

Dedicated Limited

Directors' report and financial statements

Registered number 2426030

31 March 2009



Contents

Directors' report	1
Statement of directors' responsibilities in respect of the Directors' Report and the financial statements	3
Independent auditors' report to the members of Dedicated Limited	4
Profit and loss account	5
Balance sheet	6
Notes	7 - 11

Directors' report

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

Activities

The principal activity of the company is the production and promotion of recordings by international recording artists.

Business review and results

The company incurred a loss on ordinary activities after taxation of £83,105 for the period (*year ended 31 December 2007: profit of £36,200*). The directors do not recommend the payment of a dividend (*2007: £nil*). Losses transferred from reserves amounted to £83,105 (*year ended 31 December 2007: profits transferred to reserves of £36,200*).

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:

G Doherty	
M Smith	
D Constanda	(resigned 1 October 2008)
P Curran	(appointed 11 December 2008)

None of the directors held an interest in the shares of the company or any other group undertaking at 31 March 2009 or 31 December 2007.

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 themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

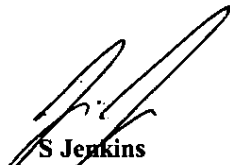
Directors' report *(continued)*

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 Dedicated Limited

We have audited the financial statements of Dedicated 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

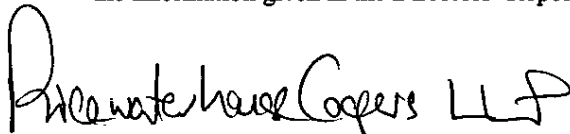
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 loss 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

		15 months ended 31 March 2009 £	Year ended 31 December 2007 £
	<i>Notes</i>		
Turnover	2	12,365	4,585
Cost of sales		(57,238)	62,347
		<hr/>	<hr/>
Operating (loss) / profit		(44,873)	66,932
Interest payable and similar charges	6	(48,883)	(43,906)
		<hr/>	<hr/>
(Loss) / profit on ordinary activities before taxation	3	(93,756)	23,026
Tax credit on (loss) / profit on ordinary activities	7	10,651	13,174
		<hr/>	<hr/>
(Loss) / profit on ordinary activities after taxation		(83,105)	36,200
		<hr/>	<hr/>
(Loss) / profit for the period	12	(83,105)	36,200
		<hr/> <hr/>	<hr/> <hr/>

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

There is no difference between the result as disclosed in the profit and loss account and the 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 8 to 12 form part of these financial statements.

Balance sheet
at 31 March 2009

	<i>Notes</i>	31 March 2009 £	31 December 2007 £
Current assets			
Stocks	8	388	1,020
Debtors	9	38,251	88,686
		<hr/>	<hr/>
		38,639	89,706
Creditors: amounts falling due within one year	10	(662,346)	(630,308)
		<hr/>	<hr/>
Net current liabilities / net liabilities		(623,707)	(540,602)
		<hr/>	<hr/>
Equity capital and reserves			
Called up share capital	11	6,000,100	6,000,100
Profit and loss account	12	(6,623,807)	(6,540,702)
		<hr/>	<hr/>
Shareholders' deficit	13	(623,707)	(540,602)
		<hr/>	<hr/>

These financial statements were approved by the Board on 29 January 2010 and were signed on its behalf by:

M Smith
Director



The notes on pages 8 to 12 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.

Going concern

The management of Sony Global Treasury Services Plc has informed the company that it is their intention to provide such financial support as is required by the company to meet its liabilities as they fall due for payment for a period not less than one year from the date of approval of these financial statements. In view of this confirmed support, the directors have prepared these financial statements on a going concern basis.

Turnover and revenue recognition

Turnover comprises the value of sales (excluding VAT and net of trade discounts) of goods sold in the normal course of business and royalty income. Turnover relating to goods is recognised when the products have been dispatched.

Royalties

Royalty income is included on a receivable basis calculated on sales of records arising during each accounting period as reported by licensees. Royalties payable are expensed on an accruals basis except when they are carried forward and recognised as an asset where such advances relate to current released and unreleased products and where it is estimated that sufficient future royalties will be earned for recoupment from those products. Advances for overseas licences received in respect of individual albums are carried forward and recognised as income over the expected life of each individual licence.

Stock

Stocks are stated at the lower of cost and net realisable value. Cost represents production costs charged by manufacturers.

Royalty advances and recording costs

Advances paid to artists in respect of future royalties together with recording costs recoverable from future royalties are carried forward as an asset pending recovery through royalties earned on future record sales. When full recovery is uncertain, these costs are written down to estimated recoverable amounts. If recovery is made in subsequent periods of advances previously written off, the recoupment is reflected in cost of sales.

