

Sony Music Entertainment UK Holdings Limited

Directors' report and financial statements

Registered number 3185450

31 March 2016

THURSDAY



L5MCELR5

LD9

22/12/2016

#53

COMPANIES HOUSE

Contents	Pages
Directors' report	1-2
Independent auditors' report to the members of Sony Music Entertainment UK Holdings Limited	3-4
Statement of comprehensive income	5
Balance sheet	6
Statement of changes in equity	7
Notes to the financial statements	8-16

Directors' report

The directors present their report and the audited financial statements of the company for the year ended 31 March 2016.

Principal activities

The principal activity of the company is that of an investment holding company.

Future developments

The business is not expected to change significantly in the foreseeable future.

Results and dividends

The company made a loss for the financial year of £5,622,529 (2015: £5,807,546). The directors do not recommend the payment of a dividend (2015: *£nil*).

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

William Rowe
Julie Swidler
Bert Schorer

None of the directors held an interest in the shares of the company or any other group undertaking at 31 March 2016 (2015: *none*).

Company Secretary

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

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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102)."

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 United Kingdom Accounting Standards have been followed including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Directors' report (continued)

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.

Post balance sheet events

On 20 July 2016, the directors undertook a capital restructure of the company and its subsidiary Sony Music Entertainment International Limited in order to convert existing share premium into distributable reserves. On 22 July 2016, dividends of £30.2m were received from Sony Music Entertainment International Limited and subsequently dividends of £30.2m were paid to the company's immediate parent, SBME Holdings BV.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that:

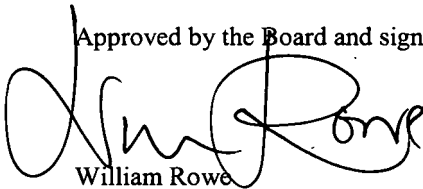
- so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Approved by the Board and signed on its behalf on 19 December 2016 by



William Rowe
Director

Independent auditors' report to the members of Sony Music Entertainment UK Holdings Limited

Report on the financial statements

Our opinion

In our opinion, Sony Music Entertainment UK Holdings Limited's financial statements ("the financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its loss 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.

What we have audited

The financial statements, included within the Directors' report and financial statements (the "Annual Report"), comprise:

- the Balance sheet as at 31 March 2016;
- the Statement of comprehensive income for the year then ended;
- the Statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Independent auditors' report to the members of Sony Music Entertainment UK Holdings Limited (continued)

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 1, 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & 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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Matthew Mullins (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
St Albans

20 December 2016

Statement of comprehensive income
for the year ended 31 March 2016

	<i>Note</i>	Year ended 31 March 2016 £	Year ended 31 March 2015 £
Interest payable and similar charges	7	(6,057,301)	(6,378,680)
Operating loss		(6,057,301)	(6,378,680)
Other non-operating income	5	238,875	-
Other non-operating expense	5	(1,209,735)	(969,685)
Loss on ordinary activities before taxation		(7,028,161)	(7,348,365)
Tax credit on loss on ordinary activities	8	1,405,632	1,540,819
Total comprehensive loss for the financial year		(5,622,529)	(5,807,546)

The notes on pages 8 to 16 form part of these financial statements.

Balance sheet

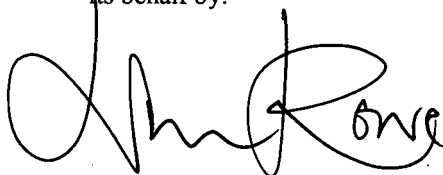
as at 31 March 2016

Registered number: 3185450

	Note	31 March 2016 £	31 March 2015 £
Fixed assets			
Investments	9	581,581,083	581,581,083
Current assets			
Debtors	10	5,405,780	6,526,365
Creditors: amounts falling due within one year	11	(520,178,594)	(215,676,650)
Net current liabilities		(514,772,814)	(209,150,285)
Total assets less current liabilities		66,808,269	372,430,798
Creditors: amounts falling due after more than one year	11	-	(300,000,000)
Net assets		66,808,269	72,430,798
Capital and reserves			
Called up share capital	12	23,789,137	23,789,137
Share premium account		132,382,735	132,382,735
Accumulated losses		(89,363,603)	(83,741,074)
Total equity		66,808,269	72,430,798

The notes on pages 8 to 16 form part of these financial statements.

