal of German subsidiaries and exchange gains made on the revaluation of intercompany loans in the prior year

In the Consolidated Balance Sheet shown on page 9, the net assets of the Group have increased by 114 per cent from a net asset position the prior year

	Group			Company		
	2016	2015	Change	2016	2015	Change
	£'000	£'000	%	£'000	£'000	%
Profit/(loss) on ordinary activities before taxation	21,560	242,074	(91.1)	(31,438)	72,920	(143.1)
Profit/(loss) for the financial year	18,829	237,562	(92.1)	(31,437)	72,920	(143.1)
Total equity	45,952	21,472	114.0	(290,808)	(265,021)	(9.7)
NPS for the financial year	48,042	61,968	(23.0)	-	-	-
Operating margin	38,851	50,479	(23.0)	(15)	(39)	61.5

Principal risks and uncertainties

The principal risks and uncertainties facing the Company and Group concern the shift in the types of revenue sources in the worldwide market for recorded music, whose value increased overall by 3.2% in 2015, according to data from the IFPI. As physical sales and digital downloads have declined, digital subscription services have subsidised this loss and fuelled the growth in the whole market. As this change from physical revenue to streaming occurs, we still 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 songwriters. 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.

EMI Music Publishing Finance (UK) Limited

Strategic Report (continued)

Year ended 31 March 2016

Financial risk management

The Company's and Group's operations expose it to certain financial risks, primarily comprised of credit, liquidity, cash flow and price risk

The Company and Group are part of DH Publishing, L P's administration agreement with Sony/ATV (the "Administrator") whereby the Administrator follows the agreed upon processes in conformity with generally accepted industry standards

Cash flow risk

The Company and Group maintains large reserves of cash. The Company's and Group's cash is managed in accordance with the Administration agreement

Liquidity risk

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

The Company and Group have long term debtors that are repayable on demand. Whilst these debtors may be recalled for repayment, this is unlikely as all of the debt is held within the DH Publishing L P group

Price risk

The Company is a holding company so has a large portfolio of investments. In accordance with FRS 102 27 Impairment of Assets, the carrying values of the investments have been compared to their recoverable amounts, represented by their net realisable value, and impaired where appropriate

Key performance indicators

Key performance indicators are designed to indicate how the Company and Group had performed on key ratios, and the Company and Group uses NPS margin and operating margin as the key performance indicators which are most appropriate. The directors are satisfied with the performance of the Group and Company throughout the financial year

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

Signed on behalf of the directors



F Crimmins
Director

30 Golden Square
London
United Kingdom
W1F 9LD

Approved by the directors on 18/11/2016

EMI Music Publishing Finance (UK) Limited

Directors' Report

Year ended 31 March 2016

The Directors present their annual report and audited consolidated financial statements for the year ended 31 March 2016. The comparatives are for the year ended 31 March 2015.

Going concern

The directors of the DH Publishing, L.P. 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 and Group 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.

Additionally DH Publishing, L.P., has agreed to provide financial support to the Company and Group in order that it can continue to trade and meet its liabilities as they fall due.

Future developments

Going forward the Company will continue to finance the operations of its subsidiary undertakings, whose principal activities continue to be that of music publishing, and whose principal focus is on generating revenue through identifying, signing and retaining talented songwriters.

Results and dividends

The Group profit for the financial year amounted to £18,829,000 (2015: £237,562,000). The directors have not recommended a dividend for the year (2015: £nil).

Directors

The directors who served the Company during the year and up to the date of signing this report are listed on page 1.

Qualifying third party indemnity provisions

The directors benefited from the qualifying third party indemnity provisions in place during the financial year and at the date of this report.

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 and the Group'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 and the Group's auditors are aware of that information.

EMI Music Publishing Finance (UK) Limited

Directors' Report (continued)

Year ended 31 March 2016

Independent auditors

PricewaterhouseCoopers LLP resigned as auditors of the Company during the year and BDO LLP were appointed as auditors of the Company by the directors. BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the next annual general meeting.

Signed on behalf of the directors



F Cummins
Director

30 Golden Square
London
United Kingdom
W1F 9LD

Approved by the directors on 18/11/2016

EMI Music Publishing Finance (UK) Limited

Statement of Directors' Responsibilities

Year ended 31 March 2016

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102). 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 Group and the Company and of the profit or loss of the group 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 including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements,
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

EMI Music Publishing Finance (UK) Limited

Independent Auditor's Report to the Members of EMI Music Publishing Finance (UK) Limited

We have audited the financial statements of EMI Music Publishing Finance (UK) Limited for the year ended 31 March 2016 which comprise the Consolidated Income Statement and Statement of Other Comprehensive Income, the Consolidated and Company Balance Sheet, the Consolidated and Company Statements of Changes in Equity, Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, 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). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 March 2016 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.

