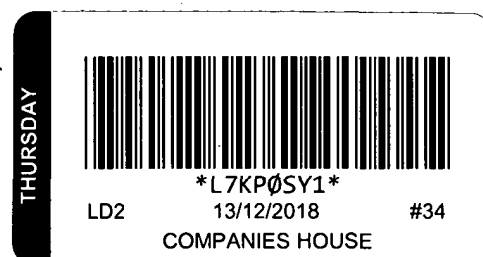


SONY/ATV MUSIC PUBLISHING (UK) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

Registered number: 03431011



SONY/ATV MUSIC PUBLISHING (UK) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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SONY/ATV MUSIC PUBLISHING (UK) LIMITED

STRATEGIC REPORT

Principal activities and business review

The principal activities of the Company continued to be that of music publishing. No material change in the activities of the business is contemplated.

During the financial year, the Company experienced a fall in turnover of 4% on prior year. The Company made a profit before taxation of £1,633k (2017: £3,358k).

The turnover of the Company is generated from usage of the songs written by the Company's composers and will vary in any given year alongside the market conditions and popularity of various genres of music. Direct costs attributed to the turnover are the writer's share of the royalties earned on their compositions.

The company employs no staff and has no separate facilities or overheads, except for those recharged for services rendered by other Sony companies and EMI Music Publishing Limited.

Key performance indicators are designed to indicate how the company had performed on key ratios, and the company uses NPS margin and operating margin as they key performance indicators which are most appropriate.

Principal risks and uncertainties

The principal risks and uncertainties facing the Company concern the value of the worldwide market for recorded music which increased by 8.1% in 2017 according to data from IFPI. As physical sales and digital downloads have declined, revenues from digital subscription services have increased and have subsidised this loss as well as fuelling the growth in the whole market. As this change from both physical sales and downloads to streaming occurs, we still remain dependent on identifying, signing and retaining talented songwriters whose new releases and song catalogues are well received and whose music will continue to generate revenues for years to come. Competition for such talent is intense and our financial results would be adversely affected if we fail to identify, sign and retain songwriters.

External bodies such as local third-party collection societies, have a significant influence on some of our revenues. Mechanical and Performance rates as well as distribution rules are usually set by performing rights societies through board approval and as such may result in the setting of rates at levels lower than we would wish and may therefore adversely affect our ability to increase profitability

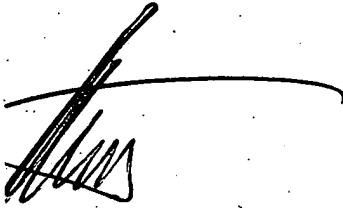
SONY/ATV MUSIC PUBLISHING (UK) LIMITED

STRATEGIC REPORT (continued)

Key performance indicators

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

On behalf of the board

A handwritten signature in black ink, appearing to read 'Guy Moot', with a long horizontal stroke extending to the right.

Guy Moot
Director

30 Golden Square
London
W1F 9LD

10th December 2018

SONY/ATV MUSIC PUBLISHING (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

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

PRINCIPAL ACTIVITIES

The principal activity of the company is music publishing.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

Business review

The results and position of the company as at and for the year ended 31 March 2018 are set out in the statement of comprehensive income and balance sheet on pages 9 and 10 respectively. The results are in line with the directors' expectations.

Future outlook

The music industry in the United Kingdom is expected to remain highly competitive in 2018/19 and 2019/20 with further declines expected in physical product sales and digital downloads. Digital streaming revenues are expected to increase and compensate for this decline in physical sales and downloads.

Strategy

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

Principal risks and uncertainties

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

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

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

Financial risk management

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

SONY/ATV MUSIC PUBLISHING (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2018 (continued)

Financial risk management (continued)

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

Credit risk

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

RESULTS AND DIVIDENDS

The results for the company show a profit on ordinary activities before taxation of £1.6 million (2017: £3.4 million) for the year and total turnover of £51.9 million (2017: £54.0 million). The company has net assets of £6.3 million (2017: £5.0 million).

The directors recommend the payment of a dividend for the year ended 31 March 2018 of £4,000 (2017: £nil) per ordinary share amounting to £4,000k (2017: £nil) and, if approved, this will be paid on 21 December 2018.

Qualifying third party indemnity provisions

At the time the report is approved and during the financial year there is a qualifying third party indemnity provision in place for the benefit of the directors under a policy taken out by Sony Corporation of America.

