

# **Sony Music Entertainment UK Holdings Limited**

**Directors' report and financial statements**

**Registered number 3185450**

**31 March 2017**

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## Directors' report

The directors present their report and the audited financial statements of the company for the year ended 31 March 2017.

### 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.

### Dividends

Dividends of £30,228,213 and £147,560,727 were declared and paid by the company to its parent company SBME Holdings B.V. on 22 July 2016 and 23 March 2017 respectively (2016: £nil).

No dividends have been paid or proposed by the Director since the balance sheet date.

### 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 (resigned 21 August 2017)

None of the directors held an interest in the shares of the company or any other group undertaking at 31 March 2017 (2016: 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 Report 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.

### **Disclosure of information to auditors**

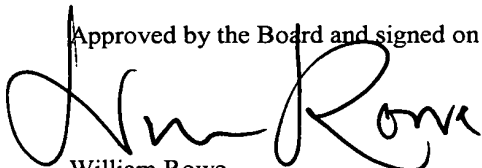
The directors who held office at the date of approval of this directors' report confirm that:

- 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.

Approved by the Board and signed on its behalf on 30 November 2017 by



William Rowe  
*Director*

## **Strategic report**

The directors present their strategic report for the year ended 31 March 2017.

### **Business review and results**

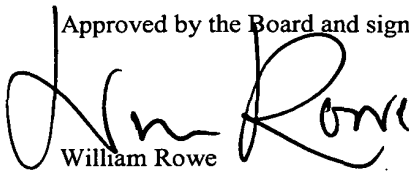
The company made a profit for the financial year of £170,892,309 (2016: loss of £5,622,529).

On 31 March 2017, the company allotted 1 ordinary share of nominal value £1 for consideration of the set-off of a loan in the total amount of £300,000,000 owing from the company to its parent company, SBME Holdings B.V.

### **Principal risks and uncertainties**

The company considers its key risks and uncertainties to be associated with the financial and operating performance of its underlying subsidiaries.

Approved by the Board and signed on its behalf on 30 November 2017 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 2017 and of its profit 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 2017;
- 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.

#### **Opinions on other matter prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' report. We have nothing to report in this respect.

#### **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.

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

### **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.

### **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 pages 1 and 2, 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. With respect to the Strategic Report and Directors' report, we consider whether those reports include the disclosures required by applicable legal requirements.



Matthew Mullins (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
St Albans  
30 November 2017

**Statement of comprehensive income**  
*for the year ended 31 March 2017*

	<i>Note</i>	<b>Year ended 31 March 2017 £</b>	<b>Year ended 31 March 2016 £</b>
Other operating expenses	5	<b>(1,000,060)</b>	(1,209,735)
<b>Operating loss</b>		<b>(1,000,060)</b>	(1,209,735)
Other non-operating (expense) / income		<b>(128,597)</b>	238,875
Interest payable and similar expenses	7	<b>(5,993,706)</b>	(6,057,301)
Income from shares in group undertakings	13	<b>177,788,940</b>	-
<b>Profit / (loss) before taxation</b>		<b>170,666,577</b>	(7,028,161)
Tax credit on profit / (loss)	8	<b>225,732</b>	1,405,632
<b>Total comprehensive profit / (loss) for the financial year</b>		<b>170,892,309</b>	(5,622,529)

In the comparative figures for the year ended 31 March 2016, interest payable and similar expenses has been reclassified as non-operating expenditure and stewardship fees of £1,209,735 has been reclassified as operating expenditure.

The notes on pages 9 to 20 form part of these financial statements.



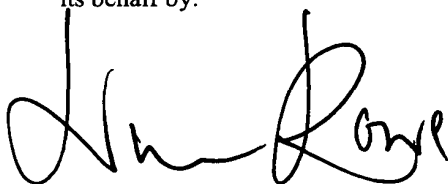
**Balance sheet**  
as at 31 March 2017

**Registered number: 3185450**

	Note	31 March 2017 £	31 March 2016 £
<b>Fixed assets</b>			
Investments	9	581,581,083	581,581,083
<b>Current assets</b>			
Debtors	10	78,529,968	5,405,780
<b>Creditors: amounts falling due within one year</b>	11	(300,199,413)	(520,178,594)
<b>Net current liabilities</b>		(221,669,445)	(514,772,814)
<b>Total assets less current liabilities</b>		359,911,638	66,808,269
<b>Creditors: amounts falling due after more than one year</b>	11	-	-
<b>Net assets</b>		359,911,638	66,808,269
<b>Capital and reserves</b>			
Called up share capital	12	23,789,138	23,789,137
Share premium account		299,999,999	132,382,735
Retained earnings/(Accumulated losses)		36,122,501	(89,363,603)
<b>Total equity</b>		359,911,638	66,808,269

The notes on pages 9 to 20 form part of these financial statements.

