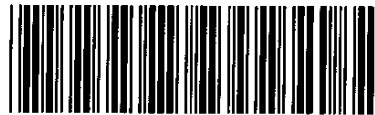


COMPANY REGISTRATION NUMBER 05888398

Touch It Production Music Limited
Annual Report and Financial Statements
For the Year Ended 31 March 2020

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Touch It Production Music Limited

Annual Report and Financial Statements

Year ended 31 March 2020

CONTENTS	PAGE
Officers and Professional Advisers	2
Directors' Report	3
Statement of Directors' Responsibilities in Respect of the Annual Report and the Financial Statements	6
Profit and Loss Account and Other Comprehensive Income	7
Balance Sheet	8
Notes to the Financial Statements	9

Touch It Production Music Limited

Officers and Professional Advisers

The Board of Directors G R Henderson
 T F Kelly
 T W Major
 J J Platt

Company secretary TMF Corporate Administration Services Limited

Registered office 22 Berners Street
 London
 W1T 3LP

Touch It Production Music Limited**Directors' Report****Year ended 31 March 2020**

The Directors present their report and the unaudited financial statements of Touch It Production Music Limited ("the Company") for the year ended 31 March 2020. The comparatives are for the period ended 31 March 2019.

Principal activities and business review

The principal activity of the Company continued to be that of music publishing. As a result of the Company transferring its economic and beneficial rights associated with copyrights, publishings and other contracts to K.P.M. Music Limited and the subsequent settlement of all inter-company loans, the Directors intend to make the Company dormant for the year ended 31 March 2022.

During the financial year, the Company's turnover increased by 52% on prior year to £84,025 (2019: £55,407). The Company made a profit before taxation of £292,202 compared with a £29,654 profit before taxation in the prior year. The increase in profit before tax is attributable to the Company transferring its economic and beneficial rights associated with copyrights, publishings and other contracts to K.P.M. Music Limited for the total consideration of £238,912 (see note 5).

The Company has net assets of £353,731 (2019: £71,654) at the reporting date.

The turnover of the Company is generated from usage of the songs written by the Company's composers and will vary in any given year alongside the market conditions and popularity of various genres of music. Direct costs attributed to the turnover are the writer's shares of the royalties earned on their compositions.

The Company employs no staff and has no separate facilities or overheads, except for those recharged for services rendered by other companies in the EMI Music Publishing Group. This entity pays a proportion of employee/other costs borne directly by another UK group entity, in accordance with internal cost share allocation agreements.

The Directors are satisfied with the trading performance during the year.

Going concern

The Company has made a profit for the financial year of £282,077 (2019: £22,914), has net current assets of £353,731 (2019: £28,350 liabilities) and net assets of £353,731 (2019: £71,654) at the reporting date.

These financial statements have been prepared on a going concern basis. The Directors of the Company have made a strategic decision to reduce the Company's trading activities by transferring the Company's economic and beneficial rights associated with copyrights, publishings and other contracts to K.P.M. Music Limited, which took place on 31 December 2019.

In the next 12 months, the Directors intend to settle all intercompany loan balances with EMI Music Publishing Limited and subsequently make the Company dormant for the year ended 31 March 2022.

In preparing the financial statements the Directors have taken into account all information that could reasonably be expected to be available for the following 12 months from the date of signing the financial statements and beyond.

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

The parent company, EMI Music Publishing Limited, has agreed to provide financial support to the Company in order that it can continue to meet its liabilities as they fall due.

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

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

Touch It Production Music Limited

Directors' Report (continued)

Year ended 31 March 2020

Results and dividends

The profit for the financial year amounted to £282,077 (2019: £22,914). The Directors have proposed a final ordinary dividend in respect of the current financial year of £353,631, equivalent to £3,536.31 per share (2019: £nil). This has not been included within creditors as it was not approved before the year end.

