

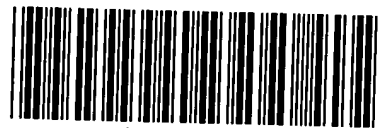
# **WMG Acquisition (UK) Limited**

## **Report and Financial Statements**

28 September 2018

Registered No. 04987681

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# **WMG Acquisition (UK) Limited**

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Registered No. 04987681

## **DIRECTORS**

P Robinson

R Booker

K Le Gassick (appointed 27<sup>th</sup> June 2018)

C Ancliff (resigned 16<sup>th</sup> May 2018)

## **SECRETARY**

CMS Cameron McKenna Nabarro Olswang LLP

Cannon Place

78 Cannon Street

London

EC4N 6AF

## **AUDITOR**

KPMG LLP

15 Canada Square

London

E14 5GL

United Kingdom

## **REGISTERED OFFICE**

Cannon Place

78 Cannon Street

London

EC4N 6AF

# WMG Acquisition (UK) Limited

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Registered No. 04987681

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## STRATEGIC REPORT

The directors present their Strategic Report for the year ended 28 September 2018.

## PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

WMG Acquisition (UK) Limited is a non-trading holding company. The principal activity of the company during the year continued to be as an investment holding company. The directors do not envisage any change in the company's activities in the foreseeable future. WMG Acquisition Ltd also leads cash pool arrangements for UK group companies and earns interest on those companies' deposits to and drawings from the cash pool.

On June 29, 2018, WMG Acquisition Corp. transferred 100% of its shareholding in Warner Music Holdings Limited to the company.

The company's key financial and other performance indicators during the year were as follows:

	2018 £000	2017 £000	Change %
Net Interest Expense	(3,001)	(3,550)	15%
Profit/(Loss) after tax	63,507	(5,009)	1368%
Shareholders' funds	100,847	107,340	-6%
Current assets as a % of current liabilities	78%	94%	-16%

Profit after tax has increased by 1368% as a result of a dividend received for £65m and a small reduction in overall net interest expense.

Shareholders' funds have decreased by 6% mainly due to a dividend payment of £70m made during the year, this was offset by a dividend receipt of £65m.

Current assets as a % of current liabilities have decreased by 16% following a change in the presentation of the intercompany loans which have been recorded on a net basis due to a clarification between the parties as to set-off arrangements and also due to a reduction in the cash pool amount.

## PRINCIPAL RISKS AND UNCERTAINTIES

The main risks and uncertainties facing the company relate to the risks and uncertainties facing its subsidiaries, which could affect the value of its investments in its subsidiaries.

The main risks and uncertainties facing its subsidiaries is that market forces may lead to a rise in the cost of acquiring song writing talent and artists.

Other key risks and uncertainties are those prevalent in the music market in general. These include the continued threat of unlicensed music usage and the uncertainty as to the extent to which new digital music platforms can deliver sufficient monetary benefits to music repertoire owners and publishers to offset the weakening traditional markets.

As with any business, competitive risks also exist. Traditional competitors such as other major and independent publishers and record labels are now joined by new entrants and business models, particularly in the audio-visual sector.

## STRATEGIC REPORT (CONTINUED)

### Exposure to price and credit risk

The company is exposed to price risk in relation to the relationship with external bodies such as local third party collection services. Mechanical and performance royalties are calculated using rates and distribution rules which have been set by the board of performing rights societies, which directly impact company revenue.

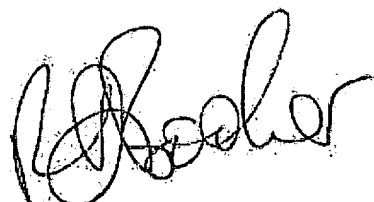
### Effect of the UK potential exit from EU

UK management has been keeping the effect of the UK potential exit from the EU under regular review.

The majority of the group's UK business relates to the acquisition of Intellectual Property within the UK and then licensing and otherwise exploiting that Intellectual Property physically and digitally both in the UK and outside UK. While the group continues to sell physical goods both inside and outside the UK that is a reducing part of the business.

Even if the UK were to leave the EU pursuant to a "No Deal" arrangement, based on our current understanding of the position it is not expected that such an exit would have a material direct effect on the UK group business. If there were to be a significant impact to the wider UK economy, that could affect the market for our goods and services.

