

EMI Music Publishing Group Denmark A/S

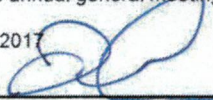
C/O J. Korsø Jensen
Amaliegade 10
1256 København K

CVR no. 19 61 96 13

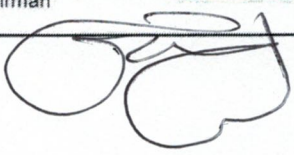
Annual report 2016/17

The annual report was presented and approved at the
Company's annual general meeting on

31 August 2017



chairman



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Statement by the Board of Directors and the Executive Board

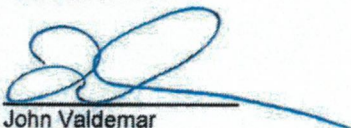
The Board of Directors and the Executive Board have today discussed and approved the annual report of EMI Music Publishing Group Denmark A/S for the financial year 1 April 2016 – 31 March 2017.

The annual report, which has not been audited, is presented in accordance with the Danish Financial Statements Act. The Board of Directors considers the requirements for omitting an audit to have been met.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 March 2017 and of the results of the Company's operations for the financial year 1 April 2016 – 31 March 2017.

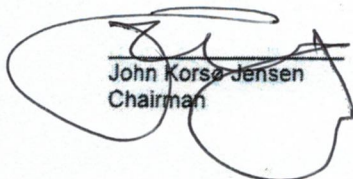
We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 31 August 2017
Executive Board:

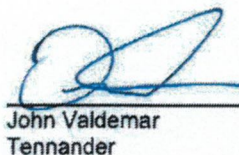


John Valdemar
Tennander

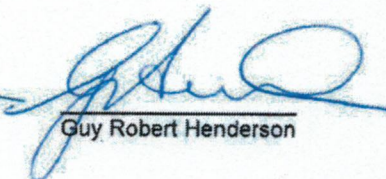
Supervisory Board:



John Korsø Jensen
Chairman



John Valdemar
Tennander



Guy Robert Henderson

EMI Music Publishing Group Denmark A/S
Annual report 2016/17
CVR no. 19 61 96 13

Management's review

Company details

EMI Music Publishing Group Denmark A/S
C/O J. Korsø Jensen
Amaliegade 10
1256 København K

CVR no.: 19 61 96 13
Established: 4 October 1961
Registered office: Copenhagen
Financial year: 1 April – 31 March

Board of Directors

John Korsø Jensen, Chairman
John Valdemar Tennander
Guy Robert Henderson

Executive Board

John Valdemar Tennander

Annual general meeting

The annual general meeting will be held on 31 August 2017 at the Company's address.

Financial statements 1 April – 31 March

Income statement

DKK'000	Note	2016/17	2015/16
Gross loss		-97	-152
Operating loss		-97	-152
Financial income	3	1,458	1,432
Financial expenses	4	-3	-13
Profit before tax		1,358	1,267
Tax on profit for the year		-299	-299
Profit for the year		1,059	968
Proposed profit appropriation			
Retained earnings		1,059	968
		1,059	968

Financial statements 1 April – 31 March

Balance sheet

DKK'000	Note	2016/17	2015/16
ASSETS			
Fixed assets			
Investments	5		
Investments in subsidiaries		<u>30,661</u>	<u>30,661</u>
		<u>30,661</u>	<u>30,661</u>
Total fixed assets		<u>30,661</u>	<u>30,661</u>
Current assets			
Receivables			
Amounts owed by group entities		72,379	71,220
Tax receivables		<u>1,036</u>	<u>669</u>
		<u>73,415</u>	<u>71,889</u>
Cash at bank and in hand		<u>32</u>	<u>3</u>
Total current assets		<u>73,447</u>	<u>71,892</u>
TOTAL ASSETS		<u>104,108</u>	<u>102,553</u>

Financial statements 1 April – 31 March

Balance sheet

DKK'000	Note	2016/17	2015/16
EQUITY AND LIABILITIES			
Equity			
Share capital		10,000	10,000
Retained earnings		3,963	2,904
Total equity		<u>13,963</u>	<u>12,904</u>
Liabilities other than provisions			
Current liabilities other than provisions			
Amounts owed to group entities		90,084	89,564
Other payables		61	85
		<u>90,145</u>	<u>89,649</u>
Total liabilities other than provisions		<u>90,145</u>	<u>89,649</u>
TOTAL EQUITY AND LIABILITIES		<u>104,108</u>	<u>102,553</u>
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Financial statements 1 April – 31 March

Notes

1 Accounting policies

The annual report of EMI Music Publishing Group Denmark A/S for 2016/17 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act.