The Company is a wholly owned subsidiary and the interests of the Group Directors are disclosed in the financial statements of the parent company.

Future developments

The Directors of the Company have made a strategic decision to reduce the Company's trading activities by transferring the Company's economic and beneficial rights associated with copyrights, publishings and other contracts to K.P.M. Music Limited, which took place on 31 December 2019.

In the next 12 months, the Directors intend to settle all intercompany loan balances with EMI Music Publishing Limited and subsequently make the Company dormant for the year ended 31 March 2022.

Subsequent events

Please see note 13 for details of the Company's events after the reporting date.

Directors

The Directors who served the Company during the year and up to the date of signing the financial statements are listed on page 2.

Qualifying third party indemnity provisions

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

Political contributions

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

Brexit

In a referendum held on 23 June 2016, the UK resolved to leave the European Union ('EU'). On 31 January 2020, the UK left the EU, with effect from 1 January 2021 the UK government has negotiated the terms of the trade deal with the EU.

The Brexit trade deal may create global economic uncertainty, which may affect the Company's risk profile through introducing potentially significant new uncertainties and instability in the music sector.

As a result of the strategic decision to make the Company dormant by the year ended 31 March 2022 and as the Company will not be generating turnover in the year ended 31 March 2021. The Directors do not expect a significant impact on the Company as a result of changes in law and regulations caused by Brexit.

Touch It Production Music Limited

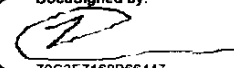
Directors' Report (continued)

Year ended 31 March 2020

Small companies' regime

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

Signed on behalf of the Directors

DocuSigned by:

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T W Major
Director

22 Berners Street
London
W1T 3LP

Approved by the Directors on 22-Mar-21

Touch It Production Music Limited

Statement of Directors' Responsibilities in Respect of the Annual Report and the Financial Statements Year ended 31 March 2020

The Directors are responsible for preparing the 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 applicable law and Section 1A of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

Touch It Production Music Limited**Profit and Loss Account and Other Comprehensive Income****Year ended 31 March 2020**

	<i>Note</i>	2020 £ Discontinued	2019 £ Discontinued
Turnover	3	84,025	55,407
Cost of sales		(16,234)	(13,309)
Gross profit		67,791	42,098
Administrative expenses		(14,501)	(12,444)
Operating profit	4	53,290	29,654
Profit on disposal of operations	5	238,912	-
Profit before taxation		292,202	29,654
Tax on profit		(10,125)	(6,740)
Profit for the financial year		282,077	22,914

The notes on pages 9 to 15 form part of these financial statements.

All of the activities of the Company are classed as discontinued for the current and prior years.

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

Touch It Production Music Limited**Balance Sheet****At 31 March 2020**

	<i>Note</i>	2020 £	2019 £
Fixed assets			
Intangible assets	8	-	100,004
Current assets			
Debtors	9	353,731	8,642
Cash at bank in hand		-	4,640
		353,731	13,282
Creditors: amounts falling due within one year	10	-	(41,632)
Net current assets/(liabilities)		353,731	(28,350)
Net assets		353,731	71,654
Capital and reserves			
Called up share capital	11	100	100
Profit and Loss Account		353,631	71,554
Shareholders' funds		353,731	71,654

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

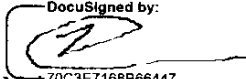
For the year ending 31 March 2020 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476.

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The notes on pages 9 to 15 form part of these financial statements.

These financial statements on pages 7 to 15 were approved by the Board of Directors on 22-Mar-21 and signed on their behalf by:

DocuSigned by:

 T W Major
 Director

Company Registration Number: 05888398

Touch It Production Music Limited**Notes to the Financial Statements****Period ended 31 March 2020**

1. Accounting policies

Touch It Production Music Limited (the "Company") is a private company limited by shares, incorporated, domiciled and registered in England and Wales in the United Kingdom. The registered number is 05888398 and the registered address is 22 Berners Street, London, W1T 3LP.