Charitable and political donations

There were no (2017: £nil) charitable or political donations made in the financial year.

SONY/ATV MUSIC PUBLISHING (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2018 (continued)

DIRECTORS

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

Martin Bandier
Guy Henderson
Joseph Puzio
Guy Moot

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 'The Financial Reporting Standard Applicable in the United Kingdom and Republic of Ireland' (FRS 102), and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards comprising FRS 102 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.

SONY/ATV MUSIC PUBLISHING (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2018 (continued)

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and the directors have taken all the steps that they ought to have taken as the directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ANNUAL GENERAL MEETING

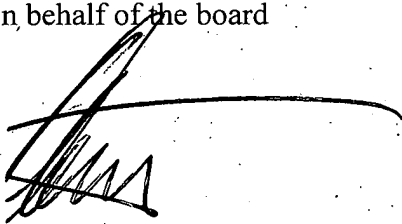
The company has passed a resolution electing to dispense with the obligation to lay financial statements and reports before the company in a general meeting.

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

INDEPENDENT AUDITORS

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

On behalf of the board

A handwritten signature in black ink, appearing to be 'Guy Moot', with a long horizontal stroke extending to the right.

Guy Moot
Director

10th December 2018

Independent auditors' report to the members of Sony/ATV Music Publishing (UK) Limited

Report on the audit of the financial statements

Opinion

In our opinion, Sony/ATV Music Publishing (UK) 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 profit 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 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.

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 5, 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.

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.

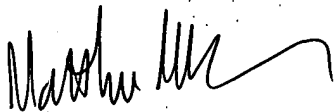
Other required reporting

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
Chartered Accountants and Statutory Auditors
Uxbridge
12 December 2018

SONY/ATV MUSIC PUBLISHING (UK) LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 £'000	2017 £'000
TURNOVER	5	51,883	54,016
Cost of Sales		(36,519)	(37,557)
GROSS PROFIT		15,364	16,459
Administrative expenses		(13,702)	(13,149)
OPERATING PROFIT	6	1,662	3,310
Interest receivable and similar income	9	5	48
Interest payable and similar expenses	10	(34)	-
PROFIT BEFORE TAXATION		1,633	3,358
Tax on profit	11	(330)	(697)
PROFIT FOR THE FINANCIAL YEAR		1,303	2,661
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		1,303	2,661

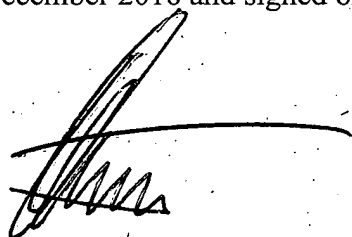
All amounts relate to continuing operations.

SONY/ATV MUSIC PUBLISHING (UK) LIMITED

BALANCE SHEET AS AT 31 MARCH 2018

	Note	2018 £'000	2017 £'000
FIXED ASSETS			
Intangible assets	12	802	906
Tangible assets	13	45	67
		847	973
CURRENT ASSETS			
Debtors	14	45,184	42,587
Cash at bank and in hand		2,061	10,041
		47,245	52,628
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	15	(41,837)	(48,649)
NET CURRENT ASSETS		5,408	3,979
TOTAL ASSETS LESS CURRENT LIABILITIES		6,255	4,952
NET ASSETS		6,255	4,952
CAPITAL AND RESERVES			
Called up share capital	16	1	1
Profit and loss account		6,254	4,951
TOTAL SHAREHOLDERS' FUNDS		6,255	4,952

The financial statements on pages 9 to 21 were approved by the board of directors on 10th December 2018 and signed on its behalf by



Guy Moot
Director

Registered number: 03431011

SONY/ATV MUSIC PUBLISHING (UK) LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

	Called up share capital £'000	Profit and loss account £'000	Total shareholders' funds £'000
Balance as at 1 April 2016	1	3,990	3,991
Profit for the financial year		2,661	2,661
Other comprehensive income for the year		-	-
Total comprehensive income for the year		2,661	2,661
Dividends		(1,700)	(1,700)
Total transactions with owners, recognised directly in equity		961	961
Balance as at 31st March 2017	1	4,951	4,952
Balance as at 1st April 2017	1	4,951	4,952
Profit for the financial year		1,303	1,303
Other comprehensive income for the year		-	-
Total comprehensive income for the year		1,303	1,303
Dividends		-	-
Total transactions with owners, recognised directly in equity		1,303	1,303
Balance as at 31 March 2018	1	6,254	6,255

SONY/ATV MUSIC PUBLISHING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 GENERAL INFORMATION

Sony/ATV Music Publishing (UK) Limited is a music publisher which owns and administers copyrights.