Matters on which we are required to report by exception

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



Andrew Viner (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
55 Baker Street
London
United Kingdom
W1U 7EU

18/11/2016

EMI Music Publishing Finance (UK) Limited**Consolidated Income Statement and Statement of Other Comprehensive Income****Year ended 31 March 2016**

	<i>Note</i>	2016 Continuing operations £'000	2016 Discontinued operations £'000	2016 Total £'000	2015 Continuing operations £'000	2015 Discontinued operations £'000	2015 Total £'000
Turnover	3	157,843	-	157,843	137,784	33,418	171,202
Cost of sales		(110,366)	-	(110,366)	(95,664)	(13,520)	(109,184)
Gross profit		47,477	-	47,477	42,120	19,898	62,018
Administrative expenses		(10,465)	-	(10,465)	(11,947)	(3,062)	(15,009)
Other operating income		-	-	-	-	-	-
Income from shares in group undertakings		25	-	25	19	-	19
Operating profit		37,037	-	37,037	30,192	16,836	47,028
Profit on sale of an operation		-	-	-	139,786	-	139,786
Interest receivable and similar income	7	18,438	-	18,438	78,074	-	78,074
Interest payable and similar charges	8	(33,915)	-	(33,915)	(22,814)	-	(22,814)
Profit on ordinary activities before taxation	4	21,560	-	21,560	225,238	16,836	242,074
Tax on profit on ordinary activities	9	(2,731)	-	(2,731)	(4,512)	-	(4,512)
Profit for the financial year		18,829	-	18,829	220,726	16,836	237,562
Other comprehensive income							
Remeasurement of the net defined benefit liability		-	-	-	-	(2,427)	(2,427)
Other comprehensive income for the year net of income tax		-	-	-	-	(2,427)	(2,427)
Total comprehensive income for the year		18,829	-	18,829	220,726	14,409	235,135

The notes on pages 14 to 32 form part of these financial statements

All activities in the current year relate to continuing operations

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, for the current year and prior years

EMI Music Publishing Finance (UK) Limited**Consolidated Balance Sheet****As at 31 March 2016**

	<i>Note</i>	2016 £'000	Restated 2015 £'000
Fixed assets			
Intangible assets	10	6,930	6,810
Tangible assets	11	737	1,064
		<u>7,667</u>	<u>7,874</u>
Current assets			
Debtors (including £555,950,000 (2015 £487,723,000) falling due after more than one year)	13	878,020	781,822
Cash at bank and in hand		36,241	27,192
		<u>914,261</u>	<u>809,014</u>
Creditors' amounts falling due within one year	14	<u>(326,132)</u>	<u>(480,184)</u>
Net current assets		<u>588,129</u>	<u>328,830</u>
Total assets less current liabilities		<u>595,796</u>	<u>336,704</u>
Creditors: amounts falling due after more than one year	15	<u>(549,844)</u>	<u>(315,232)</u>
Net assets		<u><u>45,952</u></u>	<u><u>21,472</u></u>
Capital and reserves			
Called up share capital	17	5,651	-
Share premium account		753	753
Other reserves		169,397	169,397
Profit and loss account		(129,849)	(148,678)
Total equity		<u><u>45,952</u></u>	<u><u>21,472</u></u>

The notes on pages 14 to 32 form part of these financial statements

These financial statements on pages 8 to 32 were approved by the Board of Directors on 18/11/2016 and signed on their behalf by


F Crimmins
Director

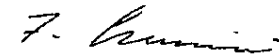
Company Registration Number 06405600

EMI Music Publishing Finance (UK) Limited**Company Balance Sheet****Year ended 31 March 2016**

	Note	2016 £'000	2015 £'000
Fixed assets			
Investments	12	239,650	238,369
Current assets			
Debtors (including £448,650,000 (2015 £383,531,000) falling due after more than one year)	13	670,847	593,622
Cash at bank and in hand		31,869	23,486
		<u>702,716</u>	<u>617,108</u>
Creditors' amounts falling due within one year	11	<u>(313,215)</u>	<u>(396,456)</u>
Net current assets		<u>389,501</u>	<u>220,652</u>
Total assets less current liabilities		<u>629,151</u>	<u>459,021</u>
Creditors' amounts falling due after more than one year	15	<u>(919,959)</u>	<u>(724,042)</u>
Net liabilities		<u>(290,808)</u>	<u>(265,021)</u>
Capital and reserves			
Called up share capital	17	5,651	-
Share premium account		753	753
Other reserves		169,397	169,397
Profit and loss account		<u>(466,609)</u>	<u>(435,171)</u>
Total shareholders' deficit		<u>(290,808)</u>	<u>(265,021)</u>

The notes on pages 14 to 32 form part of these financial statements

These financial statements on pages 8 to 32 were approved by the Board of Directors on 18/11/2016 and signed on their behalf by


F Crummins
Director

Company Registration Number 06405600

EMI Music Publishing Finance (UK) Limited**Consolidated Statement of Changes in Equity****Year ended 31 March 2016**

	Called up share capital £'000	Share premium account £'000	Other reserves £'000	Profit and loss account* £'000	Total equity £'000
Balance at 1 April 2014 as restated	-	753	169,397	(383,813)	(213,663)
Total comprehensive income for the year					
Profit for the financial year	-	-	-	237,562	237,562
Other comprehensive income	-	-	-	(2,427)	(2,427)
Total comprehensive income for the year	-	-	-	235,135	235,135
Balance at 31 March 2015	-	753	169,397	(148,678)	21,472
Balance at 1 April 2015	-	753	169,397	(148,678)	21,472
Total comprehensive income for the year					
Profit for the financial year	-	-	-	18,829	18,829
Total comprehensive income for the year	-	-	-	18,829	18,829
Transactions with owners, recorded directly in equity					
Issue of shares	5,651	-	-	-	5,651
Total contributions by owners	5,651	-	-	-	5,651
Balance at 31 March 2016	5,651	753	169,397	(129,849)	45,952

