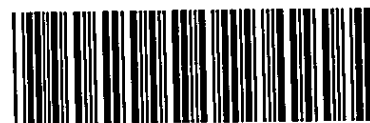


FAMOUS MUSIC PUBLISHING LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

Registered number: 2778358

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FAMOUS MUSIC PUBLISHING LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

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FAMOUS MUSIC PUBLISHING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2010

The directors present herewith the audited financial statements of the company for the year ended 31 March 2010

PRINCIPAL ACTIVITIES

The principal activity of the company is music publishing

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

Business review

The results and position of the company as at and for the year ended 31st March 2010 are set out in the profit and loss account and balance sheet on pages 5 and 6 respectively. The results are in line with the director's expectations.

Future outlook

The music industry in the United Kingdom is expected to remain highly competitive in 2010/11 and 2011/12 with further declines expected in physical product sales. Digital sales are expected to increase but it is uncertain as to whether this growth will replace the decline in physical sales.

Strategy

The company's strategy is to provide a personalised service to its writers coupled with the financial backing of a multinational corporation. The company continues to invest in a mix of high profile established writers together with newly developing acts.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the company are considered to relate to competition from other music publishers, piracy and illegal downloading of music and retention of existing high profile writers.

To mitigate the risk of piracy and illegal downloading, the company is working closely with collection societies to help establish effective and efficient licences with on-line service providers.

Financial risk management

The company's operations expose it to certain financial risks, primarily comprised of credit risk.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department. The department has a policy and procedures manual that sets out specific guidelines to manage credit risk and circumstances where it would be appropriate to use financial instruments to manage these.

FAMOUS MUSIC PUBLISHING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2010 (continued)

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made

Key performance indicators ("KPIs")

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

RESULTS AND DIVIDENDS

The results for the company show a pre-tax profit of £414k (2009 £683k) for the year and total turnover of £4,466k (2009 £4,160k) The company has net assets of £404k (2009 net assets £107k) Net cash outflow from operating activities for 2010 was £97k (2009 net cash outflow £48k)

The directors recommend the payment of a final dividend of £4k (2009, £ nil) per ordinary share amounting to £400k (2009 £ nil) and, if approved, this will be paid on 31st October 2010

DIRECTORS

The directors of the company who have held office during the year and to the date of this report were

Margaret Johnson
Guy Henderson
Martin Bandier
Joseph Puzio

FAMOUS MUSIC PUBLISHING LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' 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 the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

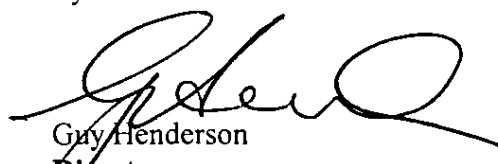
So far as the directors are aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and the directors have taken the steps that they ought to have taken as the directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ANNUAL GENERAL MEETING

The company has passed a resolution electing to dispense with the obligation to lay accounts and reports before the company in a general meeting.

The company has passed a resolution electing to dispense with the obligation to hold annual general meetings.

By order of the board



Guy Henderson
Director
5th October 2010

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FAMOUS MUSIC PUBLISHING LIMITED

We have audited the financial statements of Famous Music Publishing for the year ended 31 March 2010 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its profit and cash flows for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



James French
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
St Albans
5 October 2010

FAMOUS MUSIC PUBLISHING LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2010

	Notes	Year ended 31 March 2010 £'000	Year ended 31 March 2009 £'000
TURNOVER	2	4,466	4,160
Cost of sales		(3,733)	(3,325)
GROSS PROFIT		733	835
Administrative expenses		(325)	(191)
OPERATING PROFIT	3	408	644
Interest receivable and similar income	6	6	39
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		414	683
Tax on profit on ordinary activities	7	(117)	(192)
PROFIT FOR THE FINANCIAL YEAR		297	491

All amounts relate to continuing operations

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents

There were no recognised gains or losses other than those included in the profit and loss account and accordingly no separate statement of recognised gains and losses has been presented