The financial statements on pages 6 to 20 were approved by the Board of Directors on 30 November 2017 and signed on its behalf by:



William Rowe  
Director

**Statement of changes in equity**  
*for the year ended 31 March 2017*

	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Retained earnings / (Accumulated losses)</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Balance as at 1 April 2015</b>	23,789,137	132,382,735	(83,741,074)	72,430,798
Total comprehensive loss for the financial year	-	-	(5,622,529)	(5,622,529)
<b>Balance as at 31 March 2016</b>	23,789,137	132,382,735	(89,363,603)	66,808,269
<b>Balance as at 1 April 2016</b>	23,789,137	132,382,735	(89,363,603)	66,808,269
Total comprehensive profit for the financial year	-	-	170,892,309	170,892,309
Capital reduction	-	(132,382,735)	132,382,735	-
Loan capitalisation	1	299,999,999	-	300,000,000
Dividends paid in the year	-	-	(177,788,940)	(177,788,940)
<b>Balance as at 31 March 2017</b>	<b>23,789,138</b>	<b>299,999,999</b>	<b>36,122,501</b>	<b>359,911,638</b>

On 20 July 2016, in accordance with s641 of the Companies Act 2006, the directors of the company resolved to reduce the share premium account of the company by £132,382,735 from £132,382,735 to £nil crediting the distributable reserves of the company.

On 31 March 2017, the company allotted 1 ordinary share of nominal value £1 for consideration of the set-off of a loan in the total amount of £300,000,000 owing from the company to its parent company, SBME Holdings B.V.

The notes on pages 9 to 20 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.

#### *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 nature of the business is primarily investment in Sony Music Entertainment subsidiaries across Europe. The directors are satisfied that these investments will provide sufficient income in the future and therefore have prepared the financial statements on a going concern basis. The company has net current liabilities of £221,669,445 (2016: £514,772,814).

#### *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 2017 £	Year ended 31 March 2016 £
Audit fees payable to the company's auditor	-	2,000
Stewardship fee	996,036	1,207,735
	<u>996,036</u>	<u>1,207,735</u>

The auditors' remuneration of £2,000 in the current year has been borne by Sony Music Entertainment UK Limited, direct related undertaking, and not recharged to the Company.

### 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 2 directors (2016: 2) 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 (2016: nil) and consequently no staff costs (2016: £nil).

### 7 Interest payable and similar charges

	Year ended 31 March 2017 £	Year ended 31 March 2016 £
Interest payable to group companies	5,993,706	6,057,301
	<u>5,993,706</u>	<u>6,057,301</u>

The loan from the company's immediate parent company, SBMF Holdings BV, carried an interest rate of 1.76% from 1 April 2015 to 30 June 2016 and then subsequently 1.67% from 1 July 2016 onwards; see note 11.

## Notes to the financial statements (continued)

### 8 Tax on loss

(a) Tax credit included in profit or loss:

	Year ended 31 March 2017 £	Year ended 31 March 2016 £
<i>Current tax:</i>		
<i>United Kingdom</i>		
Corporation tax at 20% (2016: 20%)	(225,732)	(1,405,632)
Adjustments in respect of prior years	-	-
<b>Tax on profit / (loss)</b>	<b>(225,732)</b>	<b>(1,405,632)</b>

(b) Reconciliation of tax credit:

The tax assessed for the year is lower than (2016: equal to) the standard rate of corporation tax in the UK of 20% (2016: 20%) applied to the profit on ordinary activities of the company. The differences are explained below:

	Year ended 31 March 2017 £	Year ended 31 March 2016 £
<b>Profit / (loss) before taxation</b>	<b>170,666,577</b>	<b>(7,028,161)</b>
Profit / (loss) multiplied by standard effective rate of corporation tax in the UK of 20% (2016: 20%)	<b>34,133,315</b>	<b>(1,405,632)</b>
<i>Effects of:</i>		
Expenses not deductible for tax purposes	<b>1,198,741</b>	-
Income not taxable for tax purposes	<b>(35,557,788)</b>	-
<b>Total tax credit</b>	<b>(225,732)</b>	<b>(1,405,632)</b>

(c) Tax rate changes:

Legislation to reduce the main rate of corporation tax from 20% to 19% from 1 April 2017 and from 19% to 17% from 1 April 2020 was included in the Finance Act 2016 which received Royal Assent on 15 September 2016.

The company has trading losses and non trading loan relationship deficits carried forward of £1,695,778 (2016: £1,695,778). No deferred tax asset has been recognised in respect of these deficits as at 31 March 2017 (2016: £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 2017 is £288,282 (2016: £305,240).

## Notes to the financial statements (*continued*)

### 9 Investments

	Shares in Subsidiary undertakings £
<i>Cost</i>	
At 1 April 2016 and at 31 March 2017	<b>581,581,083</b>
	<hr/>
<i>Net book value</i>	
At 31 March 2017	<b>581,581,083</b>
	<hr/>
At 31 March 2016	<b>581,581,083</b>
	<hr/>

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.

## Notes to the financial statements (continued)

### 9 Investments (continued)

Name of company	Country of incorporation	Class and percentage shares held	Registered office address
<b>Direct Related Undertakings</b>			
Sony Music Entertainment UK Limited	U.K.	100% ordinary share capital	9 Derry Street, London W8 5HY
Sony Music Entertainment International UK Limited	U.K.	100% ordinary share capital	9 Derry Street, London W8 5HY
<b>Direct Related Undertakings - Sony Music Entertainment UK Limited</b>			
4 Tunes Music Publishing Limited	U.K.	100% ordinary share capital	9 Derry Street, London W8 5HY
Blue Sky Music Limited	U.K.	100% ordinary share capital	9 Derry Street, London W8 5HY
Century Media Records Limited	U.K.	100% ordinary share capital	9 Derry Street, London W8 5HY
Charriet Music Limited	U.K.	100% ordinary share capital	9 Derry Street, London W8 5HY
Cheeky Records Limited	U.K.	100% ordinary share capital	9 Derry Street, London W8 5HY
Conifer Records Limited	U.K.	100% ordinary share capital	9 Derry Street, London W8 5HY
Creation Records Limited	U.K.	100% ordinary share capital	9 Derry Street, London W8 5HY
Deconstruction Limited	U.K.	100% ordinary share capital	9 Derry Street, London W8 5HY
Dedicated Limited	U.K.	100% ordinary share capital	9 Derry Street, London W8 5HY
Essential Music & Marketing Limited	U.K.	100% ordinary share capital	9 Derry Street, London W8 5HY
Global Television Limited	U.K.	100% ordinary share capital	9 Derry Street, London W8 5HY
Hansa Production Limited	U.K.	100% ordinary share capital	9 Derry Street, London W8 5HY
Indolent Records Limited	U.K.	100% ordinary share capital	9 Derry Street, London W8 5HY
Logic Records (UK) Limited	U.K.	100% ordinary share capital	9 Derry Street, London W8 5HY
Major Label Limited	U.K.	100% ordinary share capital	5a Bear Lane, Southwark, London SE1 0UH
Minsub Limited	Jersey	100% ordinary share capital	22 Grendall Street, St Helier, Jersey JE4 8PX
Multitone Records Limited	U.K.	100% ordinary share capital	9 Derry Street, London W8 5HY
My Play Direct International Limited *	U.K.	100% ordinary share capital	9 Derry Street, London W8 5HY
Phonogenic Limited	U.K.	100% ordinary share capital	9 Derry Street, London W8 5HY
Salli Isaak Limited	U.K.	100% ordinary share capital	9 Derry Street, London W8 5HY
Siro Live Limited	U.K.	100% ordinary share capital	9 Derry Street, London W8 5HY
Sony Music Entertainment Eurodisc Limited	U.K.	100% ordinary share capital	9 Derry Street, London W8 5HY
Sony Music Entertainment Ireland Limited	Ireland	100% ordinary share capital	Embassy House, Ballsbridge, Dublin 4
Sony Music Interactive Video Limited	U.K.	100% ordinary share capital	9 Derry Street, London W8 5HY
UFA Video & Media (UK) Limited	U.K.	100% ordinary share capital	9 Derry Street, London W8 5HY
Vogelcourt Limited	U.K.	100% ordinary share capital	9 Derry Street, London W8 5HY
Wildstar Records Limited	U.K.	100% ordinary share capital	9 Derry Street, London W8 5HY
Zomba Records Limited	U.K.	100% ordinary share capital	9 Derry Street, London W8 5HY