* Prior year figures that have been restated

The notes on pages 14 to 32 form part of these financial statements

EMI Music Publishing Finance (UK) Limited**Company Statement of Changes in Equity****Year ended 31 March 2016**

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total deficit in shareholders' funds
	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2014	-	753	169,397	(508,091)	(337,941)
Total comprehensive income for the year					
Profit for the financial year	-	-	-	72,920	72,920
Total comprehensive income for the year	-	-	-	72,920	72,920
Balance at 31 March 2015	-	753	169,397	(435,171)	(265,021)
Balance at 1 April 2015	-	753	169,397	(435,171)	(265,021)
Total comprehensive income for the year					
Loss for the financial year	-	-	-	(31,437)	(31,437)
Total comprehensive expense for the year	-	-	-	(31,438)	(31,438)
Transactions with owners, recorded directly in equity					
Issue of shares	5,651	-	-	-	5,651
Total contributions by owners	5,651	-	-	-	5,651
Balance at 31 March 2016	5,651	753	169,397	(466,609)	(290,808)

The notes on pages 14 to 32 form part of these financial statements

EMI Music Publishing Finance (UK) Limited**Consolidated Cash Flow Statement****Year ended 31 March 2016**

	<i>Note</i>	2016 £'000	2015 £'000
Cash flows from operating activities			
Profit for the year		18,829	237,562
<i>Adjustments for</i>			
Amortisation of intangible fixed assets	10	1,487	1,388
Depreciation of tangible fixed assets	11	327	325
Interest receivable and similar income	7	(18,438)	(15,235)
Interest payable and similar charges	8	14,706	21,796
Unrealised foreign exchange		19,209	(67,020)
Loss on sale of discontinued operations		-	(139,786)
Taxation	9	2,731	4,512
		<u>38,851</u>	<u>43,542</u>
(Increase)/decrease in debtors		(233,329)	(289,702)
(Decrease)/increase in creditors due within one year		(112,361)	139,040
(Decrease)/increase in due after more than one year		339,130	163,385
		<u>32,291</u>	<u>56,265</u>
Pension contributions	16	-	-
Tax paid		(2,731)	(4,512)
Net cash from operating activities		<u>29,560</u>	<u>51,753</u>
Cash flows from investing activities			
Proceeds from sale of tangible fixed assets		-	576
Proceeds from sale of intangible fixed assets		-	2,532
Acquisition of tangible fixed assets		-	(10)
Acquisition of other intangible fixed assets	10	(1,607)	(91)
Net cash from investing activities		<u>(1,607)</u>	<u>3,007</u>
Cash flows from financing activities			
Repayment of loans from fellow group undertakings		(18,904)	(52,121)
Net cash from financing activities		<u>(18,904)</u>	<u>(52,121)</u>
Net increase/(decrease) in cash and cash equivalents		<u>9,049</u>	<u>2,639</u>
Cash and cash equivalents at 1 April		<u>27,192</u>	<u>24,553</u>
Cash and cash equivalents at 31 March		<u><u>36,241</u></u>	<u><u>27,192</u></u>

The notes on pages 14 to 32 form part of these financial statements

EMI Music Publishing Finance (UK) Limited

Notes to the Financial Statements

Year ended 31 March 2016

1 Accounting policies

EMI Music Publishing Finance (UK) Limited ("the Company") is a private company limited by shares and incorporated and domiciled in the UK

These Group and parent company financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

In the transition to FRS 102 from old UK GAAP, the Group has made no material adjustments. As a result, it was not deemed necessary to present tables reconciling the transition within these financial statements.

The parent company is included in the consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraphs 1.8 to 1.12. The following exemptions available under FRS 102 in respect of certain disclosures for the parent company financial statements have been applied:

- The reconciliation of the number of shares outstanding from the beginning to the end of the period has not been included a second time,
- No separate parent company Cash Flow Statement is included,
- Key Management Personnel compensation has not been included a second time, and
- The disclosures required by FRS 102 11 Basic Financial Instruments and FRS 102 12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 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 20.

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.

EMI Music Publishing Finance (UK) Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2016

1 Accounting policies (continued)

Going concern

The Group has made a profit for the financial year of £18,829,000 (2015 £237,562,000) and has net current assets of £588,129,000 (2015 £328,830,000) at the reporting date

At 31 March 2016, the Group had net assets and made a profit in the year. The financial statements are prepared on the going concern basis as the ultimate parent company, DH Publishing, L.P., has agreed to provide financial support to the Company and Group in order that it can continue to trade and meet its liabilities as they fall due. This support will continue whilst the Company remains a member of the DH Publishing, L.P. group, and for a period of at least one year from the date of signing the Company's financial statements.

The Company and Group operates as part of the DH Publishing, L.P. and have provided a guarantee to the group's lender, as such the Company and Group are 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.

