

Coombe Music International Limited

Directors' report and financial statements

Registered number 2033222

31 March 2009



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Directors' report

The directors present their Annual Report and the audited financial statements for the 15 month period to 31 March 2009.

Activities

The company did not trade during the period.

Business review and results

During the period the company transferred all its assets to Sony Music Entertainment UK Limited in part settlement of intercompany payable. The resulting liability with Sony Music Entertainment UK Limited of £432,643 was waived by Sony Music Entertainment UK Limited on 29 May 2008.

The company made a profit after taxation on ordinary activities for the period of £427,107 (*year ended 31 December 2007: loss of £20,767*). The directors do not recommend the payment of a dividend (*2007: £nil*). Retained profit transferred to reserves amounted to £427,107 (*year ended 31 December 2007: losses transferred from reserves of £20,767*).

During the period, the financial year of the company was changed from 31 December to 31 March.

Future prospects

The directors do not expect a change in the level of activity in the foreseeable future.

Principal risks and uncertainties

From the perspective of the company, the principal risks and uncertainties are integrated with the risks of Sony Music Entertainment UK group and are not managed separately. These risks are discussed on page 3 of the Sony Music Entertainment UK Limited annual report of the period ended 31 March 2009 which does not form part of this report.

Key performance indicators (KPI)

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business.

Directors

The directors who held office during the period were:

M Smith
G Doherty
D Constanda (resigned 1 October 2008)

Company Secretary

Abogado Nominees Limited and Simon Jenkins acted jointly and severally as company secretary during the period.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make them self aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

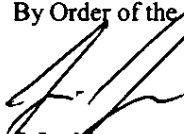
Directors' report *(continued)*

Auditors

KPMG LLP resigned as auditors on 20 January 2009. The directors appointed PricewaterhouseCoopers LLP to fill the casual vacancy created by this resignation.

PricewaterhouseCoopers LLP offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

By Order of the Board on 29 January 2010



S Jenkins
Secretary

9 Derry Street
London
W8 5HY

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the members of Coombe Music International Limited

We have audited the financial statements of Coombe Music International Limited for the 15 month period to 31 March 2009 which comprises the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

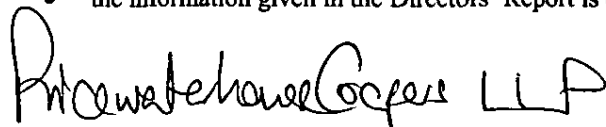
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs at 31 March 2009 and of its profit for the 15 month period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP
Chartered Accountants
Registered Auditor
St Albans

29 January 2010

Profit and loss account

	<i>Note</i>	15 months ended 31 March 2009 £	Year ended 31 December 2007 £
Administrative expenses		432,643	-
Operating profit		432,643	-
Interest receivable and similar income	5	-	251
Interest payable and similar charges	6	(7,909)	(29,918)
Profit / (loss) on ordinary activities before taxation	2	424,734	(29,667)
Tax credit on profit / (loss) on ordinary activities	7	2,373	8,900
Profit / (loss) on ordinary activities after taxation		427,107	(20,767)
Retained profit / (loss) for the period	11	427,107	(20,767)

Profit / (loss) on ordinary activities before taxation for the period and prior year relates exclusively to continuing operations.

There is no difference between the result as disclosed in the profit and loss account and result on a historical cost basis.

A statement of total recognised gains and losses has not been presented as there are no gains or losses other than those dealt with in the profit and loss account.

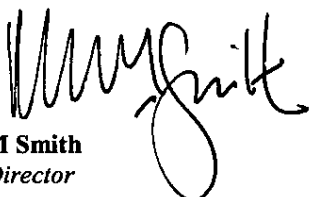
The notes on pages 7 to 11 form part of these financial statements.

Balance sheet

as at 31 March 2009

	<i>Note</i>	31 March 2009 £	31 December 2007 £
Current assets			
Debtors	8	-	8,580
		<hr/>	<hr/>
Net current assets		-	8,580
Creditors: amounts falling due after more than one year	9	-	(435,687)
		<hr/>	<hr/>
Net current liabilities / net liabilities		-	(427,107)
		<hr/>	<hr/>
Share capital and reserves			
Called up share capital	10	100	100
Profit and loss account	11	(100)	(427,207)
		<hr/>	<hr/>
Shareholders' deficit	12	-	(427,107)
		<hr/>	<hr/>

These financial statements were approved by the Board on 24 January 2010 and were signed on its behalf by:


M Smith
Director

The notes on pages 7 to 11 form part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The company is exempt from the requirement of Financial Reporting Standard No.1 Revised, Cash Flow Statements, being a wholly owned subsidiary of Sony Corporation, a company incorporated in Japan and which prepares consolidated financial statements in English containing a consolidated cash flow statement dealing with the cash flows of the group and of the company.

