

Registration number: 03185450

Sony Music Entertainment UK Holdings Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2018



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Strategic Report for the Year Ended 31 March 2018

The directors present their strategic report for the year ended 31 March 2018.

Principal activity

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

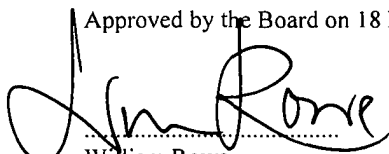
Business review and results

The company made a loss for the financial year of £1,973,000 (2017: profit of £170,892,000). The net assets of the company at 31 March 2018 were £357,939,000 (2017: £359,912,000).

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 on 18 December 2018 and signed on its behalf by:



William Rowe
Director

Directors' Report for the Year Ended 31 March 2018

The directors present their report and the audited financial statements of the company for the year ended 31 March 2018.

Future developments and prospects

The directors do not intend the activities of the business to change for the foreseeable future.

Dividends

The directors do not recommend a dividend payment be made in respect of the financial year ended 31 March 2018 (2017: £177,789,000).

Directors of the company

The directors who held office during the year and up to the date of signing the financial statements were as follows:

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 2018 (2017: none).

Company Secretary

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

Financial risk management

The company is exposed to various financial risks that arise as a normal part of its trading activities. The main such risks are considered to be foreign exchange risk, credit risk and liquidity risk.

Market risk - Foreign exchange risk

The company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Euros and US Dollars. Management monitor exchange rate movements closely and ensure adequate funds are maintained in appropriate currencies to meet known foreign currency liabilities.

Liquidity risk

Management monitors rolling forecasts of the company's cash flow requirements and maintains committed credit facilities to cover its expected needs.

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 £223,642,000 (2017: £221,669,000).

Directors' Report for the Year Ended 31 March 2018 (continued)

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare 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 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; and
- 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.

Directors' Report for the Year Ended 31 March 2018 (continued)

Disclosure of information to the auditors

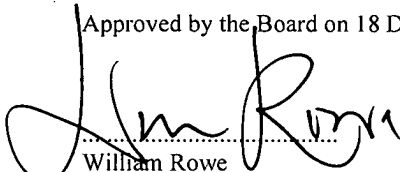
The directors who held office at the date of approval of this directors' report confirm that:

- 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.

Reappointment of 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 on 18 December 2018 and signed on its behalf by:



William Rowe
Director

Independent Auditors' Report to the Members of Sony Music Entertainment UK Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion, Sony Music Entertainment UK Holdings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 March 2018; the profit and loss account, the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Independent Auditors' Report to the Members of Sony Music Entertainment UK Holdings Limited (continued)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements. In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent Auditors' Report to the Members of Sony Music Entertainment UK Holdings Limited (continued)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

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

We have no exceptions to report arising from this responsibility.



Matthew Mullins (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP, Statutory Auditor

St Albans

18 December 2018

Profit and Loss Account for the Year Ended 31 March 2018

	Note	2018 £ 000	2017 £ 000
Other operating expenses		<u>(152)</u>	<u>(1,000)</u>
Operating loss	4	(152)	(1,000)
Income from shares in group undertakings		-	177,789
Interest payable and similar expenses	6	<u>(2,284)</u>	<u>(6,123)</u>
(Loss)/profit before taxation		(2,436)	170,666
Tax on (loss)/profit	7	<u>463</u>	<u>226</u>
(Loss)/profit for the financial year		<u><u>(1,973)</u></u>	<u><u>170,892</u></u>

The above results were derived from continuing operations.