However, while the details of the terms that may be applicable to the potential exit are not settled there can be no absolute certainty of the effects.

 25<sup>th</sup> June 2019.

## DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 28 September 2018.

## RESULTS AND DIVIDENDS

The profit for the year ended 28 September 2018, after taxation, was £63,507k (2017 - loss (£5009k)). Following the receipt of dividends totalling £65,000k from the company's subsidiaries including £35,000k from Warner Music International Services Ltd and £30,000k from Warner/Chappell Music Ltd, the directors reviewed the audited financial statements at 29 September 2017 and considered the performance of the company since that period end to assess a proposed dividend payment. The directors then approved the payment of a dividend of £70,000k (2017 - no dividends were paid).

## DIRECTORS AND THEIR INTERESTS

The directors who served during the year ended 28 September 2018 were as follows:

P Robinson

R Booker

K Le Gassick (appointed 27th June 2018)

C Ancliff (resigned 16<sup>th</sup> May 2018)

There are no directors' interests requiring disclosure under the Companies Act 2006.

## Going concern

Notwithstanding net current liabilities of £41,163k as at 28.09.2018, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reason.

Directors considered the operating nature of the entity and expectations for the future trading along with the outstanding inter-company payables and inter-company receivables for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds through funding from its ultimate parent, Warner Music Group Corp and repayment of outstanding balances from fellow subsidiaries to meet its liabilities as they fall due for that period.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

## DISCLOSURE OF INFORMATION TO AUDITOR

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

WMG Acquisition (UK) Limited

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Registered No. 04987681

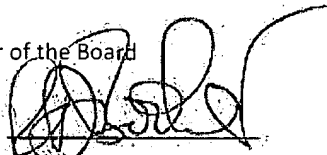
## DIRECTORS' REPORT (CONTINUED)

### AUDITOR

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

By order of the Board

Signed

  
R D Booker (Director)

Date

25<sup>th</sup> June 2019

Cannon Place  
78 Cannon Street  
London  
EC4N 6AF

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WMG ACQUISITION (UK) LIMITED

### Opinion

We have audited the financial statements of WMG Acquisition (UK) Limited ("the company") for the year ended 28 September 2018 which comprise the Profit and Loss Account, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 September 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 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.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

### Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WMG ACQUISITION (UK) LIMITED (CONTINUED)

absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

### Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

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

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

### Directors' responsibilities

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WMG ACQUISITION (UK) LIMITED (CONTINUED)

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### The purpose of our audit work and to whom we owe our responsibilities

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.



Kevin Hall (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

*Chartered Accountants*

15 Canada Square

London

E14 5GL

25 June 2019

## PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 28 SEPTEMBER 2018

	Notes	2018 £000	2017 £000
Administrative expenses		3	(98)
<b>OPERATING LOSS</b>	<b>2</b>	<b>3</b>	<b>(98)</b>
Dividend received		65,000	-
Foreign exchange gain / (loss)		1,625	(2,256)
Interest receivable and similar income	4	19,949	14,325
Interest payable and similar expense	5	(22,950)	(17,875)
<b>PROFIT / (LOSS) BEFORE TAXATION</b>		<b>63,627</b>	<b>(5,904)</b>
Tax on profit / (loss)	6	(120)	895
<b>PROFIT / (LOSS) FOR THE YEAR</b>	<b>12</b>	<b>63,507</b>	<b>(5,009)</b>

All amounts are derived from continuing activities.

## OTHER COMPREHENSIVE INCOME

The company had no other comprehensive income for the year ended 28 September 2018 (2017 – £nil).

Notes on pages 12 to 21 form part of these financial statements.

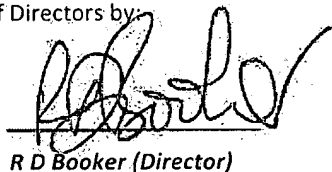
**BALANCE SHEET AT 28 SEPTEMBER 2018**

	Notes	2018 £000	2017 £000
<b>FIXED ASSETS</b>			
Investments	7	222,010	222,010
<b>CURRENT ASSETS</b>			
Debtors (Inc. 58,600k due after more than one year (2017 £10,959k))	8	122,365	503,509
Cash at bank and in hand		20,670	30,109
		<u>143,035</u>	<u>533,618</u>
<b>CURRENT LIABILITIES</b>			
CREDITORS: amounts falling due within one year	9	(184,198)	(568,288)
<b>NET CURRENT LIABILITIES</b>		<u>(41,163)</u>	<u>(34,670)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>180,847</u>	<u>187,340</u>
<b>CREDITORS: amounts falling due after more than one year</b>	9	(80,000)	(80,000)
		<u>100,847</u>	<u>107,340</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	—	—
Profit and loss account	12	100,847	107,340
<b>SHAREHOLDERS' FUNDS</b>	12	<u>100,847</u>	<u>107,340</u>

The notes on pages 12 to 21 form part of these financial statements.

