

EMI Music Publishing Denmark A/S

c/o Advokat J. Korsø Jensen
Sankt Annæ Plads 13
1250 København K
Denmark

CVR no. 19 61 96 13

Annual report 2019/20

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

28 August 2020

John Korsø Jensen
chairman

Contents

Statement by the Board of Directors and the Executive Board	2
Auditor's report on the compilation of financial statements	3
Management's review	4
Company details	4
Financial statements 1 April – 31 March	5
Income statement	5
Balance sheet	6
Statement of changes in equity	8
Notes	9

EMI Music Publishing Denmark A/S
Annual report 2019/20
CVR no. 19 61 96 13

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 Denmark A/S for the financial year 1 April 2019 – 31 March 2020.

The annual report, which has not been audited, is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 March 2020 and of the results of the Company's operations for the financial year 1 April 2019 – 31 March 2020.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

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

Copenhagen, 28 August 2020
Executive Board:

John Valdemar Tennander

Board of Directors:

John Korsø Jensen
Chairman

John Valdemar Tennander

Guy Robert Henderson

Management confirms that the Company fulfills the requirements to be exempt of audit.



Auditor's report on the compilation of financial statements

To the Management of EMI Music Publishing Denmark A/S

We have compiled the financial statements of EMI Music Publishing Denmark A/S for the financial year 1 April 2019 – 31 March 2020 based on the Company's bookkeeping records and other information provided by you. The financial statements comprise income statement, balance sheet, statement of changes in equity and notes, including accounting policies.

We performed our work in accordance with ISRS 4410 *Engagements to Compile Financial Statements*.

We have applied our professional expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with the Danish Financial Statements Act. We have complied with the independence and other ethical requirements of the IESBA Codes of Ethics, which is based on fundamental principles of integrity, objectivity, professional competence and due care.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion as to whether these financial statements are prepared in accordance with the Danish Financial Statements Act.

Copenhagen, 28 August 2020

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Martin Eiler
State Authorised
Public Accountant
mne32271

EMI Music Publishing Denmark A/S
Annual report 2019/20
CVR no. 19 61 96 13

Management's review

Company details

EMI Music Publishing Denmark A/S
c/o Advokat J. Korsø Jensen
Sankt Annæ Plads 13
1250 København K
Denmark

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 28 August 2020.

Financial statements 1 April 2019 – 31 March 2020

Income statement

DKK'000	Note	2019/20	2018/19
Gross profit		690	763
Amortisation		<u>-1,063</u>	<u>-1,063</u>
Operating loss		-373	-300
Financial income	3	371	1,224
Financial expenses	4	<u>-13</u>	<u>-839</u>
Profit/loss before tax		-15	85
Tax on profit/loss for the year		<u>-1</u>	<u>-18</u>
Profit/loss for the year		<u><u>-16</u></u>	<u><u>67</u></u>
Proposed profit appropriation/distribution of loss			
Retained earnings		<u>-16</u>	<u>67</u>
		<u><u>-16</u></u>	<u><u>67</u></u>

Financial statements 1 April 2019 – 31 March 2020

Balance sheet

DKK'000	Note	2019/20	2018/19
ASSETS			
Fixed assets			
Intangible assets	5		
Music Publishing Rights		<u>19,132</u>	<u>20,195</u>
Total fixed assets		<u>19,132</u>	<u>20,195</u>
Current assets			
Receivables			
Receivables from group entities		800	76,516
Tax receivables		<u>0</u>	<u>90</u>
		<u>800</u>	<u>76,606</u>
Cash at bank and in hand		<u>1,361</u>	<u>169</u>
Total current assets		<u>2,161</u>	<u>76,775</u>
TOTAL ASSETS		<u><u>21,293</u></u>	<u><u>96,970</u></u>