After considering these financial projections, the directors have concluded that they have a reasonable expectation that the Company and Group have 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.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 31 March 2016.

A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated income statement from the date that control commences until the date that control ceases. Control is established when the Company has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

An associate is an entity in which the Group has significant influence, but not control, over the operating and financial policies of the entity. Significant influence is presumed to exist when the investors holds between 20% and 50% of the equity voting rights.

A joint venture is a contractual arrangement undertaking in which the Group exercises joint control over the operating and financial policies of the entity. Where the joint venture is carried out through an entity, it is treated as a jointly controlled entity. The Group's share of the profits less losses of associates and of jointly controlled entities is included in the consolidated income statement and its interest in their net assets is recorded on the balance sheet using the equity method.

Under Section 408 of the Companies Act 2006 the Company has taken the exemption from the requirement to present its own profit and loss account. The loss for the year was £(31,437,000) (2015 profit - £72,920,000).

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 Music Publishing Finance (UK) Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2016

1 Accounting policies (continued)

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Foreign currencies

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.

Related party transactions

The Company is exempt under the terms of FRS 102 33 Related Party Disclosures from disclosing related party transactions with entities that are part of the DH Publishing, L P group or investees of the DH Publishing, L P group provided that any subsidiary which is party to the transaction is wholly owned by the group.

Intangible assets

The cost of purchased rights in copyrights is capitalised. The costs are amortised on a straight line basis over their licence period or estimated useful lives up to a maximum of 20 years. Additions to intangibles and amortisation for the year are disclosed in note 10.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Computer equipment software - 5 years

Office machinery, furniture and fittings - 5-10 years

Fixtures and fittings - 5-10 years

EMI Music Publishing Finance (UK) Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2016

1 Accounting policies (continued)

Investments

Fixed asset investments are shown at cost less amounts written off for impairment

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.

Non-financial assets

The carrying amounts of the entity's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

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

EMI Music Publishing Finance (UK) Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2016

1 Accounting policies (continued)

Employee benefits

EMI Music Publishing Germany GmbH, which was a German subsidiary of the parent company during the prior year, operated a pension scheme providing benefits based on final pensionable pay. The Group disposed of the net assets of its German subsidiaries on 30 March 2015.

This includes the pension scheme operated by EMI Music Publishing Germany GmbH. As a result of this disposal, the defined benefit obligation is no longer recognised on the Group balance sheet.

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.

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, 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 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.

Turnover

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

Turnover consists of income from copyrights and is recorded when reported to the Group 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.

Turnover arises from both continuing and discontinued activities.

EMI Music Publishing Finance (UK) Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2016****2 Prior year adjustment**

Following approval of the audited financial statements for the year ended 31 March 2015, prior year errors were identified that led to incorrect balances being recorded in the balance sheet for the year ended 31 March 2015. These errors related to corrections of an opening provision on royalty advances, the understatement of a trade creditor balance and unrecognized amortization expenses relating to intangibles assets held by a subsidiary entity within the Group whose individual accounts were finalized after the completion of the group accounts. In addition, opening reserves for the Group required adjusting as shown in the table below to correct an error that was included in the consolidated accounts for the year ended 31 March 2015.

	As previously stated 2015 £'000	Adjustments 2015 £'000	Restated 2015 £'000
Fixed assets			
Intangible assets	6,218	592	6,810
Tangible assets	1,064	-	1,064
	<u>7,282</u>	<u>592</u>	<u>7,874</u>
Current assets			
Debtors (including £555,950,000 (2015 £487,723,000) falling due after more than one year)	784,207	(2,385)	781,822
Cash at bank and in hand	27,192	-	27,192
	<u>811,399</u>	<u>(2,385)</u>	<u>809,014</u>
Creditors: amounts falling due within one year	<u>(479,183)</u>	<u>(1,001)</u>	<u>(480,184)</u>
Net current assets	<u>332,216</u>	<u>(3,386)</u>	<u>328,830</u>
Total assets less current liabilities	<u>339,498</u>	<u>(2,794)</u>	<u>336,704</u>
Creditors: amounts falling due after more than one year	<u>(315,232)</u>	<u>-</u>	<u>(315,232)</u>
Net assets	<u>24,266</u>	<u>(2,794)</u>	<u>21,472</u>
Capital and reserves			
Called up share capital	-	-	-
Share premium account	753	-	753
Other reserves	169,397	-	169,397
Profit and loss account	(145,884)	(2,794)	(148,678)
Total equity	<u>24,266</u>	<u>(2,794)</u>	<u>21,472</u>

EMI Music Publishing Finance (UK) Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2016****3 Turnover**

The turnover is attributable to the one principal activity of the Group

An analysis of turnover by geographical market is given below

	2016 £'000	2015 £'000
United Kingdom	62,697	57,819
Rest of Europe	55,619	78,309
USA	28,251	22,694
Rest of the World	11,276	12,380
	<u>157,843</u>	<u>171,202</u>

4 Expenses and auditor's remuneration

	2016 £'000	2015 £'000
Included in profit is the following		
Auditors' remuneration - audit of these financial statements	49	165
Depreciation on tangible assets (note 11)	327	901
Amortisation on intangible assets (note 10)	1,487	4,512
Investment impairment reversal	1,281	-
Restructuring costs	-	1,249
Cost recharged to management company	6,451	6,395
	<u>6,451</u>	<u>6,395</u>

In the prior year the Company incurred restructuring costs of £1,249,000 following the sale of the group on 29 June 2012. The transaction covered a 2 year restructuring period ending 28 June 2014. As the restructuring period expired in the prior year, no reorganisation costs were incurred in the year. No further restructuring costs will be incurred going forward.