These financial statements were approved by the Board of Directors and were signed on behalf of the Board of Directors by:

Signed

  
R D Booker (Director)

Cannon Place  
78 Cannon Street  
London  
EC4N 6AF

Date 25<sup>th</sup> June 2019

## STATEMENT OF CHANGES IN EQUITY AT 28 SEPTEMBER 2018

	Share capital £000	Profit and loss account £000	Total £000
At 30 September 2016	—	112,349	112,349
Loss and total comprehensive income for the year	—	(5,009)	(5,009)
At 29 September 2017	—	107,340	107,340
At 29 September 2017	—	107,340	107,340
Profit and total comprehensive loss for the year	—	63,507	63,507
Dividend paid	—	(70,000)	(70,000)
At 28 September 2018	—	100,847	100,847

The notes on pages 12 to 21 form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS AT 28 SEPTEMBER 2018

### 1. ACCOUNTING POLICIES

WMG Acquisition UK Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These 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"). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company's ultimate parent undertaking includes the Company in its consolidated financial statements, and is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following exemptions:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of the ultimate parent undertaking include the equivalent disclosures, the Company has also taken the exemptions under FRS102 available in respect of:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 102 in its next financial statements.

### BASIS OF PREPARATION

The financial statements are prepared under the historical cost convention.

### ACCOUNTING PERIOD

The company prepares accounts for either 52 or 53 week periods ending within one week of 30 September.

### GOING CONCERN

Notwithstanding net current liabilities of £41,163k as at 28.09.2018, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reason.

Directors considered the operating nature of the entity and expectations for the future trading along with the outstanding inter-company payables and inter-company receivables for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds through funding from its ultimate parent Warner Music Group Corp and repayment of outstanding balances from fellow subsidiaries to meet its liabilities as they fall due for that period.

## WMG Acquisition (UK) Limited

Registered No. 04987681

Magnet Music Limited#	England and Wales	Ordinary shares	100%	Music Publishing
The National Video Corporation Limited#	England and Wales	Ordinary shares	100%	Record company
Warner Music UK Property Limited#	England and Wales	Ordinary shares	100%	Investment holding company
Warner/ Chappell MLM Limited#	England and Wales	Ordinary shares	100%	Music Publishing
Warner/ Chappell Music International Limited#	England and Wales	Ordinary shares	100%	Music Publishing
Warner/ Chappell TM Limited#	England and Wales	Ordinary shares	100%	Music Publishing
Warner/ Chappell UK Limited#	England and Wales	Ordinary shares	100%	Dormant
Asherberg Hopwood & Crew Limited#	England and Wales	Ordinary shares	100%	Music Publishing
Burlington Music Company Limited#	England and Wales	Ordinary shares	100%	Dormant
Palace Music Company Limited#	England and Wales	Ordinary shares	50%	Dormant
Chappell Music Limited#	England and Wales	Ordinary shares	100%	Dormant
Chappell Morris Limited#	England and Wales	Ordinary shares	100%	Music Publishing
Patricia Music Limited#	England and Wales	Ordinary shares	50%	Music Publishing
Intersong Music Limited#	England and Wales	Ordinary shares	100%	Dormant
Diplomat Music Limited#	England and Wales	Ordinary shares	50%	Music Publishing
JEWEL MUSIC PUBLISHING COMPANY LIMITED#	England and Wales	Ordinary shares	50%	Music Publishing
Throat Music Limited#	England and Wales	Ordinary shares	100%	Dormant
Warner/ Chappell Artemis Music Limited#	England and Wales	Ordinary shares	100%	Dormant
Warner/ Chappell Limited#	England and Wales	Ordinary shares	100%	Music Publishing
Warner/ Chappell North America Limited#	England and Wales	Ordinary shares	100%	Dormant
CRML Limited#	England and Wales	Ordinary shares	99%	Music Publishing
Destiny Music Limited#	England and Wales	Ordinary shares	100%	Music Publishing
CPM Music Limited#	England and Wales	Ordinary shares	100%	Music Publishing
Warner Chappell Production Music Limited#	England and Wales	Ordinary shares	100%	Music Publishing
Warner Chappell Music Publishing Limited#	England and Wales	Ordinary shares	100%	Music Publishing
Warner/Chappell Overseas Holdings Limited#	England and Wales	Ordinary shares	100%	Dormant