**Notes to the financial statements (continued)**

**9 Investments (continued)**

**Direct Joint Ventures**

Syco Entertainment Limited (50%)	U.K.	100% A class share capital	9 Derry Street, London W8 5HY
Syco Holdings Limited (50%)	U.K.	50% A class share capital	9 Derry Street, London W8 5HY
		100% B class share capital	
		100% D class share capital	
Promised Land Recordings Limited (49%)	U.K.	49% ordinary share capital	9 Derry Street, London W8 5HY
Sign Of The Times Records Limited (51%)	U.K.	51% ordinary share capital	9 Derry Street, London W8 5HY

**Joint Arrangements**

Now That's What I Call Music LLP (50%)	U.K.	50% membership interest	9 Derry Street, London W8 5HY
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**Associated Undertakings**

Black Butter Limited (49%)	U.K.	100% B class share capital	9 Derry Street, London W8 5HY
Lissie & Co Limited (25%)	U.K.	25% ordinary share capital	9 Derry Street, London W8 5HY

**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	9 Derry Street, London W8 5HY
Sony Music Entertainment Ariola Records Limited	U.K.	100% ordinary share capital	9 Derry Street, London W8 5HY
Sony Music Entertainment Arista Records Limited	U.K.	100% ordinary share capital	9 Derry Street, London W8 5HY

**(b) Zomba Records Limited (100%) subsidiaries**

Coombe Music International Limited	U.K.	100% ordinary share capital	9 Derry Street, London W8 5HY
Micrometro Limited	U.K.	100% ordinary share capital	9 Derry Street, London W8 5HY
Music For Nations Limited	U.K.	100% ordinary share capital	9 Derry Street, London W8 5HY
Silvertone Records Limited	U.K.	100% ordinary share capital	9 Derry Street, London W8 5HY
Zomba Recording Services Limited	U.K.	100% ordinary share capital	9 Derry Street, London W8 5HY

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

Century Media Records GmbH	Germany	100% ordinary share capital	Schaferstr. 33a 44147 Dortmund
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**(d) Syco Entertainment Limited (50%) subsidiaries**

Crystal Entertainment Limited (50%)	U.K.	100% ordinary share capital	9 Derry Street, London W8 5HY
Maidmetal Limited (50%)	U.K.	100% A class share capital	9 Derry Street, London W8 5HY
Maidmetal Entertainment Limited (50%)	U.K.	100% ordinary share capital	9 Derry Street, London W8 5HY
Ronagold Limited (50%)	U.K.	100% ordinary share capital	9 Derry Street, London W8 5HY
Simco Limited (50%)	U.K.	100% A class share capital	9 Derry Street, London W8 5HY
Syco Touring Limited (50%)	U.K.	100% ordinary share capital	9 Derry Street, London W8 5HY
Syco Entertainment Inc. (50%)	USA	100% ordinary share capital	25 Madison Avenue, New York, NY 10010

## Notes to the financial statements (continued)

### 9 Investments (continued)

#### (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	9 Derry Street, London W8 5HY
Syco Entertainment Limited (25%)	U.K.	100% A class share capital	9 Derry Street, London W8 5HY
(f) Minsub Limited (100% subsidiaries)			
Ministry of Sound Recordings Limited	U.K.	100% ordinary share capital	103 Gaunt Street, London, SE1 6DP