5 Directors' remuneration

The directors did not receive any emoluments directly from the Group in respect of their services (2015: £nil) however, they were remunerated by a member of the US Group for their services to the Group as a whole.

EMI Music Publishing Finance (UK) Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2016****6 Staff numbers and costs**

The monthly average number of persons employed by the Group (including directors) during the year, analysed by category, was as follows

	2016 Number	2015 Number
Marketing and professional divisions	33	36
Service divisions	42	44
	<u>75</u>	<u>80</u>

The aggregate payroll costs of these persons were as follows

	2016 £'000	2015 £'000
Wages and salaries	5,224	4,616
Social security costs	638	659
Other pension costs	414	473
	<u>6,276</u>	<u>5,748</u>

7 Interest receivable and similar income

	2016 £'000	2015 £'000
Foreign exchange gains	-	61,431
Loans to fellow Group undertakings	18,438	15,235
Exchange adjustment on pension scheme	-	1,408
Total interest receivable	<u>18,438</u>	<u>78,074</u>

8 Interest payable and similar charges

	2016 £'000	2015 £'000
Foreign exchange losses	14,049	-
Loans from fellow Group undertakings	19,675	21,796
Other interest payable	191	1,018
Total interest payable	<u>33,915</u>	<u>22,814</u>

EMI Music Publishing Finance (UK) Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2016****9 Taxation**

Total tax expense recognised in the profit and loss account	2016 £'000	2016 £'000	2015 £'000	2015 £'000
<i>Withholding tax</i>				
Current tax on income for the year	2,731		2,191	
Adjustments in respect of prior years	-		(306)	
Total current tax		2,731		1,885
<i>Deferred tax</i>				
Origination/reversal of timing differences	-		2,498	
Adjustments in respect of prior years	-		129	
Total deferred tax		-		2,627
Total tax		2,731		4,512

Reconciliation of effective tax rate

	2016 £'000	2015 £'000
Profit on ordinary activities before taxation	21,560	242,074
Tax using the UK corporation tax rate of 20% (2015 - 21%)	4,312	50,836
<i>Effect of</i>		
Fixed asset differences	-	21
Expenses not deductible for tax purposes	37	2,067
Income not taxable for tax purposes	-	(30,597)
Other permanent differences	20	(205)
Group relief surrendered for nil consideration	(5,190)	(7,623)
Foreign tax suffered	1,511	973
Overseas taxes	1,219	2,174
Adjustments in respect of prior years	-	(177)
Adjustment to deferred tax in respect of corporation tax rate change	1,100	48
Other short-term timing differences	-	(1,419)
Utilisation of tax losses and other deductions	-	(11,641)
Other movements	-	(2,443)
Deferred tax - origination/reversal of timing differences	(278)	2,498
Total tax expense included in profit or loss	2,731	4,512

EMI Music Publishing Finance (UK) Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2016****9 Taxation (continued)****Factors affecting future tax charge**

Reductions in the main rate of UK corporation tax from 20% (effective 1 April 2015) to 19% and 18% (effective from 1 April 2017 and 1 April 2020 respectively) were substantively enacted at the balance sheet date. In the 2016 Budget statement a further reduction to 17% by 1 April 2020 was announced and was substantively enacted on 6 September 2016 after the balance sheet date. This will reduce the Company's future current tax charge accordingly.

10 Intangible assets

Group	Restated Copyrights £'000
Cost	
At 1 April 2015 restated	36,694
Additions	1,607
At 31 March 2016	<u>38,301</u>
Amortisation and impairment	
At 1 April 2015 restated	29,884
Amortisation for the year	1,487
At 31 March 2016	<u>31,371</u>
Net book value	
At 31 March 2016	<u>6,930</u>
At 31 March 2015 restated	<u>6,810</u>

The Company has no intangible assets

EMI Music Publishing Finance (UK) Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2016****11 Tangible fixed assets**

Group	Office machinery, furniture and fittings £'000	Fixtures and fittings £'000	Computer equipment software £'000	Total £'000
Cost				
At 1 April 2015	160	1,158	4,645	5,963
At 31 March 2016	160	1,158	4,645	5,963
Depreciation and impairment				
At 1 April 2015	145	312	4,442	4,899
Depreciation charge for the year	2	160	165	327
At 31 March 2016	147	472	4,607	5,226
Net book value				
At 31 March 2016	13	686	38	737
At 31 March 2015	15	846	203	1,064

The Company has no tangible fixed assets

12 Investments**a) Shares in group undertakings**

Company	Cost £'000	Provisions £'000	Net book value £'000
As at 1 April 2015	239,650	(1,281)	238,369
Movement in year	-	1,281	1,281
As at 31 March 2016	239,650	-	239,650