Foreign currencies

Normal trading activities denominated in foreign currencies are recorded in sterling at the exchange rates as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange prevailing at the year end. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is reported as an exchange gain or loss in the profit and loss account.

Notes (continued)

1 Accounting policies (continued)

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 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 Turnover

Turnover is generated from the production and promotion of recordings by international recording artists within the UK.

3 (Loss) / profit on ordinary activities before taxation

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

4 Remuneration of directors

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

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

5 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*).

6 Interest payable and similar charges

	15 months ended 31 March 2009 £	Year ended 31 December 2007 £
Other loans	48,883	43,906

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

Notes (continued)

7 Tax on (loss) / profit on ordinary activities

	15 months ended 31 March 2009 £	Year ended 31 December 2007 £
UK corporation tax credit at 28.4% (<i>year ended 31 December 2007: 30%</i>)	(10,561)	(13,172)
Adjustment to prior periods	-	(2)
	<hr/>	<hr/>
Current tax credit for the period	(10,561)	(13,174)
	<hr/>	<hr/>

Factors affecting the tax charge for the period

The tax assessed for the period is equal to (*year ended 31 December 2007: lower than*) the standard effective rate of corporation tax in the UK of 28.4% (*year ended 31 December 2007: 30%*).

The differences are explained below:

	15 months ended 31 March 2009 £	Year ended 31 December 2007 £
(Loss) / profit on ordinary activities before tax	(93,756)	23,026
	<hr/>	<hr/>
(Loss) / profit on ordinary activities multiplied by the standard effective rate of corporation tax in the UK of 28.4% (<i>2007: 30%</i>)	(26,627)	6,908
Adjustments to tax charge in respect of prior periods	-	(2)
Brought forward losses utilised	-	(20,080)
Loss not utilised	15,751	-
Differing tax rates	225	-
	<hr/>	<hr/>
Current tax credit for the period	(10,651)	(13,174)
	<hr/>	<hr/>

Factors affecting future tax charges

The company has trading losses and non trading loan relationship debits carried forward of £541,102 (*31 December 2007: £484,848*). No deferred tax asset has been recognised in respect of these losses or non trading debits as at 31 March 2009 (*31 December 2007: £nil*), as it is considered more likely than not that there will not be suitable profits in future periods against which to relieve them.

Relief for these deficits will only be obtained if there are suitable profits in future periods.

The potential deferred tax asset unrecognised as at 31 March 2009 is £151,508 (*31 December 2007: £135,757*).

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.

Notes (continued)

8 Stock

	31 March 2009	31 December 2007
	£	£
Finished goods and goods held for resale	388	1,020
	<u> </u>	<u> </u>

9 Debtors

	31 March 2009	31 December 2007
	£	£
Trade debtors	14,368	64,953
Group relief debtor	23,823	23,673
Other debtors	60	60
	<u> </u>	<u> </u>
	38,251	88,686
	<u> </u>	<u> </u>

10 Creditors: amounts falling due within one year

	31 March 2009	31 December 2007
	£	£
Trade creditors	179	366
Royalties and licences	7,935	6,564
Amounts owed to group undertakings	654,232	623,378
	<u> </u>	<u> </u>
	662,346	630,308
	<u> </u>	<u> </u>

11 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
6,000,000 (2007: 6,000,000) preference shares of £1 each	6,000,000	6,000,000
	<u> </u>	<u> </u>
	6,000,100	6,000,100
	<u> </u>	<u> </u>

The preference shares are redeemable at the option of the company in lots of 500 once the company makes a profit available for distribution. On a winding up, they would have a priority over the ordinary shares. These shares do not carry any voting rights or rights to a dividend.

Notes (continued)

12 Profit and loss account

	31 March 2009 £	31 December 2007 £
Opening balance	(6,540,702)	(6,576,902)
Retained (loss) / profit for the period	(83,105)	36,200
	<hr/>	<hr/>
Closing balance	(6,623,807)	(6,540,702)
	<hr/>	<hr/>

13 Reconciliation of movement in shareholders' deficit

	31 March 2009 £	31 December 2007 £
Opening shareholders' deficit	(540,602)	(576,802)
(Loss) / profit for the period	(83,105)	36,200
	<hr/>	<hr/>
Closing shareholders' deficit	(623,707)	(540,602)
	<hr/>	<hr/>

14 Deferred Taxation

The company has a deferred tax asset in respect of tax losses of £135,757 as at 31 March 2009 (31 December 2007: £135,757) which is not recognised in the accounts. These losses can only be deducted against future suitable taxable profits. There is currently insufficient evidence that suitable taxable profits will be generated to offset the future reversal of these losses, therefore no deferred tax asset has been recognised.

15 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.

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

16 Related party disclosures

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.