The financial statements on pages 5 to 16 were approved by the Board of Directors on 19 December 2016 and signed on its behalf by:



William Rowe
Director

Statement of changes in equity
 for the year ended 31 March 2016

	Called up share capital	Share premium account	Accumulated losses	Total equity
	£	£	£	£
Balance as at 1 April 2014	23,789,137	132,382,735	(77,933,528)	78,238,344
Total comprehensive loss for the year	-	-	(5,807,546)	(5,807,546)
Balance as at 31 March 2015	23,789,137	132,382,735	(83,741,074)	72,430,798
Balance as at 1 April 2015	23,789,137	132,382,735	(83,741,074)	72,430,798
Total comprehensive loss for the year	-	-	(5,622,529)	(5,622,529)
Balance as at 31 March 2016	23,789,137	132,382,735	(89,363,603)	66,808,269

The notes on pages 8 to 16 form part of these financial statements.

Notes to the financial statements

(forming part of the financial statements)

1 General Information

Sony Music Entertainment UK Holdings Limited ('the company') has the principal activity of that of an investment holding company. These investments are companies domiciled both in the United Kingdom and globally.

The company is a private company limited by shares and is incorporated in England. The address of its registered office is 9 Derry Street, London, W8 5HY.

2 Statement of compliance

The individual financial statements of Sony Music Entertainment UK Holdings Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS 102 in these financial statements. Details of the transition to FRS 102 are disclosed in note 15.

Basis of preparation

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with Companies Act 2006.

The preparation of financial statements in conformity with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

Going concern

The company financial statements are prepared on a going concern basis. The company has net current liabilities of £514,772,814 (2015: £209,150,285). Current liabilities relate to amounts due to group undertakings in relation to which the directors are satisfied that these will not be repayable within the next twelve months. Accordingly, the financial statements have been prepared on a going concern basis.

Financial reporting standard 102 – reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- The requirements of Section 4 Statement of Financial Positions paragraph 4.12(a)(iv);
- The requirements of Section 7 Statement of Cash Flows;
- The requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- The requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Sony Corporation as at 31 March 2016 and these financial statements may be obtained from 7-1, Konan 1-chome, Minato-ku, Tokyo, 108-0075.

Notes to the financial statements (*continued*)

3 Summary of significant accounting policies (*continued*)

Foreign currencies

(i) Functional and presentational currency

The company's functional and presentation currency is the Pound Sterling.

(ii) Transactions and balances

Normal 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 statement of comprehensive income.

Taxation

The taxation credit for the period comprises current tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current tax is the amount of income tax receivable in respect of the taxable loss for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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.

Investments

Investments are stated at cost less provision for any impairment. The company is included in the consolidated financial statements of Sony Corporation, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 401 of the Companies Act 2006.

Financial instruments

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Notes to the financial statements (*continued*)

3 Summary of significant accounting policies (*continued*)

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

4 Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Due to the straightforward nature of the company, the director has concluded that there are no material judgements or estimations to disclose.

5 Operating loss

Operating loss stated after (crediting)/charging:

	Year ended 31 March 2016 £	Year ended 31 March 2015 £
Exchange (gains)/losses	(238,875)	63,217
Audit fees payable to the company's auditor	2,000	2,000
Stewardship fee	1,207,735	904,468
	<hr/> <hr/>	<hr/> <hr/>

6 Employees and 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 financial statements of the company's subsidiary undertakings, Sony Music Entertainment UK Limited and Sony Music Entertainment International Limited.

UK retirement benefits are accruing to 3 directors (2015: 3) under a money purchase pension scheme, and are charged in the financial statements of Sony Music Entertainment UK Limited and Sony Music Entertainment International Limited.

There were no persons employed by the company during the year (2015: nil) and consequently no staff costs (2015: £nil).

7 Interest payable and similar charges

	Year ended 31 March 2016 £	Year ended 31 March 2015 £
Interest payable to group companies	6,057,301	6,378,680
	<hr/> <hr/>	<hr/> <hr/>

The loan from the company's immediate parent company, SBME Holdings BV, carried an interest rate of 2.14% from 1 April 2015 to 30 June 2015 and then subsequently 1.76% from 1 July 2015 onwards; see note 11. With effect from 1 April 2014 intercompany balances between 100% members of the Sony Music Entertainment UK group were interest free.