#### Indirect Joint Ventures

#### Syco Entertainment Limited (50%) joint ventures

Over The Top Productions Limited (35%)	U.K.	70% ordinary share capital	9 Derry Street, London W8 5HY
Triple Strings Limited (25%)	U.K.	50% B class share capital	9 Derry Street, London W8 5HY
X F Musical Limited (21%)	U.K.	42.5% A class share capital	17 Gresse Street, London W1T 1QL
X F Musical West End Limited (25%)	U.K.	50% ordinary share capital	17 Gresse Street, London W1T 1QL
Musica Entertainment LLC	USA	50% membership interest	10100 Santa Monica Blvd, Suite 500 Los Angeles, CA 90067

#### Direct Related Undertakings - Sony Music Entertainment International Limited

Sony Music Entertainment Austria GmbH	Austria	100% ordinary share capital	Mariahilfer Str. 77-79, 1060 Wien
Sony Music Entertainment Belgium N.V.	Belgium	99% ordinary share capital	Hooikaai 55, 1000 Brussels
Sony Music Entertainment Czech Republic Sro	Czech Republic	80% ordinary share capital	Palackeho 1, 110 00, Prague 1
Sony Music Entertainment Denmark AS	Denmark	100% ordinary share capital	Vognmagergade 7, 6 sal, 1120, Copenhagen K
Sony Music Entertainment Finland OY	Finland	100% ordinary share capital	Tallberginkatu 2 A, 00180 Helsinki
Sony Music Entertainment Germany GmbH	Germany	100% ordinary share capital	Balanstr. 73, Haus 31, 81541 München
Sony Music Entertainment Greece S.A.	Greece	99.99% ordinary share capital	Avenue Amarousiou-Halandriou 18-20, Marousi 15125 Athens
Sony Music Entertainment Hungary KFT	Hungary	100% ordinary share capital	Level u.4, H-1023 Budapest
Sony Music Entertainment Italy SPA	Italy	100% ordinary share capital	Via Amedei 9, 20123 Milano
Sony Music Entertainment Norway AS	Norway	100% ordinary share capital	Gjerdrumsvei 10A, 0402 Oslo
Sony Music Entertainment Poland Sp. Z.O.O.	Poland	100% ordinary share capital	Ul. Choralna 14, 02-879 Warsaw
Sony Music Entertainment Portugal LDA	Portugal	100% ordinary share capital	Av. Torre de Belem, N 19, 1º DTO. 1400-342 Lisboa
Sony Music Entertainment Sweden AB	Sweden	100% ordinary share capital	Box 3187, SE 10363 Stockholm
Sony Music Entertainment Switzerland GmbH	Switzerland	100% ordinary share capital	Letzigraben 89, CH-8003 Zurich
Sony Music Entertainment Turkey AS	Turkey	99.96% ordinary share capital	Cumhuriyet Cad Pegasus Evi No:48/2B Elmadağ 34367 Istanbul
Sony Music Entertainment France SAS	France	100% ordinary share capital	52/54, rue de Chateaudun, 75009 Paris
BMG Taiwan	Taiwan	100% ordinary share capital	6F, No. 35, Lane 11, Kwang-Fu N. Road Taipei, Taiwan 10560
Sony Music Entertainment International Services GmbH	Germany	100% ordinary share capital	Balanstr. 73, Haus 31, 81541 München

## Notes to the financial statements (continued)

### 9 Investments (continued)

#### Indirect Related Undertakings - Sony Music Entertainment International Limited

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

Disco: wax	Denmark	48% ordinary share capital	Vognmagergade 7, 6 sal, 1120, Copenhagen K
Mermaid Records ApS	Denmark	51% ordinary share capital	Vognmagergade 7, 6 sal, 1120, Copenhagen K

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

A-Duuri OY (20%)	Finland	20% ordinary share capital	Kaivokatu 14 B 2, 94100 Kemi
Auraviihde OY (100%)	Finland	100% ordinary share capital	Aurakatu 6, 20100 Turku
Sakara-Tuotanto Oy (39%)	Finland	39% ordinary share capital	PB 799, 33010 Tampere