# Registered office - Cannon Place, 78 Cannon Street, London EC4N 6AF

> Registered office - Gordon Street Mews, 27-29 Gordon Street, Belfast, BT1 2JL

^ Registered office - Warner Music Group Germany, Holding GmbH, Alter Wandrahm 14, 20457 Hamburg



## NOTES TO THE FINANCIAL STATEMENTS AT 28 SEPTEMBER 2018 (CONTINUED)

### 8. DEBTORS

	2018 £000	2017 £000
Amounts owed by other group undertakings	57,175	487,662
Prepayments and accrued income	4,236	2,414
Group relief receivable	2,354	2,474
	<u>63,765</u>	<u>492,550</u>
<i>Amounts falling due after one year:</i>		
Amounts owed by other group undertakings	58,600	10,959
	<u>122,365</u>	<u>503,509</u>

Included within Debtors; amounts falling due after more than one year, is £10,959k of medium term intercompany loans (2017: £10,959k). Interest is charged at the sum of the floating rate of Libor plus a spread of 300 basis points and is repaid semi-annually. The principal loan is payable in full on 25 September 2020.

Refer to Creditors note for explanation regarding a change in the presentation of "Amounts owed by other group undertakings".

### 9. CREDITORS

	2018 £000	2017 £000
Amounts owed to other group undertakings	182,461	568,264
Accruals and deferred income	26	24
Bank overdraft	1,711	-
	<u>184,198</u>	<u>568,288</u>
<i>Amounts falling due after one year:</i>		
Amounts owed to other group undertakings	80,000	80,000
	<u>80,000</u>	<u>80,000</u>

The principal amount of the loan of £80,000k (2017: £80,000k), is payable in full on or prior to 01 November 2020. Interest accrues on the outstanding amount at a fixed annual interest rate of 8.125%, and is payable semi-annually. The company has the option to make prepayments on the outstanding principal amount.

During the year, the arrangements between the entities have been clarified, relating to rights and intent to set off, therefore the account balances are now presented on a net basis. In previous financial statements, the company presented these loans on a gross basis.

## NOTES TO THE FINANCIAL STATEMENTS AT 28 SEPTEMBER 2018 (CONTINUED)

### 10. SHARE CAPITAL

	2018	2017
	£	£
<i>Allotted, called up and fully paid:</i>		
2 ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>
	<u>2</u>	<u>2</u>

### 11. CONTINGENT LIABILITIES

The company has entered into a group composite accounting agreement with its bankers. The terms of the agreement permit the bankers, without notice, to draw down funds deposited into the system, to offset borrowings drawn down from the system by other group members who are also parties to these arrangements. At the balance sheet date, WMG Acquisition Limited is in a net credit position with the bank and therefore there are no contingent liabilities.

### 12. RESERVES

Share capital – represents the nominal value of shares that have been issued.

Profits and loss account – includes all current and prior period retained profits and losses.

### 13. CHARGES

There is an outstanding registered charge against all company assets by Citigroup dated 2013. This charge is a standard procedure and has been registered as security for Citigroup for the operation by Citigroup of the company's BACS facility with the bank. The company has no outstanding debt to Citigroup and accordingly the charge has no immediate effect.

### 14. PARENT UNDERTAKING AND CONTROLLING PARTY

The company is 100% owned by WMG Acquisition Corp., the immediate parent undertaking.

On 29 September 2017 AI Entertainment Holdings LLC a company incorporated in Delaware in the United States of America, was the ultimate parent undertaking. Warner Music Group Corp. was the parent undertaking of the smallest and largest group of undertakings of which the company was a member and for which group financial statements are drawn up. Copies of Warner Music Group Corp.'s financial statements can be obtained from 1209 Orange Street, Wilmington, DE 19801, USA.