As from 1 April 2016, the Company has implemented Act no. 738 of 1 June 2015.

The changes have no monetary effect on the income statement or the balance sheet or for the comparative figures.

Apart from the above, the accounting policies used in the preparation of the financial statements are consistent with those of last year.

In accordance with section 110 of the Danish Financial Statement Act, no consolidated financial statements are prepared.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement

Gross Profit

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

Gross profit comprises revenue less royalty costs and other external costs, including administrative expenses.

Revenue is recognised in line with delivery of goods and services. License and royalty income is recognised on a cash receipt basis.

Financial statements 1 April – 31 March

Notes

1 Accounting policies (continued)

Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Dividends from equity investments in subsidiaries are recognised in the income statement in the financial year in which dividend is declared. To the extent that the distributed dividend exceeds accumulated earnings at the acquisition date, the dividend is recognised as write-down of the cost of the equity investment.

Tax on profit for the year

The Parent Company is subject to the Danish rules on compulsory joint taxation of the Group's Danish subsidiaries. The subsidiaries are included in the joint taxation from the date when they are included in the consolidated financial statements and up to the date when they are excluded from the consolidation.

The Parent Company is the administrative company for the joint taxation and accordingly settles all payments of corporation tax to the tax authorities.

On payment of joint taxation contributions, current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income. Entities with tax losses receive joint taxation contributions from entities that have used the losses to reduce their own taxable profit.

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

Balance sheet

Equity investments in group entities

Investments in subsidiaries are measured at acquisition cost. Dividends in excess of accumulated earnings in the company in question during the ownership period are treated as a reduction of the acquisition cost.

In cases where the cost exceeds the recoverable amount, write-down is made to this lower value.

Financial statements 1 April – 31 March

Notes

1 Accounting policies (continued)

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less which are easily convertible into cash and which are subject to only an insignificant risk of changes in value.

Corporation tax and deferred tax

As administrative company, EMI Music Publishing Group Denmark A/S assumes the liability for payment to the tax authorities of the subsidiaries' corporation taxes as the joint taxation contributions are received from the subsidiaries.

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

Financial statements 1 April – 31 March

Notes

1 Accounting policies (continued)

Liabilities other than provisions

Financial liabilities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost using the effective interest method. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Other liabilities are measured at net realisable value.

2 Main activity

The Company acts as holding company for the Danish EMI Music Publishing companies.

DKK'000	<u>2016/17</u>	<u>2015/16</u>
3 Financial income		
Interest income from group entities	<u>1,458</u>	<u>1,432</u>
	<u>1,458</u>	<u>1,432</u>
4 Financial expenses		
Foreign exchange losses	<u>3</u>	<u>13</u>
	<u>3</u>	<u>13</u>
5 Investments in subsidiaries		
Cost at 1 April	<u>37,889</u>	<u>37,889</u>
Cost at 31 March	<u>37,889</u>	<u>37,889</u>
Revaluations at 1 April	<u>-7,228</u>	<u>-7,228</u>
Revaluations at 31 March	<u>-7,228</u>	<u>-7,228</u>
Carrying amount at 31 March	<u>30,661</u>	<u>30,661</u>

Financial statements 1 April – 31 March

Notes

6 Related party disclosures

Ownership

The Company is 100% owned by EMI MP Int Group BV (Holland). The companies are consolidated in the ultimate parent company DH Publishing LP. The consolidated financial statements can be obtained from DH Publishing LP:

DH Publishing LP
190 Elgin Avenue, George Town
KYI-9005, Cayman Islands