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

As the consolidated financial statements of Sony Corporation include the equivalent disclosures, the Company has also taken exemptions under FRS 102 available in respect of certain 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 2.

Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

Going concern

The Company has made a profit for the financial year of £282,077 (2019: £22,914), has net current assets of £353,731 (2019: £28,350 liabilities) and net assets of £353,731 (2019: £71,654) at the reporting date.

These financial statements have been prepared on a going concern basis. The Directors of the Company have made a strategic decision to reduce the Company's trading activities by transferring the Company's economic and beneficial rights associated with copyrights, publishings and other contracts to K.P.M. Music Limited, which took place on 31 December 2019.

In the next 12 months, the Directors intend to settle all intercompany loan balances with EMI Music Publishing Limited and subsequently make the Company dormant for the year ended 31 March 2022.

In preparing the financial statements the Directors have taken into account all information that could reasonably be expected to be available for the following 12 months from the date of signing the financial statements and beyond.

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

The parent company, EMI Music Publishing Limited, has agreed to provide financial support to the Company in order that it can continue to meet its liabilities as they fall due.

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

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

Touch It Production Music Limited**Notes to the Financial Statements (continued)****Period ended 31 March 2020**

1. Accounting policies (continued)**Cash flow statement**

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

Classification of financial instruments issued by the Company

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

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

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

Basic financial instruments*Trade and other debtors/creditors*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Intangible assets

Copyrights that are acquired by the Company are stated at cost less accumulated amortisation less accumulated impairment losses.

Amortisation

Amortisation is charged to the Profit and Loss Account on a straight-line basis over the licence period or estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Copyrights 20 years

The Company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed. Since the last reporting date, the Company sold its Intangible assets to K.P.M. Music Limited.

Discontinued operations

Discontinued operations are components of the Company that have been disposed of at the reporting date and previously represented a separate major line of business or geographical area of operation. They are included in the profit and loss account in a separate column for the current and comparative periods, including the gain or loss on sale.

During the year the Company transferred its economic and beneficial rights associated with copyrights, publishing and other contracts to K.P.M. Music Limited for the total consideration of £238,912. This has been classified as a discontinued operation.

Touch It Production Music Limited**Notes to the Financial Statements (continued)****Period ended 31 March 2020**

1. Accounting policies (continued)**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 Company'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. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

Taxation

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

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

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 Sony Corporation Group or investees of the Sony Corporation Group provided that any subsidiary which is party to the transaction is wholly owned by the Group.

Turnover

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

Turnover is generated from usage of the songs written by the Company's composers, and will vary in any given year alongside the market conditions and popularity of various genres of music. It is recorded when reported to the Company by the relevant source, or when the Company reasonably estimates that the income has been earned from a relevant source. Turnover is stated after deducting all commissions and any sales related taxes levied on turnover.

In certain countries, the Company has assigned its rights to royalty income to other undertakings of the EMI Music Publishing Group.

Touch It Production Music Limited**Notes to the Financial Statements (continued)****Period ended 31 March 2020****1. Accounting policies (continued)****Provisions**

A provision is recognised where the expected future earnings of a writer do not support the net value of the advance. Advances to writers who are deemed to be unproven at the time of the advance are fully provided for at that time. A further review of the recoverability of unproven and proven writers is undertaken at the end of the period, and an additional adjustment to the provision may be made at this point. The movement in this provision charged to the Profit and Loss Account in the year was £226 (2019: £4,614).

2. Accounting estimates and judgements

The 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.

During the year the Company transferred their economic and beneficial rights associated with copyrights, publishing and other contracts to K.P.M. Music Limited for the total consideration of £238,912. The fair value of consideration was determined by a valuation report, using the Company's 3 year average Net Publisher Share "NPS" (being royalty income less royalty expense). This consideration was classified as a profit on disposal of £238,912 (2019: £nil) has been recognised in the Profit and Loss Account (see note 5).