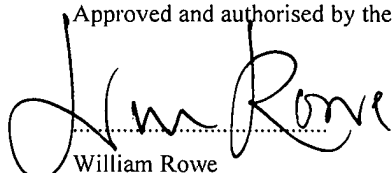
Statement of Comprehensive Income for the Year Ended 31 March 2018

	2018 £ 000	2017 £ 000
(Loss)/profit for the financial year	<u>(1,973)</u>	<u>170,892</u>
Total comprehensive (expense)/income for the financial year	<u><u>(1,973)</u></u>	<u><u>170,892</u></u>

Registration number: 03185450
Balance Sheet as at 31 March 2018

	Note	2018 £ 000	2017 £ 000
Fixed assets			
Investments	8	581,581	581,581
Current assets			
Debtors: amounts falling due within one year	9	68,604	78,530
Creditors: amounts falling due within one year	10	<u>(292,246)</u>	<u>(300,199)</u>
Net current liabilities		<u>(223,642)</u>	<u>(221,669)</u>
Net assets		<u>357,939</u>	<u>359,912</u>
Capital and reserves			
Called up share capital	11	23,789	23,789
Share premium account		300,000	300,000
Retained earnings		<u>34,150</u>	<u>36,123</u>
Total equity		<u>357,939</u>	<u>359,912</u>

Approved and authorised by the Board on 18 December 2018 and signed on its behalf by:


William Rowe
Director

Statement of Changes in Equity for the Year Ended 31 March 2018

	Called up share capital £ 000	Share premium account £ 000	Retained earnings £ 000	Total equity £ 000
At 1 April 2017	23,789	300,000	36,123	359,912
Loss for the financial year	-	-	(1,973)	(1,973)
At 31 March 2018	<u>23,789</u>	<u>300,000</u>	<u>34,150</u>	<u>357,939</u>

	Called up share capital £ 000	Share premium account £ 000	Retained earnings £ 000	Total equity £ 000
At 1 April 2016	23,789	132,383	(89,363)	66,809
Profit for the financial year	-	-	170,892	170,892
Dividends	-	-	(177,789)	(177,789)
Loan capitalisation		300,000	-	300,000
Capital reduction	-	(132,383)	132,383	-
At 31 March 2017	<u>23,789</u>	<u>300,000</u>	<u>36,123</u>	<u>359,912</u>

Notes to the Financial Statements for the Year Ended 31 March 2018

1 General information

The company is a private company limited by share capital, incorporated in England.

The address of its registered office is:

9 Derry Street
London
W8 5HY

These financial statements were authorised for issue by the Board on 18 December 2018.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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.

Statement of compliance

The individual financial statements of Sony Music Entertainment UK Holdings Limited have been prepared in accordance 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.

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 FRS 102 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.

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 2018 and these financial statements may be obtained from 7-1, Konan 1-chome, Minato-ku, Tokyo, 108-0075.

Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)

2 Accounting policies (continued)

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 £223,642,000 (2017: £ 221,669,000).

Foreign currency transactions and balances

(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.

Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)

2 Accounting policies (continued)

Taxation

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit 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.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

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.

Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)

2 Accounting policies (continued)

Financial instruments

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, 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.

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.

3 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.

The directors have concluded that there are no material judgements or estimations to disclose.

4 Operating loss

Arrived at after charging:

	2018	2017
	£ 000	£ 000
Stewardship fee	<u>152</u>	<u>996</u>

The auditors' remuneration of £2,208 (2017: £2,000) has been borne by Sony Music Entertainment UK Limited, direct related undertaking, and not recharged to the Company.

Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)

5 Employees and Directors remuneration

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 other related group companies.

UK retirement benefits are accruing to 1 director (2017: 2) under a money purchase pension scheme, and are charged in the financial statements of Sony Music Entertainment UK Limited and in 2017 Sony Music Entertainment International Limited.

There were no persons employed by the company during the year (2017: nil) and consequently no staff costs (2017: £nil).

6 Interest payable and similar expenses

	2018 £ 000	2017 £ 000
Foreign exchange losses	156	129
Interest payable on loans from group undertakings	<u>2,128</u>	<u>5,994</u>
	<u><u>2,284</u></u>	<u><u>6,123</u></u>

7 Taxation

Tax credited in the income statement:

	2018 £ 000	2017 £ 000
Current taxation		
UK corporation tax	<u>(463)</u>	<u>(226)</u>

Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)

7 Taxation (continued)

The tax assessed for the year is equal to (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 - 20%).