Notes to the financial statements (*continued*)

8 Tax on loss on ordinary activities

(a) *Tax credit included in profit or loss:*

	Year ended 31 March 2016 £	Year ended 31 March 2015 £
<i>Current tax:</i>		
<i>United Kingdom</i>		
Corporation tax at 20% (2015: 21%)	1,405,632	1,543,157
Adjustments in respect of prior years	-	(2,338)
Total current tax credit for the year	1,405,632	1,540,819

(b) *Reconciliation of tax credit:*

The tax assessed for the year is equal to (2015: *higher than*) the standard rate of corporation tax in the UK of 20% (2015: 21%) applied to the profit on ordinary activities of the company. The differences are explained below:

	Year ended 31 March 2016 £	Year ended 31 March 2015 £
Loss on ordinary activities before taxation	7,028,161	7,348,365
Loss on ordinary activities multiplied by standard effective rate of corporation tax in the UK of 20% (2015: 21%)	1,405,632	1,543,157
<i>Effects of:</i>		
Adjustments in respect of prior years	-	(2,338)
Total tax credit	1,405,632	1,540,819

(c) *Tax rate changes:*

The Finance Act 2015 which was substantively enacted on 26 October 2015 included legislation to reduce the main rate of corporation tax to 19% from 1 April 2017 and to 18% from 1 April 2020.

The March 2016 Budget Statement announced a further change to the UK Corporation tax rate which will now reduce the main rate of corporation tax to 17% from 1 April 2020. As the change has not been substantively enacted at the balance sheet date its effects are not included in these financial statements.

The company has trading losses and non trading loan relationship deficits carried forward of £1,695,778 (2015: £1,695,778). No deferred tax asset has been recognised in respect of these deficits as at 31 March 2016 (2015: *£nil*), as there is currently not enough evidence that sufficient profits will be generated in the future years to relieve them.

Relief for these losses/deficits will only be obtained if there are suitable profits in future years. The corresponding potential deferred tax asset unrecognised as at 31 March 2016 is £305,240 (2015: £339,156).

Notes to the financial statements (continued)

9 Investments

	Shares in Subsidiary undertakings £
Cost	
At 1 April 2015 and at 31 March 2016	581,581,083
Net book value	
At 31 March 2016	581,581,083
At 31 March 2015	581,581,083

The directors believe that the carrying value of the investments is supported by their underlying businesses and assets.

The company has the following related undertakings, all of which are incorporated in Great Britain and wholly owned except where otherwise indicated. All companies are unlisted.

Name of company	Country of incorporation	Class and percentage shares held
Direct Related Undertakings		
Sony Music Entertainment UK Limited	U.K.	100% ordinary share capital
Sony Music Entertainment International UK Limited	U.K.	100% ordinary share capital
Direct Related Undertakings - Sony Music Entertainment UK Limited		
4 Tunes Music Publishing Limited	U.K.	100% ordinary share capital
Blue Sky Music Limited	U.K.	100% ordinary share capital
Century Media Records Limited	U.K.	100% ordinary share capital
Charriet Music Limited	U.K.	100% ordinary share capital
Cheeky Records Limited	U.K.	100% ordinary share capital
Conifer Records Limited	U.K.	100% ordinary share capital
Creation Records Limited	U.K.	100% ordinary share capital
Deconstruction Limited	U.K.	100% ordinary share capital
Dedicated Limited	U.K.	100% ordinary share capital
Essential Music & Marketing Limited	U.K.	100% ordinary share capital
Global Television Limited	U.K.	100% ordinary share capital
Hansa Production Limited	U.K.	100% ordinary share capital
Indolent Records Limited	U.K.	100% ordinary share capital
Logic Records (UK) Limited	U.K.	100% ordinary share capital
Multitone Records Limited	U.K.	100% ordinary share capital
My Play Direct International Limited	U.K.	100% ordinary share capital
Phonogenic Limited	U.K.	100% ordinary share capital
Salli Isaak Limited	U.K.	100% ordinary share capital
Siro Live Limited	U.K.	100% ordinary share capital
Sony Music Entertainment Eurodisc Limited	U.K.	100% ordinary share capital
Sony Music Entertainment Ireland Limited	Ireland	100% ordinary share capital
Sony Music Interactive Video Limited	U.K.	100% ordinary share capital
UFA Video & Media (UK) Limited	U.K.	100% ordinary share capital
Vogelcourt Limited	U.K.	100% ordinary share capital
Zomba Records Limited	U.K.	100% ordinary share capital

Notes to the financial statements (continued)

9 Investments (continued)

Direct Joint Ventures

Syco Entertainment Limited (50%)	U.K.	100% A class share capital
Syco Holdings Limited (50%)	U.K.	50% A class share capital 100% B class share capital 100% D class share capital
Sign of The Times Records Limited (51%)	U.K.	51% ordinary share capital

Joint Arrangements

Now That's What I Call Music LLP (50%)	U.K.	50% membership interest
--	------	-------------------------