Taxation

Deferred tax is recognised without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Sony Music Entertainment UK entities which include this company are able to relieve their taxable losses by surrendering them to other group companies where capacity to utilise those losses exists. Such losses will be purchased and paid for by the recipient company. Where there is reasonable certainty that taxable losses can be utilised the group relief receivable is included in the taxation charge or credit for the year.

2 Profit / (loss) on ordinary activities before taxation

The audit fee for the company of £1,000 (*year ended 31 December 2007: £1,000*) is borne by a group undertaking, Sony Music Entertainment UK Limited.

During the period the company transferred the amounts owed by group undertakings of £10,953 to Sony Music Entertainment UK Limited in part settlement of the intercompany payable. In addition, the corporation tax liability of £5,769 of the company was assumed by Sony Music Entertainment UK Limited. The company incurred interest of £7,909 on this intercompany liability during the period. On 29 May 2008 the resulting liability with Sony Music Entertainment UK Limited amounted to £432,643. On the same day Sony Music Entertainment UK Limited waived this intercompany payable which has resulted in a credit of £432,643 being recorded in administrative expenses.

3 Remuneration of directors

The directors receive emoluments from the group for services to the company and certain other subsidiaries in the group. The total emoluments are charged in the accounts of a group company, Sony Music Entertainment UK Limited.

Retirement benefits are accruing to 2 directors (*year ended 31 December 2007: 3*) under a money purchase pension scheme. The pension costs are charged in the accounts of Sony Music Entertainment UK Limited.

Notes (continued)

4 Staff numbers and costs

There were no persons employed by the company during the period (*year ended 31 December 2007: nil*) and consequently no staff costs (*year ended 31 December 2007: £nil*).

5 Interest receivable and similar income

	15 months ended 31 March 2009 £	Year ended 31 December 2007 £
Other loans	-	251

Intercompany balances carried a rate of interest of 6.03% in the period (*year ended 31 December 2007: 7.48%*).

6 Interest payable and similar charges

	15 months ended 31 March 2009 £	Year ended 31 December 2007 £
Other loans	7,909	29,918

Intercompany balances carried a rate of interest of 6.03% in the period (*year ended 31 December 2007: 7.48%*).

7 Tax credit on profit / (loss) on ordinary activities

	15 months ended 31 March 2009 £	Year ended 31 December 2007 £
UK corporation tax credit at 30%	(2,373)	(8,900)
Current tax credit for period	(2,373)	(8,900)

Notes (continued)

7 Tax credit on profit / (loss) on ordinary activities (continued)

Factors affecting the tax (credit) for the period

The tax assessed for the year is lower than (2007: lower than) the standard effective rate of corporation tax in the UK (28.4%).

The differences are explained below:

	15 months ended 31 March 2009 £	Year ended 31 December 2007 £
Profit / (loss) on ordinary activities before tax	424,734	(29,667)
Profit / (loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 28.40% (2007: 30%)	120,624	(8,900)
<i>Effects of:</i>		
Non-taxable income	(122,871)	-
Differing tax rate for the period	(126)	-
Current tax credit for period	(2,373)	(8,900)

The standard rate of Corporation Tax in the UK changed from 30% to 28% with effect from 1 April 2008. Accordingly, the company's profits for this accounting period are taxed at an effective rate of 28.4% and will be taxed at 28% in the future.

8 Debtors

	31 March 2009 £	31 December 2007 £
Amounts owed by group undertakings	-	8,580

9 Creditors: amounts falling due after more than one year

	31 March 2009 £	31 December 2007 £
Amounts owed to group undertakings	-	429,918
Corporation tax	-	5,769
	-	435,687

On 29 May 2008 the amounts owed to group undertakings were waived (see Note 2).

Notes (continued)

10 Called up share capital

	31 March 2009 £	31 December 2007 £
<i>Authorised, allotted, called up and fully paid</i> 100 (2007: 100) ordinary shares of £1 each	100	100

11 Profit and loss account

	31 March 2009 £	31 December 2007 £
Opening balance	(427,207)	(406,440)
Retained profit / (loss) for the period	427,107	(20,767)
Closing balance	(100)	(427,207)

12 Reconciliation of movements in shareholders' deficit

	31 March 2009 £	31 December 2007 £
Opening shareholders' deficit	(427,107)	(406,340)
Profit / (loss) for the period	427,107	(20,767)
Closing shareholders' deficit	-	(427,107)

13 Immediate and ultimate holding company

The company's immediate holding company is Sony Music Entertainment UK Limited, a company incorporated in England and Wales. The ultimate holding company is Sony Corporation, a company registered in Japan.

Notes (continued)

13 Immediate and ultimate holding company (continued)

The largest and smallest group for which group accounts are prepared, and of which the company is a member, is as follows:

Name	Sony Corporation
Country of incorporation	Japan
Address from where copies of the Group accounts can be obtained	7-1, Konan 1-chome, Minato-ku, Tokyo 108-0075

14 Related party transactions

The company is exempt under the terms of Financial Reporting Standard No. 8 from disclosing related party transactions with entities that are part of the Sony Corporation group of companies. There are no other related party transactions.