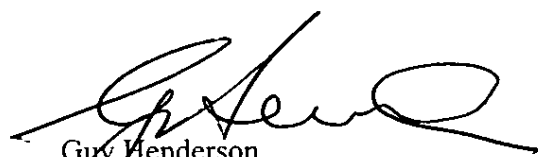
Notes forming part of these financial statements are on pages 8 to 14

FAMOUS MUSIC PUBLISHING LIMITED

BALANCE SHEET AS AT 31 MARCH 2010

	Notes	2010 £'000	2009 £ 000
FIXED ASSETS			
Tangible assets	8	2	3
TOTAL FIXED ASSETS		2	3
CURRENT ASSETS			
Debtors	9	2,313	2,167
Cash at bank and in hand		85	294
TOTAL CURRENT ASSETS		2,398	2,461
CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	10	(1,996)	(2,357)
NET CURRENT ASSETS		402	104
NET ASSETS		404	107
SHARE CAPITAL AND RESERVES			
Called up share capital	11	-	-
Profit and loss account		404	107
SHAREHOLDERS' FUNDS	12	404	107

The financial statements on pages 5 to 14 were approved by the board of directors on 5th October 2010 and signed on its behalf by


 Guy Henderson
 Director

Registered number 2778358

FAMOUS MUSIC PUBLISHING LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2010

	Notes	Year ended 31 March 2010 £'000	Year ended 31 March 2009 £ 000
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	13	(97)	(48)
RETURNS ON INVESTMENT AND SERVICING OF FINANCE			
Interest received		6	39
		6	39
TAXATION			
Tax paid		(118)	(114)
NET CASH OUTFLOW	14	(209)	(123)

FAMOUS MUSIC PUBLISHING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

1 STATEMENT OF ACCOUNTING POLICIES

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards. A summary of the more important policies, which have been applied consistently, is set out below.

a) Turnover

Turnover represents copyright royalties receivable excluding value added tax. It is recognised at the point at which it can be accurately determined which is usually on receiving cash from the collecting societies or third party agents and licensees. Advances against future revenues are treated as deferred revenue and recognised as revenue when earned.

b) Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

In relation to deferred taxation, under FRS 19, full provision is made for timing differences and deferred taxation. Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future, or a right to apply less tax in the future, have occurred at the balance sheet date.

When a deferred tax asset is regarded as recoverable, it is recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rate that is expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets and liabilities recognised have not been discounted.

c) Writers' advances

The company pays advances to its writers which are recoverable from their future royalty earnings. If the advance is for a new unproven writer with no track record it is expensed at the time the payment is made. All other advance payments are capitalised and reviewed on a regular basis as to their recoverability.

FAMOUS MUSIC PUBLISHING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010 (continued)

d) Related party transactions

The company has taken advantage of exemptions under FRS 8 "Related party disclosures" not to disclose transactions and balances with other group companies that are eliminated on consolidation

e) Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

2 TURNOVER

Turnover principally comprises revenue arising from music publishing services provided and royalties received. Turnover is predominately derived in the United Kingdom

3 OPERATING PROFIT

Operating profit is stated after charging

	Year ended 31 March 2010 £'000	Year ended 31 March 2009 £'000
Auditors' remuneration	4	4

4 DIRECTORS' EMOLUMENTS

During the year none of the directors received any remuneration in respect of their services to the company as directors (2009 £nil)

5 EMPLOYEE INFORMATION

(a) The average monthly number of persons, including directors, employed by the company during the year was three (2009 two)

(b) Employment costs – all employees including executive directors

	Year ended 31 March 2010 £'000	Year ended 31 March 2009 £'000
Wages and salaries	132	87
Social security costs	15	9
	147	96

FAMOUS MUSIC PUBLISHING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010 (continued)

6 INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 31 March 2010 £'000	Year ended 31 March 2009 £ 000
Interest received / receivable from third parties	6	39