Associated Undertakings

Black Butter Limited (49%)	U.K.	100% B class share capital
Lissie & Co Limited (25%)	U.K.	25% ordinary share capital

Indirect Related Undertakings - Sony Music Entertainment UK Limited

(a) Sony Music Entertainment Eurodisc Limited (100%) subsidiaries

Ariola Music Limited	U.K.	100% ordinary share capital
Sony Music Entertainment Ariola Records Limited	U.K.	100% ordinary share capital
Sony Music Entertainment Arista Records Limited	U.K.	100% ordinary share capital

(b) Zomba Records Limited (100%) subsidiaries

Coombe Music International Limited	U.K.	100% ordinary share capital
Micrometro Limited	U.K.	100% ordinary share capital
Music For Nations Limited	U.K.	100% ordinary share capital
Silvertone Records Limited	U.K.	100% ordinary share capital
Zomba Recording Services Limited	U.K.	100% ordinary share capital

(c) Century Media Records Limited (100%) subsidiaries

Century Media Records GmbH	Germany	100% ordinary share capital
----------------------------	---------	-----------------------------

(d) Syco Entertainment Limited (50%) subsidiaries

Crystal Entertainment Limited (50%)	U.K.	100% ordinary share capital
Maidmetal Limited (50%)	U.K.	100% A class share capital
Maidmetal Entertainment Limited (50%)	U.K.	100% ordinary share capital
Ronagold Limited (50%)	U.K.	100% ordinary share capital
Simco Limited (50%)	U.K.	100% A class share capital
Syco Touring Limited (50%)	U.K.	100% ordinary share capital
Syco Entertainment Inc. (50%)	USA	100% ordinary share capital

(e) Syco Holdings Limited (50%) subsidiaries

Millforth Limited (50%)	U.K.	100% A class share capital 100% B class share capital 100% C class share capital
-------------------------	------	--

Indirect Joint Ventures

Syco Entertainment Limited (50%) joint ventures

Over The Top Productions Limited (35%)	U.K.	70% ordinary share capital
Triple Strings Limited (25%)	U.K.	50% B class share capital
X F Musical Limited (21%)	U.K.	42.5% A class share capital
X F Musical West End Limited (25%)	U.K.	50% ordinary share capital
Musica Entertainment LLC	USA	50% membership interest

Notes to the financial statements (continued)

9 Investments (continued)

Direct Related Undertakings - Sony Music Entertainment International Limited

Sony Music Entertainment Austria GmbH	Austria	100% ordinary share capital
Sony Music Entertainment Belgium N.V.	Belgium	99% ordinary share capital
Sony Music Entertainment Czech Republic Sro	Czech Republic	80% ordinary share capital
Sony Music Entertainment Denmark AS	Denmark	100% ordinary share capital
Sony Music Entertainment Finland OY	Finland	100% ordinary share capital
Sony Music Entertainment Germany GmbH	Germany	100% ordinary share capital
Sony Music Entertainment Greece S.A.	Greece	99.99% ordinary share capital
Sony Music Entertainment Hungary KFT	Hungary	100% ordinary share capital
Sony Music Entertainment Italy SPA	Italy	100% ordinary share capital
Sony Music Entertainment Norway AS	Norway	100% ordinary share capital
Sony Music Entertainment Poland Sp. Z.O.O.	Poland	100% ordinary share capital
Sony Music Entertainment Portugal LDA	Portugal	100% ordinary share capital
Sony Music Entertainment Sweden AB	Sweden	100% ordinary share capital
Sony Music Entertainment Switzerland GmbH	Switzerland	100% ordinary share capital
Sony Music Entertainment Turkey AS	Turkey	99.96% ordinary share capital
Sony Music Entertainment France SAS	France	100% ordinary share capital
Sony Music Entertainment Taiwan	Taiwan	100% ordinary share capital
Sony Music Entertainment International Services GmbH	Germany	100% ordinary share capital
Sony Deutschland GmbH	Germany	100% ordinary share capital

Indirect Related Undertakings - Sony Music Entertainment International Limited

(a) Sony Music Entertainment Denmark AS (100%) subsidiaries

Disco: wax	Denmark	48% ordinary share capital
Mermaid Records ApS	Denmark	51% ordinary share capital

(b) Sony Music Entertainment Finland OY (100%) subsidiaries

A-Duuri OY (20%)	Finland	20% ordinary share capital
Auraviihde OY (100%)	Finland	100% ordinary share capital
Sonic Live OY (100%)	Finland	100% ordinary share capital
Sakara-Tuotanto Oy (39%)	Finland	39% ordinary share capital