In the opinion of the Directors, the aggregate value of the investments is at least equal to their carrying value

EMI Music Publishing Finance (UK) Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2016****12 Investments (continued)****b) Principal subsidiary undertakings**

The subsidiary undertakings listed below are exempt from the Companies Act 2006 requirements relating to the audit of their individual financial statements by virtue of Section 479A of the Act as this Company has guaranteed the subsidiary Companies under Section 479C of the Act

The following are the principal subsidiary undertakings of the Company as at 31 March 2016

Subsidiary undertaking	Country of Incorporation	Company number	Class of share held	% held	Principal activity
EMI Music Publishing Limited (A)†	UK	00594758	Ordinary	100	Music Publishing
EMI Songs Limited (A)†	UK	00874639	Ordinary	100	Music Publishing
EMI Music Publishing Tunes Limited (A)†	UK	01782046	Ordinary	100	Music Publishing
EMI United Partnership Limited (A)†	UK	01688838	Ordinary	100	Music Publishing
EMI Music Publishing Europe Limited (A)†	UK	00291686	Ordinary	100	Music Publishing
EMI MP UK Spareco 167 Limited (A)(B)†	UK	06449766	Ordinary	100	Music Publishing
Acton Green Music Limited (A)	UK	01186681	Ordinary	100	Music Publishing
Bardell Smith Publishing Limited (A)	UK	01182469	Ordinary	100	Music Publishing
Cinderella Music Limited (A)(B)	UK	00722348	Ordinary	100	Music Publishing
EMI Music Publishing Copyright Holdings Limited (A)(B)	UK	02200692	Ordinary	100	Music Publishing
EMI Melodies Limited (A)	UK	01512980	Ordinary	100	Music Publishing
Laurel Music Company Limited (A)(B)	UK	00657872	Ordinary	100	Music Publishing
Loina Music Company Limited (A)(B)	UK	00667372	Ordinary	100	Music Publishing
Mercury Music Co Limited (A)(B)	UK	00570882	Ordinary	100	Music Publishing
Motor Music Limited (A)	UK	01318708	Ordinary	100	Music Publishing
And Son Music Limited (A)	UK	01305920	Ordinary	100	Music Publishing
Ardmore & Beechwood Limited (A)	UK	00606756	Ordinary	100	Music Publishing
B Feldman & Co Limited (A)	UK	00414515	Ordinary	100	Music Publishing
Berry Music Co Limited (A)(B)	UK	00543038	Ordinary	100	Music Publishing
Big Ben Music Limited (A)	UK	01013566	Ordinary	100	Music Publishing
Biot Music Limited (A)(B)	UK	01835949	Ordinary	100	Music Publishing
Dix Limited (A)(B)	UK	00184742	Ordinary	100	Music Publishing
Donna Music Limited (A)(B)	UK	00835501	Ordinary	100	Music Publishing
EMI Film & Theatre Music Limited (A)	UK	00970812	Ordinary	100	Music Publishing
EMI Harmonies Limited (A)	UK	00970422	Ordinary	100	Music Publishing
EMI Music Publishing Mills Music Limited (A)(B)	UK	00746968	Ordinary	100	Music Publishing
EMI Multimood Music Limited (A)(B)	UK	00746959	Ordinary	100	Music Publishing
Francis Day & Hunter Limited (A)	UK	00203742	Ordinary	100	Music Publishing

(A) Subsidiaries that are exempt from audit by virtue of S479A of the Companies Act 2006

(B) Dormant subsidiaries that are exempt from preparing individual accounts by virtue of S394A of the Companies Act 2006

(C) Dormant subsidiaries that are exempt from filing with the registrar individual accounts by virtue of S448A of the Companies Act 2006

† Directly owned

EMI Music Publishing Finance (UK) Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2016****12 Investments (continued)**

