

EMI Music Publishing Denmark A/S

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

CVR no. 24 21 27 50

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 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.

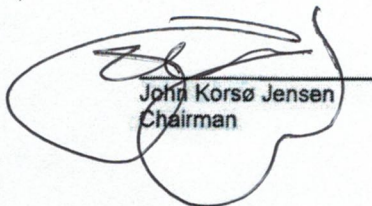
We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 31 August 2017
Executive Board:



John Valdemar
Tennander

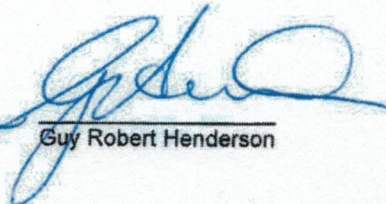
Board of Directors:



John Korsø Jensen
Chairman



John Valdemar
Tennander



Guy Robert Henderson

EMI Music Publishing Denmark A/S
Annual report 2016/17
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Management's review

Company details

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

CVR no.: 24 21 27 50
Established: 14 August 1984
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 profit/loss		<u>-236</u>	<u>1,438</u>
Operating profit/loss		<u>-236</u>	<u>1,438</u>
Financial expenses	3	<u>-1,510</u>	<u>-1,505</u>
Loss before tax		<u>-1,746</u>	<u>-67</u>
Tax on profit/loss for the year		<u>366</u>	<u>-10</u>
Loss for the year		<u><u>-1,380</u></u>	<u><u>-77</u></u>
Proposed distribution of loss			
Retained earnings		<u>-1,380</u>	<u>-77</u>
		<u><u>-1,380</u></u>	<u><u>-77</u></u>

Financial statements 1 April – 31 March

Balance sheet

DKK'000	Note	<u>2016/17</u>	<u>2015/16</u>
ASSETS			
Current assets			
Receivables			
Receivables from group entities		80,686	87,259
Other receivables		0	780
Deferred tax asset		22	3
Corporation tax		347	17
Prepayments		120	75
		<u>81,175</u>	<u>88,134</u>
Cash at bank and in hand		<u>77</u>	<u>35</u>
Total current assets		<u>81,252</u>	<u>88,169</u>
TOTAL ASSETS		<u><u>81,252</u></u>	<u><u>88,169</u></u>

Financial statements 1 April – 31 March

Balance sheet

DKK'000	Note	2016/17	2015/16
EQUITY AND LIABILITIES			
Equity			
Share capital		500	500
Retained earnings		3,876	5,256
Total equity		<u>4,376</u>	<u>5,756</u>
Liabilities other than provisions			
Current liabilities other than provisions			
Payables to group entities		76,158	82,327
Other payables		718	86
		<u>76,876</u>	<u>82,413</u>
Total liabilities other than provisions		<u>76,876</u>	<u>82,413</u>
TOTAL EQUITY AND LIABILITIES		<u>81,252</u>	<u>88,169</u>
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Financial statements 1 April – 31 March

Notes

1 Accounting policies

The annual report of EMI Music Publishing 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.

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 cash receipt basis.

Financial income and expenses

Financial income and expenses comprise interest income and expense, 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.

Financial statements 1 April – 31 March

Notes

1 Accounting policies (continued)

Tax on loss 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

Receivables

Receivables are recognised in the balance sheet at amortised cost, which substantially corresponds to nominal value.

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

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. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Financial statements 1 April – 31 March

Notes

1 Accounting policies (continued)

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 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's primary activity is music publishing.

3 Financial expenses

DKK'000	2016/17	2015/16
Bank charges and other interest expenses	22	9
Interest expense to affiliated companies	1,488	1,495
	<u>1,510</u>	<u>1,504</u>

4 Related party disclosures

Related party transactions

The Company is 100% owned by EMI Music Publishing Group Denmark A/S. 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