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

105 Music GmbH	Germany	100% ordinary share capital	Balanstr. 73, Haus 31, 81541 München
B1 Recordings GmbH	Germany	51% ordinary share capital	Balanstr. 73, Haus 31, 81541 München
Bucardo Kunst- und Kulturproduktionen GmbH	Germany	100% ordinary share capital	Pleistemühlenweg 194, 48157 Münster
DEAG Classics AG	Germany	49% ordinary share capital	Potsdamer Str. 58, 10785 Berlin
Four Music Productions GmbH	Germany	100% ordinary share capital	Schlegelstr. 26 B, 10115 Berlin
Gold Entertainment GmbH	Germany	50% ordinary share capital	Potsdamer Str. 58, 10785 Berlin
Hansa Music Entertainment GmbH	Germany	100% ordinary share capital	Schlegelstr. 26 B, 10115 Berlin
MEDIA KULTUR KÖLN Projektentwicklungs- und Veranstaltungs GmbH	Germany	30% ordinary share capital	Im Mediapark 7, 50670 Köln
New Talents AG	Germany	100% ordinary share capital	Balanstr. 73, Haus 31, 81541 München

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

Heinz Music SRL	Italy	50% ordinary share capital	Rippa di Porta, Ticin 63/A-20 123 Milano
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##### (e) Sony Music Entertainment Norway AS (100%) subsidiaries

Feelgood Scene Film og TV AS	Norway	51% ordinary share capital	Gjerdrumsvei 10A, 0402 Oslo
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##### (f) Sony Music Entertainment Sweden AB (100%) subsidiaries

EVA Records HB	Sweden	25% ordinary share capital	Box 5164, 102 44 Stockholm
Family Tree Music AB	Sweden	100% ordinary share capital	Rådmansgatan 74, 113 60 Stockholm

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

Phononet AG	Switzerland	33.33% ordinary share capital	Baslerstrasse 30, CH-8048 Zurich
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##### (h) Sony Music Entertainment France SAS (100%) subsidiaries

AVREP SA	France	98.8% ordinary share capital	52/54, rue de Chateaudun, 75009 Paris
Les Vergers SAS	France	100% ordinary share capital	52/54, rue de Chateaudun, 75009 Paris
Sa Majesté Productions SAS	France	67% ordinary share capital	52/54, rue de Chateaudun, 75009 Paris
Un Plan Simple SAS	France	20.13% ordinary share capital	52/54, rue de Chateaudun, 75009 Paris
WATI B SAS	France	30% ordinary share capital	52/54, rue de Chateaudun, 75009 Paris
WLG SAS	France	33.33% ordinary share capital	173-175, rue due Faubourg Poissonnière, 75009 Paris

**Notes to the financial statements *(continued)***

**9 Investments *(continued)***

- \* My Play Direct International Limited was dissolved on 3 January 2017
- \*\* Millforth Limited was dissolved on 2 May 2017

## Notes to the financial statements (*continued*)

### 10 Debtors

	31 March 2017 £	31 March 2016 £
Amounts owed by group undertakings	75,355,448	-
Group relief debtor	3,174,520	5,405,780
	<hr/> 78,529,968	<hr/> 5,405,780

### 11 Creditors

	31 March 2017 £	31 March 2016 £
<i>Amounts falling due within one year:</i>		
Amounts owed to group undertakings	300,199,413	520,178,594
	<hr/> 300,199,413	<hr/> 520,178,594
<i>Amounts falling due after more than one year:</i>		
Amounts owed to group undertakings	-	-
	<hr/> 300,199,413	<hr/> 520,178,594

On 31 March 2017, the company allotted 1 ordinary share of nominal value £1 for consideration of the set-off of a loan in the total amount of £300,000,000 owing from the company to its parent company, SBME Holdings B.V. All amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

### 12 Called up share capital

	31 March 2017 £	31 March 2016 £
<i>Allotted and fully paid:</i>		
23,789,138 (2016 : 23,789,137) ordinary shares of £1 each	23,789,138	23,789,137

During the financial year the Company capitalised the £300,000,000 loan from its parent company, SBME Holdings B.V. with one share being allotted with a nominal value of £1.

## **Notes to the financial statements (*continued*)**

### **13 Dividends**

Dividends of £30,228,213 and £147,560,727 were declared and paid by the company to its parent company SBME Holdings B.V. on 22 July 2016 and 23 March 2017 respectively.

No dividends have been paid or proposed by the Director since the balance sheet date.

### **14 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.

### **15 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.