7 TAX ON PROFIT ON ORDINARY ACTIVITIES

	Year ended 31 March 2010 £'000	Year ended 31 March 2009 £ 000
United Kingdom corporation tax at 28% (2009 – 28%)	117	192
Total tax charge	117	192

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 28% (2009 – 28%) The differences are explained below

	Year ended 31 March 2010 £'000	Year ended 31 March 2009 £'000
Profit on ordinary activities before tax	414	683
Profit on ordinary activities before tax multiplied by standard rate of corporation tax in the UK of 28% (2009 – 28%)	116	191
Effects of Expenses not deductible for tax purposes	1	1
Current tax charge for the year	117	192

FAMOUS MUSIC PUBLISHING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010 (continued)

8 TANGIBLE ASSETS

	£'000
Cost	
At 1 April 2009	3
At 31 March 2010	3
Accumulated depreciation	
At 1 April 2009	-
Charge for year	1
At 31 March 2010	1
Net book amount	
At 31 March 2010	2
At 1 April 2009	3

9 DEBTORS

	2010 £'000	2009 £ 000
Capitalised advances	1,181	326
Short-term deposits with related parties	970	1,700
Trade debtors	21	47
Value added tax receivable	141	94
	2,313	2 167

Capitalised advances include certain amounts that, due to their nature, may not be recouped within a year

Short-term deposits with related parties represent overnight deposits with Sony Global Treasury Services, which are swept back to the accounts of the company as/when needed for cash management purposes

Certain prior-year amounts in the table above have been reclassified for consistency with current-year presentation

FAMOUS MUSIC PUBLISHING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010 (continued)

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £'000	2009 £ 000
Amounts due to related parties	484	976
Value added tax payable	52	46
Corporation tax	31	31
Accrued royalties and other creditors	1,429	1 304
	1,996	2,357

Amounts owed by related parties are unsecured, have no fixed date of repayment and are interest free in general

11 CALLED UP SHARE CAPITAL

	2010 £'000	2009 £'000
Authorised 100 ordinary shares of £1 each	-	-
Allotted, issued and fully paid 100 ordinary shares of £1 each	-	-

12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Year ended 31 March 2010 £'000	Year ended 31 March 2009 £'000
Profit for the year	297	491
Opening shareholders funds/(deficit)	107	(384)
Closing shareholders funds	404	107

FAMOUS MUSIC PUBLISHING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010 (continued)

13 RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW) / INFLOW FROM OPERATING ACTIVITIES

	Year ended 31 March 2010 £'000	Year ended 31 March 2009 £'000
Operating profit	408	644
Increase in debtors	(146)	(1,812)
(Decrease)/increase in creditors	(359)	1 120
Net cash outflow from operating activities	(97)	(48)

14 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	Year ended 31 March 2010 £'000	Year ended 31 March 2009 £'000
Net cash outflow	(209)	(123)
Opening net funds	294	417
Closing net funds (note 15)	85	294

15 ANALYSIS OF MOVEMENTS IN NET FUNDS

	At 1 April 2009 £'000	Cash flows £'000	At 31 March 2010 £'000
Cash at bank and in hand	294	(209)	85
Net funds	294	(209)	85

FAMOUS MUSIC PUBLISHING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010 (continued)

16 FINANCIAL COMMITMENTS AND CONTINGENCIES

At 31 March 2010 the company had annual commitments and contingencies related to future artist advances expiring as follows

	2010 £'000	2009 £ 000
Within one year	775	150

17 ULTIMATE PARENT UNDERTAKINGS AND CONTROLLING PARTY

The immediate parent entity is Sony/ATV Music Publishing LLC, a Delaware (United States) limited liability company

Sony/ATV Music Publishing LLC is a joint venture, 50% of which is owned by trusts formed by Michael Jackson (now within his Estate), 40% of which is owned by Sony Music Holdings Inc (a Delaware corporation) through its wholly-owned subsidiaries, and 10% of which is owned by SMEJ (USA) Inc (a Delaware corporation) There is no ultimate controlling party