Financial statements 1 April 2019 – 31 March 2020

Balance sheet

DKK'000	Note	2019/20	2018/19
EQUITY AND LIABILITIES			
Equity			
Contributed capital		10,000	10,000
Retained earnings		<u>6,708</u>	<u>6,724</u>
Total equity		<u>16,708</u>	<u>16,724</u>
Provisions			
Provisions for deferred tax		<u>4,210</u>	<u>4,441</u>
Total provisions		<u>4,210</u>	<u>4,441</u>
Liabilities other than provisions			
Current liabilities other than provisions			
Payables to group entities		0	75,452
Corporation tax		67	0
Other payables		<u>308</u>	<u>353</u>
		<u>375</u>	<u>75,805</u>
Total liabilities other than provisions		<u>375</u>	<u>75,805</u>
TOTAL EQUITY AND LIABILITIES		<u>21,293</u>	<u>96,970</u>
Principal activities	2		
Related party disclosures	6		

Financial statements 1 April 2019 – 31 March 2020

Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Total
Equity at 1 April 2019	10,000	6,724	16,724
Transferred over the profit appropriation	0	-16	-16
Equity at 31 March 2020	10,000	6,708	16,708

Financial statements 1 April 2019 – 31 March 2020

Notes

1 Accounting policies

The annual report of EMI Music Publishing Denmark A/S for 2019/20 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in of specific provisions for reporting class C. The accounting policies are unchanged compared to previous however with new policy applied on merger, cf. below.

As at 1 April 2019 the Company (formerly EMI Music Publishing Group Denmark A/S) was merged with its fully owned subsidiaries EMI Music Publishing Denmark A/S and EMI Casadida Music Publishing ApS. The merger was done using the acquisition method and comparison figures have been changed accordingly. The subsidiaries were previously valued at cost and the variance between the cost value and the fair value, DKK 3,451 thousand as at 1 April 2018, has been recognized in the Equity.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out if the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost.

Subsequently, assets and liabilities are measured as described for each item below.

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

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

Royalty costs:

Royalty costs corresponds revenue recognized in the year.

Financial statements 1 April 2019 – 31 March 2020

Notes

1 Accounting policies (continued)

Other external costs

Other external costs comprise administration expenses.

Financial income and expenses

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

Tax on profit for the year

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

Intangible assets

Music Publishing rights

Music Publishing rights are measured at cost less accumulated amortisation and impairment losses. Amortization is calculated on a straight-line basis over the estimated useful life. The estimated useful lives for Music Publishing rights are 20 Years. The useful life and recoverable amount is reassessed annually. If the recoverable amount is less than the carrying amount an impairment is recognized accordingly.

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 at bank and in hand

Cash at bank and in hand comprise cash.

Corporation tax and deferred tax

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.

Financial statements 1 April 2019 – 31 March 2020

Notes

1 Accounting policies (continued)

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.

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.

Liabilities

Financial liabilities, other payables and amounts owed to group entities are recognised at cost at the date of borrowing, corresponding to the proceeds received less transaction costs paid.

Financial statements 1 April 2019 – 31 March 2020

Notes

2 Principal activities

The company's purpose is to conduct manufacturing, trading, rental, service and financing activities in Denmark and abroad as well as other related business. The purpose can be fulfilled directly or through shareholdings in other companies.

As at 1 April 2019 the Company (formerly EMI Music Publishing Group Denmark A/S) was merged with its fully owned subsidiaries EMI Music Publishing Denmark A/S and EMI Casadida Music Publishing ApS.

3 Financial income

Interest income from group entities	370	1,207
Other financial income	1	3
Exchange adjustments	0	14
	<u>371</u>	<u>1,224</u>

4 Financial expenses

Interest expense to group entities	0	832
Other financial costs	13	7
	<u>13</u>	<u>839</u>

5 Intangible assets

	Music Publishing Rights
DKK'000	
Cost at 1 April 2019	<u>21,258</u>
Cost at 31 March 2020	<u>21,258</u>
Amortisation and impairment losses at 1 April 2019	-1,063
Amortisation for the year	<u>-1,063</u>
Amortisation and impairment losses at 31 March 2020	<u>-2,126</u>
Carrying amount at 31 March 2020	<u><u>19,132</u></u>

6 Related party disclosures

Ownership

The Company is 100% owned by SM Publishing (UK) Limited, which is the smallest group. The companies are consolidated in the parent company Sony Corporation. The consolidated financial statements of Sony Corporation are available from 1-7-1 Konan Minatoku, Tokyo, 108-0075 Japan.