The differences are reconciled below:

	2018 £ 000	2017 £ 000
(Loss)/profit before tax	<u>(2,436)</u>	<u>170,666</u>
Corporation tax at standard rate	(463)	34,133
Effect of revenues exempt from taxation	-	(35,558)
Effect of expense not deductible in determining taxable profit	<u>-</u>	<u>1,199</u>
Total tax credit	<u>(463)</u>	<u>(226)</u>

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 (2017: £1,695,778). No deferred tax asset has been recognised in respect of these deficits as at 31 March 2018 (2017: £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 2018 is £288,282 (2017: £288,282).

8 Investments in subsidiaries, joint ventures and associates

	2018 £ 000	2017 £ 000
Investments in subsidiaries	<u>581,581</u>	<u>581,581</u>

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 for the Year Ended 31 March 2018 (continued)

8 Investments in subsidiaries, joint ventures and associates (continued)

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2018	2017
Subsidiary undertakings				
Sony Music Entertainment UK Limited	9 Derry Street, London W8 5HY U.K.	ordinary share capital	100%	100%
Sony Music Entertainment International UK Limited	9 Derry Street, London W8 5HY U.K.	ordinary share capital	100%	100%
Direct Related Undertakings - Sony Music Entertainment UK Limited				
4 Tunes Music Publishing Limited	9 Derry Street, London W8 5HY, UK	ordinary share capital	100%	100%
Blue Sky Music Limited	9 Derry Street, London W8 5HY, UK	ordinary share capital	100%	100%
Century Media Records Limited	9 Derry Street, London W8 5HY, UK	ordinary share capital	100%	100%
Charriet Music Limited	9 Derry Street, London W8 5HY, UK	ordinary share capital	100%	100%
Cheeky Records Limited	9 Derry Street, London W8 5HY, UK	ordinary share capital	100%	100%
Conifer Records Limited	9 Derry Street, London W8 5HY, UK	ordinary share capital	100%	100%
Creation Records Limited	9 Derry Street, London W8 5HY, UK	ordinary share capital	100%	100%
Deconstruction Limited	9 Derry Street, London W8 5HY, UK	ordinary share capital	100%	100%
Dedicated Limited	9 Derry Street, London W8 5HY , UK	ordinary share capital	100%	100%

Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)

8 Investments in subsidiaries, joint ventures and associates (continued)

Essential Music & Marketing Limited	9 Derry Street, London W8 5HY , UK	ordinary share capital	100%	100%
Global Television Limited	9 Derry Street, London W8 5HY , UK	ordinary share capital	100%	100%
Hansa Production Limited	9 Derry Street, London W8 5HY , UK	ordinary share capital	100%	100%
Indolent Records Limited	9 Derry Street, London W8 5HY , UK	ordinary share capital	100%	100%
Logic Records (UK) Limited	9 Derry Street, London W8 5HY , UK	ordinary share capital	100%	100%
Major Label Limited	5a Bear Lane, Southwark, London SE1 0UH, UK	ordinary share capital	100%	100%
Minsub Limited	22 Grendall Street, St Helier, Jersey JE4 8PX, Jersey	ordinary share capital	100%	100%
Multitone Records Limited	9 Derry Street, London W8 5HY , UK	ordinary share capital	100%	100%
Phonogenic Limited	9 Derry Street, London W8 5HY , UK	ordinary share capital	100%	100%
Salli Isaak Limited	9 Derry Street, London W8 5HY , UK	ordinary share capital	100%	100%
Siro Live Limited	9 Derry Street, London W8 5HY , UK	ordinary share capital	100%	100%
Sony Music Entertainment Eurodisc Limited	9 Derry Street, London W8 5HY , UK	ordinary share capital	100%	100%
Sony Music Entertainment Ireland Limited	Embassy House, Ballsbridge, Dublin 4, Ireland	ordinary share capital	100%	100%
Sony Music Interactive Video Limited	9 Derry Street, London W8 5HY , UK	ordinary share capital	100%	100%
UFA Video & Media (UK) Limited	9 Derry Street, London W8 5HY , UK	ordinary share capital	100%	100%
Vogelcourt Limited	9 Derry Street, London W8 5HY , UK	ordinary share capital	100%	100%
Wildstar Records Limited	9 Derry Street, London W8 5HY , UK	ordinary share capital	100%	100%

Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)

8 Investments in subsidiaries, joint ventures and associates (continued)

Zomba Records Limited	9 Derry Street, London W8 5HY, UK	ordinary share capital	100%	100%
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Direct Joint Ventures

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

Joint Arrangements

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

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

Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)

8 Investments in subsidiaries, joint ventures and associates (continued)

Indirect Related Undertakings - Sony Music Entertainment UK Limited

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

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

(b) Zomba Records Limited (100%) subsidiaries

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

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

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

Crystal Entertainment Limited (50%)	9 Derry Street, London W8 5HY, UK	ordinary share capital	100%	100%
Maidmetal Limited (50%)	9 Derry Street, London W8 5HY, UK	A class share capital	100%	100%
Maidmetal Entertainment Limited (50%)	9 Derry Street, London W8 5HY, UK	ordinary share capital	100%	100%

Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)

8 Investments in subsidiaries, joint ventures and associates (continued)

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

(e) Syco Holdings Limited (50%) subsidiaries

Syco Entertainment Limited (25%)	9 Derry Street, London W8 5HY, UK	A class share capital	100%	100%
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(f) Minsub Limited (100% subsidiaries)

Ministry of Sound Recordings Limited	103 Gaunt Street, London, SE1 6DP, UK	ordinary share capital	100%	100%
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Indirect Joint Ventures

Syco Entertainment Limited (50%) joint ventures

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

Direct Related Undertakings - Sony Music Entertainment International Limited

Sony Music Entertainment Austria GmbH	Mariahilfer Str. 77-79, 1060 Wien, Austria	ordinary share capital	100%	100%
Sony Music Entertainment Belgium N.V	Hooikaai 55, 1000 Brussels, Belgium	ordinary share capital	99%	99%

Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)

8 Investments in subsidiaries, joint ventures and associates (continued)

Sony Music Entertainment Czech Republic Sro	Palackeho 1, 110 00, Prague 1, Czech Republic	ordinary share capital	80%	80%
Sony Music Entertainment Denmark AS	Vognmagergade 7, 6 sal, 1120, Copenhagen K, Denmark	ordinary share capital	100%	100%
Sony Music Entertainment Finland OY	Tallberginkatu 2 A, 00180 Helsinki, Finland	ordinary share capital	100%	100%
Sony Music Entertainment Germany GmbH	Balanstr. 73, Haus 31, 81541 München, Germany	ordinary share capital	0%	100%
Sony Music Entertainment Greece S.A.	Avenue Amarousiou-Halandriou 18-20, Marousi 15125 Athens, Greece	ordinary share capital	99.99%	99.99%
Sony Music Entertainment Hungary KFT	Level u.4, H-1023 Budapest, Hungary	ordinary share capital	100%	100%
Sony Music Entertainment Italy SPA	via Carlo Imbonati, 22 20158, Milano, Italy	ordinary share capital	100%	100%
Sony Music Entertainment Norway AS	Gjerdrumsvei 10A, 0402 Oslo, Norway	ordinary share capital	100%	100%
Sony Music Entertainment Poland Sp. Z.O.O.	Ul. Choralna 14, 02-879 Warsaw, Poland	ordinary share capital	100%	100%
Sony Music Entertainment Portugal LDA	Av. Torre de Belem, N 19, 1º DTO. 1400-342 Lisboa, Portugal	ordinary share capital	100%	100%
Sony Music Entertainment Sweden AB	Box 3187, SE 10363 Stockholm, Sweden	ordinary share capital	100%	100%
Sony Music Entertainment Switzerland GmbH	Letzigraben 89, CH-8003 Zurich, Switzerland	ordinary share capital	100%	100%
Sony Music Entertainment Turkey AS	Cumhuriyet Cad Pegasus Evi No:48/2B Elmadağ 34367 Istanbul, Turkey	ordinary share capital	100%	99.96%
Sony Music Entertainment France SAS	52/54, rue de Chateaudun, 75009 Paris, France	ordinary share capital	100%	100%
Sony Music Entertainment International Services GmbH	Balanstr. 73, Haus 31, 81541 München, Germany	ordinary share capital	100%	100%

Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)

8 Investments in subsidiaries, joint ventures and associates (continued)

Indirect Related Undertakings - Sony Music Entertainment International Limited

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

Disco: wax	Vognmagergade 7, 6 sal, 1120, Copenhagen K, Denmark	ordinary share capital	48%	48%
Mermaid Records ApS	Vognmagergade 7, 6 sal, 1120, Copenhagen K, Denmark	ordinary share capital	100%	100%
OneSeven Music ApS	Vognmagergade 7, 6 sal, 1120, Copenhagen K, Denmark	ordinary share capital	48%	48%

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

A-Duuri OY (20%)	Kaivokatu 14 B 2, 94100 Kemi, Finland	ordinary share capital	20%	20%
Sakara-Tuotanto OY (39%)	PB 799, 33010 Tampere, Finland	ordinary share capital	39%	39%

(c) Sony Music Entertainment International Services GmbH (100%) subsidiaries

Sony Music Entertainment Germany GmbH	Balanstr. 73, Haus 31, 81541 München, Germany	ordinary share capital	100%	0%
105 Music GmbH	Balanstr. 73, Haus 31, 81541 München, Germany	ordinary share capital	100%	100%
B1 Recordings GmbH	Balanstr. 73, Haus 31, 81541 München, Germany	ordinary share capital	51%	51%
Bucardo-Kunst und Kulturproduktionen GmbH	Pleistemühlenweg 194, 48157 Münster, Germany	ordinary share capital	100%	100%
DEAG Classics AG	Potsdamer Str. 58, 10785 Berlin, Germany	ordinary share capital	49%	49%
Four Music Productions GmbH	Schlegelstr. 26 B, 10115 Berlin, Germany	ordinary share capital	100%	100%
Hansa Music Entertainment GmbH	Schlegelstr. 26 B, 10115 Berlin, Germany	ordinary share capital	100%	100%

Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)

8 Investments in subsidiaries, joint ventures and associates (continued)

MEDIA KULTUR KÖLN Projektentwicklungs- und Veranstaltungs GmbH	Im Mediapark 7, 50670 Köln, Germany	ordinary share capital	30%	30%
New Talents AG	Balanstr. 73, Haus 31, 81541 München, Germany	ordinary share capital	100%	100%

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

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

Family Tree Music AB	Rådmansgatan 74, 113 60 Stockholm, Sweden	ordinary share capital	100%	100%
TGR Music Group AB	Erikslundsgatan 9, 126 32 Hagersten, Stockholm, Sweden	ordinary share capital	25%	25%
All Ears Music AB (Dormant company)	Box 3187, SE 10363, Stockholm, Sweden	ordinary share capital	100%	100%

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

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

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

Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)

9 Debtors

	Note	2018 £ 000	2017 £ 000
<i>Amounts falling due within one year:</i>			
Amounts owed by group undertakings		66,510	75,355
Group relief debtor	7	<u>2,094</u>	<u>3,175</u>
		<u>68,604</u>	<u>78,530</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

10 Creditors

	2018 £ 000	2017 £ 000
<i>Amounts falling due within one year:</i>		
Amounts owed to group undertakings	<u>292,246</u>	<u>300,199</u>

As at 31st March 2018 total interest bearing debt of £288,774,000 was owed to group undertakings. The associated interest paid during the financial year was £2,128,000 based on an exchange rate of between 0.7% and 0.9%.

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

11 Share capital

Allotted, called up and fully paid shares

	2018 No. 000	£ 000	2017 No. 000	£ 000
Ordinary shares of £1 each	<u>23,789</u>	<u>23,789</u>	<u>23,789</u>	<u>23,789</u>

12 Dividends

No dividends were declared or paid during the year (2017 £7.5 paid per ordinary share).

Notes to the Financial Statements for the Year Ended 31 March 2018 (continued)

13 Parent and ultimate parent undertaking

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.

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.