Subsidiary undertaking	Country of Incorporation	Company number	Class of share held	% held	Principal activity
General Music UK Limited (A)	UK	01840398	Ordinary	100	Music Publishing
Gloucester Place Music Limited (A)	UK	01492259	Ordinary	100	Music Publishing
Hit & Run Music (Publishing) Limited (A)	UK	01333197	Ordinary	100	Music Publishing
Arcadia 99 Limited (A)	UK	02041330	Ordinary	100	Music Publishing
Charisma Music Publishing Co Limited(The) (A)	UK	01211507	Ordinary	100	Music Publishing
K P M Music Limited (A)(B)	UK	00660023	Ordinary	100	Music Publishing
DGI Library Limited (A)	UK	04617391	Ordinary	100	Music Publishing
The Ded Good Music Library Limited (A)	UK	03426791	Ordinary	100	Music Publishing
Keith Prowse Music Publishing Company Limited (A)(B)	UK	00553066	Ordinary	100	Music Publishing
Lawrence Wright Music Company Limited (A)(B)	UK	00269300	Ordinary	100	Music Publishing
Levels Songs Limited (A)	UK	06607524	Ordinary	100	Music Publishing
Music House (International) Limited (A)	UK	01994142	Ordinary	100	Music Publishing
Nisbet and Beck Music Limited (A)	UK	01383392	Ordinary	100	Music Publishing
Sam Fox Publishing Company (London) Limited (A)(B)	UK	00217080	Ordinary	100	Music Publishing
Screen Gems-EMI Music Limited (A)(B)	UK	00188714	Ordinary	100	Music Publishing
Peter Maurice Music Company Limited(The) (A)	UK	00250282	Ordinary	100	Music Publishing
Themes International (Music) Limited (A)	UK	01090387	Ordinary	100	Music Publishing
Delabel Music Publishing (UK) Limited (A)	UK	04128736	Ordinary	100	Music Publishing
Robbins Music Corporation Limited (A)(B)	UK	00511653	Ordinary	100	Music Publishing
Peers Music Limited (A)	UK	00730403	Ordinary	100	Music Publishing
Play MusicFinder Limited (A)(B)	UK	04302889	Ordinary	100	Music Publishing
Purple Fox Limited (A)	UK	07931888	Ordinary	100	Music Publishing
Purple Firefly Limited (A)(B)	UK	07968779	Ordinary	100	Music Publishing
Manchester Music Limited (A)(B)	UK	00871015	Ordinary	100	Music Publishing
EMI Paradise Music Limited*	UK	00691827	Ordinary	67	Music Publishing
Hit and Run Music (Publishing) Inc (A)	USA		Ordinary	100	Music Publishing
Hidden Pun Music Inc (A)	USA		Ordinary	100	Music Publishing
Charisma Music Publishing USA Inc (A)	USA		Ordinary	100	Music Publishing

(A) Subsidiaries that are exempt from audit by virtue of S479A of the Companies Act 2006

(B) Dormant subsidiaries that are exempt from preparing individual accounts by virtue of S394A of the Companies Act 2006

(C) Dormant subsidiaries that are exempt from filing with the registrar individual accounts by virtue of S448A of the Companies Act 2006

† Directly owned

* Ordinary share capital held (where different to voting rights held) by EMI Music Publishing Limited or its subsidiary undertakings EMI Paradise Music Limited (50% of share capital held) is included as a subsidiary since EMI Music Publishing Limited has control through the proportion of voting rights held

EMI Music Publishing Finance (UK) Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2016****12 Investments (continued)**

The following are the principal undertakings in which the Company's interest as at 31 March 2016 is more than 20%

	Country of Incorporation	Company number	Class of share held	% held	Principal activity
Associated undertakings - associates					
Box & Cox Publications Limited (A)	UK	00440825	Ordinary	24	Music Publishing
British Lion Music Limited (A)	UK	01083122	Ordinary	40	Music Publishing
Hermusic Limited	UK	00829056	Ordinary	40	Music Publishing
Associated undertakings - joint ventures					
Kennedy Street Music Limited	UK	00784527	Ordinary	50	Music Publishing
Moss Rose Music Limited	UK	00787741	Ordinary	50	Music Publishing

The registered office address of all subsidiary and associated undertakings incorporated in the UK is 30 Golden Square, London, W1F 9LD

The registered office address of all subsidiary and associated undertakings incorporated in the USA is 245 Fifth Avenue, Suite 1101, New York, NY 10016

13 Debtors

Group	2016 £'000	Restated 2015 £'000
Trade debtors	8,125	5,342
Amounts owed by Group undertakings	772,224	716,356
Other debtors	2	10
Prepayments and accrued income	97,669	60,114
	<u>878,020</u>	<u>781,822</u>

At 31 March 2016, Group debtors falling due after more than one year amounted to £555,950,000 (2015 £487,723,000)

Company	2016 £'000	2015 £'000
Trade debtors	2	-
Amounts owed by Group undertakings	670,845	593,622
Other debtors	-	-
	<u>670,847</u>	<u>593,622</u>

At 31 March 2016, Company debtors falling due after more than one year amounted to £448,650,000 (2015 £383,531,000)

Amounts owed by group undertakings are unsecured, bear interest at 2% - 3% and have loan terms of between 1 year and 3 years

Amounts owed by group undertakings of longer than 1 year contain clauses denying the repayment of the principal balance at any time

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

EMI Music Publishing Finance (UK) Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2016****14 Creditors: amounts falling due within one year**

Group	2016 £'000	Restated 2015 £'000
Trade creditors	92,898	60,141
Amounts owed to Group undertakings	223,270	410,561
Taxation and social security	2,451	1,775
Other creditors	8	24
Accruals and deferred income	7,505	7,683
	<u>326,132</u>	<u>480,184</u>
Company	2016 £'000	2015 £'000
Amounts owed to Group undertakings	313,215	396,427
Other creditors	-	24
Accruals and deferred income	-	5
	<u>313,215</u>	<u>396,456</u>

Amounts owed to Group undertakings are unsecured, bear interest at 1.5% - 3% and have a 1 year term for repayment

15 Creditors: amounts falling due after more than one year

Group	2016 £'000	2015 £'000
Amounts owed to Group undertakings	549,844	314,813
Accruals and deferred income	-	419
	<u>549,844</u>	<u>315,232</u>
Company	2016 £'000	2015 £'000
Amounts owed to Group undertakings	919,958	724,042
	<u>919,959</u>	<u>724,042</u>

Amounts owed to Group undertakings are unsecured, bear interest at 2% - 14%, have 3 year loan terms

EMI Music Publishing Finance (UK) Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2016****16 Employee benefit****Defined contribution scheme**

The Group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Group to the scheme and amounted to £414,000 (2015: £473,000).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

Defined benefit scheme

As explained in the Strategic Report on page 2, the Group disposed of the net assets of its German subsidiaries on 30 March 2015. This includes the pension scheme operated by EMI Music Publishing Germany GmbH. As a result of this disposal, the defined benefit obligation is no longer recognised on the Group balance sheet.