On 31 December 2019 the Company transferred its Copyrights to K.P.M Music Limited for a total consideration of £95,638. This has resulted in a no gain no loss on disposal (see note 8). The Directors have deemed the fair value of consideration is equal to the net book value of Copyrights held at 30 December 2019 (see note 8).

3. Turnover

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

An analysis of turnover by geographical market is given below:

	2020 £	2019 £
United Kingdom	50,808	20,181
Rest of Europe	16,900	18,821
USA	13,328	11,616
Rest of the world	2,989	4,789
	<u>84,025</u>	<u>55,407</u>

4. Operating profit

	2020 £	2019 £
Included in profit is the following:		
Cost recharges due to EMI Music Publishing Limited	10,135	6,594
Amortisation of intangible assets	<u>4,366</u>	<u>5,822</u>

Touch It Production Music Limited**Notes to the Financial Statements (continued)****Period ended 31 March 2020****5. Profit on disposal of operations**

	2020 £	2019 £
Proceeds relating to the transfer and assignment of the beneficial rights of royalties to K.P.M. Music Limited	<u>238,912</u>	<u>-</u>

On 31 December 2019, the Company transferred its economic and beneficial rights associated with copyrights, publishings and other contracts valued at a total of £238,912 to K.P.M. Music Limited. This has resulted on a profit on disposal of £238,912 and has been treated as a disposal of operations.

6. Directors' remuneration

The Directors, who are also the Company key management, received no remuneration for their services to the Company during the year (2019: £nil).

The UK Directors were remunerated by Sony Music Publishing (UK) Limited and the US Directors were remunerated by Sony Music Holdings Inc.

7. Staff numbers and costs

The Company had no employees (2019: none).

8. Intangible assets

	Copyrights £
Cost	
At 1 April 2019	113,061
Disposals	<u>(113,061)</u>
At 31 March 2020	<u>-</u>
Amortisation and impairment	
At 1 April 2019	13,057
Amortisation for the year	4,366
Disposals	<u>(17,423)</u>
At 31 March 2020	<u>-</u>
Net book value	
At 31 March 2020	<u>-</u>
At 31 March 2019	<u>100,004</u>

On 31 December 2019 the Company sold its Copyrights to K.P.M Music Limited for a total consideration of £95,638. This has resulted in a no gain no loss on disposal.

Touch It Production Music Limited**Notes to the Financial Statements (continued)****Period ended 31 March 2020****9. Debtors**

	2020 £	2019 £
Amounts owed by group undertakings	353,731	-
Prepayments and accrued income	-	8,642
	<u>353,731</u>	<u>8,642</u>

At 31 March 2020, debtors falling due after more than one year amounted to £nil (2019: £nil).

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

10. Creditors: amounts falling due within one year

	2020 £	2019 £
Amounts owed to group undertakings	-	24,260
Accruals and deferred income	-	10,632
Taxation	-	6,740
	<u>-</u>	<u>41,632</u>

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

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

	2020 £	2019 £
100 (2019: 100) Ordinary shares of £1 each at 1 April and at 31 March	<u>100</u>	<u>100</u>

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

Reserves*Called up share capital*

Represents the nominal value of shares issued.

Profit and Loss Account

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

Touch It Production Music Limited

Notes to the Financial Statements (continued)

Period ended 31 March 2020

11. Called up share capital (continued)

Dividends

After the Balance Sheet date total dividends £353,631 (2019: £nil) equivalent to £3,536.31 (2019: £nil) per qualifying Ordinary share were proposed by the Directors. The dividends have not been provided for at the year end.

12. Ultimate parent company and parent company of larger group

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

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

13. Subsequent events

Dividends paid

On 1 April 2020, total dividends of £353,631 equivalent to £3,536.31 per qualifying ordinary share was declared by the Company and paid in full.