The company is a private company limited by shares and is incorporated in the United Kingdom. The address for the registered office is 30 Golden Square, London, W1F 9LD.

2 STATEMENT OF COMPLIANCE

The individual financial statements of Sony/ATV Music Publishing (UK) Limited have been prepared in compliance with the United Kingdom Accounting Standards, comprising 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.

a) Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention. The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process to apply the 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.

b) Going concern

The company meets its day to day working capital requirements through its bank facilities. The company's forecasts and projections show that the company should be able to operate within the level of its current reserves. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

c) Exemptions for qualifying entities under FRS 102

The company has taken advantage of the following exemption:

- (i) the requirements of Section 33 Related Party Disclosures paragraph 33.7.
- (ii) the requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d).

SONY/ATV MUSIC PUBLISHING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Turnover

Turnover represents copyright royalties receivable and music publishing administration fees excluding value added tax. Copyright royalties are recognised at the point at which the relevant copyright is exploited. Advances in respect of future revenues are treated as deferred revenue and recognised as revenue when earned.

e) Taxation

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

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable, and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

f) Intangible fixed assets – song catalogues

Song catalogues are stated at the lower of cost and net realisable value and amortised over their useful economic life, between five to forty years, on a straight line basis. The directors review the song catalogues for triggering events for impairments on a regular basis and provision is made to write down the cost of a song catalogue where the directors consider that there is an impairment in the value of those catalogues. Assets with a useful economic life of more than 20 years are subject to annual impairment reviews. Amortisation of intangible assets is included in administrative expenses.

g) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, net of accumulated depreciation and any provision for impairment. Cost includes the original purchase price of the assets and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is calculated so as to write off the cost of tangible fixed assets on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are: Fixtures and fittings - 10%.

SONY/ATV MUSIC PUBLISHING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Writers' advances

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

i) Related parties transactions

The company discloses transactions with related parties which are not wholly owned within the same group. It does not disclose transactions with members of the same group that are wholly owned.

j) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, and other short term highly liquid investments with original maturities of three months or less.

k) Financial instruments

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transactions

l) Foreign currencies

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

m) Accrued royalties

A royalty payable, based on historical information and best estimates, is accrued on any income which has not been processed through the royalty system at year end.

n) Share capital

Ordinary shares are classified as equity.

SONY/ATV MUSIC PUBLISHING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (continued)

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.

Estimates and judgements are applied to the treatment of writer advances, accrued royalties and intangible assets.

5 TURNOVER

Turnover represents copyright royalties receivable and music publishing administration fees.

A geographical analysis by origin is as follows:

	2018 £'000	2017 £'000
United Kingdom	30,951	35,295
Rest of the world	20,932	18,721
	51,883	54,016

6 OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2018 £'000	2017 £'000
Amortisation of song catalogues	104	103
Depreciation of tangible assets	22	22
Auditors' remuneration – audit of the annual financial statements	29	29
Foreign exchange gains / (losses)	(105)	(212)

7 DIRECTORS' EMOLUMENTS

During the year none (2017: none) of the directors received any remuneration from Sony ATV Music Publishing (UK) Limited in respect of their services to the company as directors. One director is remunerated by SM Publishing (UK) Limited.

8 EMPLOYEE INFORMATION

During the year the company had no employees (2017: none). Administrative duties and management functions are primarily performed by staff who are employees of SM Publishing (UK) Limited. The costs incurred for these duties are recharged to the company as incurred.

SONY/ATV MUSIC PUBLISHING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (continued)

9 INTEREST RECEIVABLE AND SIMILAR INCOME

	2018 £'000	2017 £'000
Bank interest received	5	5
Interest receivable on group borrowing	-	43
	5	48

10 INTEREST PAYABLE AND SIMILAR EXPENSES

	2018 £'000	2017 £'000
Interest payable on group borrowing	34	-
	34	-

11 TAX ON PROFIT

	2018 £'000	2017 £'000
United Kingdom corporation tax charge on profit of the year at 19% (2017: 20%)	337	701
Total tax	337	701
Origination and reversal of timing differences	(8)	(4)
Effects of changes in tax rates	1	-
Total deferred tax	(7)	(4)
Tax on profit on ordinary activities	330	697