	2016 £'000	2015 £'000
Present value of funded defined benefit obligations	-	-
Net liability	-	-
 Movement in present value of defined benefit obligation		
	2016 £'000	2015 £'000
At 1 April	-	(10,422)
Current service cost	-	(9)
Interest cost	-	(307)
Actuarial losses	-	(2,427)
Benefits paid	-	84
Exchange adjustments	-	1,408
Disposal of defined benefit obligation	-	11,673
At 31 March	-	-

EMI Music Publishing Finance (UK) Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2016****16 Employee benefit (continued)**

Expense recognised in the income statement

	2016 £'000	2015 £'000
Current service cost	-	9
Interest on defined benefit pension plan obligation	-	307
Exchange adjustment	-	(1,408)
	<u>-</u>	<u>(1,092)</u>
Total	<u>-</u>	<u>(1,092)</u>

The expense is recognised in the following line items in the income statement

	2016 £'000	2015 £'000
Administrative expenses	-	9
Interest receivable and similar income	-	(1,408)
Interest payable and similar charges	-	307
	<u>-</u>	<u>(1,092)</u>
	<u>-</u>	<u>(1,092)</u>

The total amount recognised in the consolidated statement of total recognised gains and losses in respect of actuarial losses is £nil
(2015 £2,427,000)

EMI Music Publishing Finance (UK) Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2016****17 Capital and reserves**

Share capital	2016	2015
	£	£
Allotted and called up		
5,650,818 (2015: 2) Ordinary shares of £1 each	<u>5,650,818</u>	<u>2</u>

During the year the Company issued 5,650,816 ordinary shares of £1 each that are unpaid. The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights. They do not confer any rights of redemption.

18 Financial instruments**Group - Carrying amount of financial instruments**

The carrying amount of financial assets and liabilities include:

	2016	2015
	£'000	£'000
Financial assets measured at amortised cost		
Cash and cash equivalents	36,241	27,192
Trade and other debtors	8,127	5,352
Amounts owed by group undertakings	<u>772,224</u>	<u>716,356</u>
	<u>816,592</u>	<u>748,900</u>
Financial liabilities measured at amortised cost		
Trade and other creditors	87,800	69,623
Amounts owed to group undertakings	<u>223,270</u>	<u>410,561</u>
	<u>326,132</u>	<u>480,184</u>

EMI Music Publishing Finance (UK) Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2016

19 Ultimate parent company

The ultimate parent undertaking and controlling party of the Group is DH Publishing, L P , a partnership registered in the Cayman Islands

The Company's immediate parent undertaking is EMI Music Publishing Group International B V , a company registered in the Netherlands

The parent undertaking of the largest and smallest group to consolidate these financial statements is DH Publishing, L P
The address from which the financial statements can be requested is DH Publishing, L P , 190 Elgin Avenue, George Town, Grand Cayman, KY1-9005, Cayman Islands

20 Accounting estimates and judgements

The Group and Company makes estimates and judgements concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. These estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below

Impairment of investments in subsidiaries and non-financial assets

The Group and Company conducts impairment reviews of investments in subsidiaries and non-financial assets whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable or tests for impairment annually in accordance with the relevant accounting standards. Determining whether an asset is impaired requires an estimation of the recoverable amount, which requires the Group and Company to estimate the value in use which is based on future cash flows, and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, an impairment loss may arise. Management believe that any reasonable possible changes in the assumptions used in the impairment reviews would not affect management's view on impairment at current year end

Writer royalties and advances

The Company uses estimates to calculate writer royalties due for the second half of the year for all the royalty receipts and uses industry standard rates to estimate the royalty accruals

Writer advances provisions were made during the year based on calculations used in the Company and across other affiliated companies that determine the recoverability advances

Depreciation of tangible fixed assets

The Group determines the estimated useful lives, residual values and related depreciation charges for its tangible fixed assets with reference to the estimated periods that the Group intends to derive future economic benefits from the use of these assets. Management will revise the depreciation charge where useful lives or residual values are materially different from those previously estimated. Actual economic lives may differ from estimated useful lives and actual residual values may differ from estimated residual values. Periodic review could potentially result in a change in depreciable lives and residual values and therefore depreciation expenses in the future periods

Amortisation of intangible fixed assets

The Group determines the estimated useful lives, residual values and related amortisation charges for its purchased rights in copyrights with reference to their licence periods or estimated periods that the Group intends to derive future economic benefits from the use of these assets. Management will revise the amortisation charge where useful lives or residual values are materially different from those previously estimated. Actual economic lives may differ from estimated useful lives and actual residual values may differ from estimated residual values. Periodic review could potentially result in a change in amortisable lives and residual values and therefore amortisation expenses in the future periods