(c) Sony Music Entertainment Germany GmbH (100%) subsidiaries

105 Music GmbH	Germany	100% ordinary share capital
B1 Recordings GmbH	Germany	51% ordinary share capital
Bucardo Kunst- und Kulturproduktionen GmbH	Germany	100% ordinary share capital
DEAG Classics AG	Germany	49% ordinary share capital
Four Music Productions GmbH	Germany	100% ordinary share capital
Gold Entertainment GmbH	Germany	50% ordinary share capital
Hansa Music Entertainment GmbH	Germany	100% ordinary share capital
MEDIA KULTUR KÖLN Projektentwicklungs- und Veranstaltungs GmbH	Germany	30% ordinary share capital
New Talents AG	Germany	100% ordinary share capital

(d) Sony Music Entertainment Italy SPA (100%) subsidiaries

Heinz Music SRL	Italy	50% ordinary share capital
-----------------	-------	----------------------------

(e) Sony Music Entertainment Norway AS (100%) subsidiaries

Feelgood Scene Film og TV AS	Norway	51% ordinary share capital
------------------------------	--------	----------------------------

(f) Sony Music Entertainment Sweden AB (100%) subsidiaries

EVA Records HB	Sweden	25% ordinary share capital
Family Tree Music AB	Sweden	51% ordinary share capital

Notes to the financial statements (continued)

9 Investments (continued)

(g) Sony Music Entertainment Switzerland GmbH (100%) subsidiaries

Phononet AG	Switzerland	33.33% ordinary share capital
-------------	-------------	-------------------------------

(h) Sony Music Entertainment Taiwan (100%) subsidiaries

Cosmo Music Co. Ltd.	Taiwan	100% ordinary share capital
----------------------	--------	-----------------------------

(i) Sony Music Entertainment France SAS (100%) subsidiaries

AVREP SA	France	98.8% ordinary share capital
Les Vergers SAS	France	100% ordinary share capital
Arachnee Productions SAS	France	100% ordinary share capital
Sa Majesté Productions SAS	France	67% ordinary share capital
Un Plan Simple SAS	France	20.13% ordinary share capital
WATI B SAS	France	30% ordinary share capital
WATI B PROD SAS	France	30% ordinary share capital
WLG SAS	France	33.33% ordinary share capital

10 Debtors

	31 March 2016 £	31 March 2015 £
Group relief debtor	5,405,780	6,526,365
	<u>5,405,780</u>	<u>6,526,365</u>

11 Creditors

	31 March 2016 £	31 March 2015 £
Amounts falling due within one year:		
Amounts owed to group undertakings	520,178,594	215,676,650
	<u>520,178,594</u>	<u>215,676,650</u>
Amounts falling due after more than one year:		
Amounts owed to group undertakings	-	300,000,000
	<u>520,178,594</u>	<u>515,676,650</u>

Within the £520,178,594 is an amount of £300,000,000 which is a loan from its parent company, SBME Holdings BV in the Netherlands. The loan is due for repayment on 31 March 2017. The interest rate changed during the year from 2.14% to 1.76% with effect from 1 July 2015.

All other amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Notes to the financial statements (continued)

12 Called up share capital

	31 March 2016 £	31 March 2015 £
<i>Allotted and fully paid:</i>		
23,789,137 (2015 : 23,789,137) ordinary shares of £1 each	23,789,137	23,789,137

13 Related party transactions

The company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the Group. The company has no other related party transactions.

14 Controlling parties

The company's immediate parent company is SBME Holdings B.V., a company incorporated in the Netherlands. The ultimate parent undertaking and controlling party is Sony Corporation, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Sony Corporation consolidated financial statements can be obtained from 7-1, Konan 1-chome, Minato-ku, Tokyo, 108-0075.

15 Post balance sheet events

On 20 July 2016, the directors undertook a capital restructure of the company and its subsidiary Sony Music Entertainment International Limited in order to convert existing share premium into distributable reserves. On 22 July 2016, dividends of £30.2m were received from Sony Music Entertainment International Limited and subsequently dividends of £30.2m were paid to the company's immediate parent, SBME Holdings BV.

16 Transition to FRS 102

This is the first year that the company has presented its results under FRS 102. The last financial statements for the year ended 31 March 2015 were prepared under UK GAAP and the date of transition to FRS 102 was 1 April 2014. The policies applied under UK GAAP are not materially different to FRS 102 and have not impacted on equity or profit or loss, therefore no year on year reconciliation between the two accounting frameworks has been provided.