The tax assessed for the year is higher (2017: higher) than the standard rate of corporation tax in the UK of 19% (2017: 20%) applied to the pre-tax profit of the company. The differences are explained below:

SONY/ATV MUSIC PUBLISHING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (continued)

11 TAX ON PROFIT (continued)

	2018 £'000	2017 £'000
Profit before taxation	1,633	3,358
Tax on profit on ordinary activities at standard corporation tax rate of 19% (2017: 20%)	310	672
Effects of:		
Expenses not deductible for tax purposes	19	24
Deferred tax: rate adjustment	1	1
Total tax charge for the year	330	697

12 INTANGIBLE ASSETS

	Song catalogues £'000
Cost	
At 1 April 2017	5,690
At 31 March 2018	5,690
Accumulated amortisation	
At 1 April 2017	4,784
Charge for the year	104
At 31 March 2018	4,888
Net book amount	
At 31 March 2018	802
At 31 March 2017	906

SONY/ATV MUSIC PUBLISHING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (continued)

13 TANGIBLE ASSETS

	Fixtures and fittings £'000
Cost	
At 1 April 2017	124
Additions	-
At 31 March 2018	124
Accumulated depreciation	
At 1 April 2017	57
Charge for year	22
At 31 March 2018	79
Net book amount	
At 31 March 2018	45
At 31 March 2017	67

14 DEBTORS

	2018 £'000	2017 £'000
Trade debtors	10,616	13,444
Amounts owed by group undertakings	1,049	1,619
Short term deposits with related parties	7,937	12,000
Value added tax receivable	604	672
Corporation tax	659	-
Deferred tax	15	8
Capitalised advances	24,268	14,516
Prepayments and accrued income	36	328
	45,184	42,587

Included within capitalised advances to writers and publishers are certain amounts that due to their nature may not be recouped within a year.

Short term deposits with related parties represent overnight deposits with Sony Global Treasury Services, which are swept back to the bank accounts of the company as/when needed for cash management purposes. Interest is not charged on amounts owed by group undertakings.

SONY/ATV MUSIC PUBLISHING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (continued)

15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £'000	2017 £'000
Trade creditors	5,078	6,960
Amounts owed to group undertakings	22,043	16,478
Corporation tax	-	74
Other creditors	21	195
Accruals and deferred income	14,695	24,942
	41,837	48,649

Amounts owed to group undertakings are unsecured, have no fixed date of repayment and are interest free in general.

Amounts owed to other creditors are unsecured and interest free.

16 CALLED UP SHARE CAPITAL

	2018 £'000	2017 £'000
Allotted, issued and fully paid 1,000 (2017: 1,000) ordinary shares of £1 each	1	1

There are no restrictions to the distribution of dividends and the repayment of capital.

17 DIVIDENDS PAID

	2018 £'000	2017 £'000
Final paid (2017) £1,700 per £1 share	-	1,700
Final paid (2018) £nil per £1 share	-	-
Total dividends	-	1,700

SONY/ATV MUSIC PUBLISHING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (continued)

18 FINANCIAL COMMITMENTS AND CONTINGENCIES

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

	2018	2017
	£'000	£'000
Within one year	3,892	24,325
Within two to five years	7,925	9,388
	11,817	33,713

19 RELATED PARTIES

The FRS 102 exemption for not disclosing transactions between wholly-owned members of a group has been taken and, as Sony/ATV Music Publishing (UK) Limited is a wholly owned member of Sony Corporation, no transactions between them have been disclosed.

	Transaction value		Outstanding balance	
	Income/(Expense)		Debtor/(Creditor)	
	2018	2017	2018	2017
	£'000	£'000	£'000	£'000
Sony Global Treasury Services PLC	-	-	5,212	12,000
Sony Pictures Home Entertainment Limited	-	-	(7,554)	(7,424)
EMI Music Publishing Limited	(5,092)	(1,511)	(3,307)	(4,240)

The transactions with EMI Music Publishing Limited relate to admin fee income and recharge of overheads.

Balances with related parties are unsecured.

SONY/ATV MUSIC PUBLISHING (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 (continued)

20 ULTIMATE PARENT UNDERTAKINGS AND CONTROLLING PARTY

The immediate parent entity is SM Publishing (UK) Limited

Sony Corporation is the parent undertaking of the largest and smallest groups of undertakings to consolidate these financial statements at 31 March 2018. The consolidated financial statements of Sony Corporation are available from 1-7-1 Konan Minato-ku, Tokyo, 108-0075 Japan.