

# **The Orchard, EU Limited**

## **Directors' report and financial statements**

Registered number 05103087

31 March 2018

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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 2018.

### Principal activities

The company's principal activities during the year continued to be the distribution of musical recordings.

### Future developments

The directors intend to take every opportunity to develop and enhance the business.

### Results and dividends

The company made a profit for the financial year of £137,544 (2017: £94,913). The directors do not recommend the payment of a dividend (2017: £nil).

### Directors

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

JA Mullan  
B Naven

No directors hold an interest in the shares of the company or any other group undertaking at 31 March 2018.

### Going concern

The financial statements have been prepared on a going concern basis. The directors have received notice from the immediate parent entity, Orchard Enterprises NY, Inc., that it will support the operational needs of the company in order to allow it to meet its liabilities as and when they fall due for a period of 12 months from the date of approval of the financial statements. Therefore, the directors believe that preparing the accounts on the going concern basis is appropriate due to the continued financial support of Orchard Enterprises NY, Inc.

### Statement of directors' responsibilities

The directors are responsible 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 period. Under that law the directors have prepared the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice, comprising FRS102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" 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 United Kingdom Accounting Standards, comprising 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 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.

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.

### **Statement of disclosures of information to auditors**

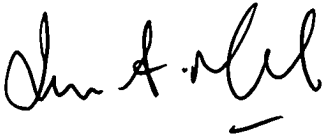
In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is 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, were appointed during the year and have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

On behalf of the Board on 18 December 2018



JA Mullan  
Director

## **Independent auditors' report to the members of The Orchard, EU Limited**

### **Report on the audit of the financial statements**

#### ***Opinion***

In our opinion, The Orchard, EU 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 Directors' report and financial statements (the "Annual Report"), which comprise: 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.

## **Independent auditors' report to the members of The Orchard, EU 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 Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

#### *Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the 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 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 pages 1 and 2, 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](http://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.

## **Independent auditors' report to the members of The Orchard, EU Limited** *(continued)*

### **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.

#### ***Entitlement to exemptions***

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. 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  
St Albans  
18 December 2018

**Statement of comprehensive income**  
*for the year ended 31 March 2018*

	<i>Note</i>	<b>Year ended 31 March 2018 £</b>	<b>Year ended 31 March 2017 £</b>
<b>Turnover</b>	<b>5</b>	<b>2,068,386</b>	<b>1,469,365</b>
Administrative expenses		(1,880,351)	(1,345,522)
<b>Operating profit</b>	<b>6</b>	<b>188,035</b>	<b>123,843</b>
<b>Profit before taxation</b>		<b>188,035</b>	<b>123,843</b>
Tax on profit	<b>9</b>	(50,491)	(28,930)
<b>Total comprehensive income for the year</b>		<b>137,544</b>	<b>94,913</b>

The notes on pages 9 to 17 form part of these financial statements.



## Balance sheet

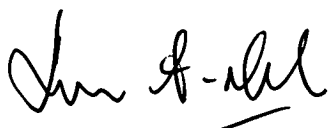
as at 31 March 2018

Registered number: 05103087

	<i>Note</i>	<b>31 March 2018 £</b>	31 March 2017 £
<b>Fixed assets</b>			
Tangible assets	<i>10</i>	<b>86,454</b>	79,533
Debtors: amounts falling due after more than one year	<i>11</i>	<b>50,659</b>	57,637
<b>Total Fixed Assets</b>		<b>137,113</b>	137,170
 Debtors	 <i>11</i>	 <b>949,959</b>	 236,035
Cash at bank and in hand		-	58,736
<b>Total Current Assets</b>		<b>949,959</b>	294,771
<b>Creditors: amounts falling due within one year</b>	<i>12</i>	<b>(1,372,797)</b>	(855,210)
<b>Net current liabilities</b>		<b>(422,838)</b>	(560,439)
<b>Net liabilities</b>		<b>(285,725)</b>	(423,269)
 <b>Capital and reserves</b>			
Called up share capital	<i>14</i>	<b>100</b>	100
Retained earnings		<b>(285,825)</b>	(423,369)
<b>Total equity</b>		<b>(285,725)</b>	(423,269)

The notes on pages 9 to 17 form part of these financial statements.

The financial statements on pages 6 to 17 were approved by the Board of Directors on 18 December 2018 and signed on its behalf by:



JA Mullan  
Director

**Statement of changes in equity**  
*for the year ended 31 March 2018*

	<b>Called up share capital £</b>	<b>Retained Earnings £</b>	<b>Total equity £</b>
<b>Balance as at 1 April 2016</b>	100	(518,282)	(518,182)
Total comprehensive income for the year	-	94,913	94,913
<b>Balance as at 31 March 2017</b>	100	(423,369)	(423,269)
<b>Balance as at 1 April 2017</b>	100	(423,369)	(423,269)
Total comprehensive income for the year	-	137,544	137,544
<b>Balance as at 31 March 2018</b>	100	(285,825)	(285,725)

The notes on pages 9 to 17 form part of these financial statements.

## Notes to the financial statements

*(forming part of the financial statements)*

### 1 General information

The Orchard, EU Limited (the 'company') has the principal activity of distribution of musical recordings.

The company is a private company limited by shares and is incorporated in England. The address of its registered office is Lower Ground Floor, 20-23 Greville Street, London, EC1N 8SS.

### 2 Statement of compliance

The individual financial statements of The Orchard, EU 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 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 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. 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 financial statements have been prepared on a going concern basis. The directors have received notice from the immediate parent entity, Orchard Enterprises NY, Inc., that it will support the operational needs of the company in order to allow it to meet its liabilities as and when they fall due for a period of 12 months from the date of approval of the financial statements. Therefore, the directors believe that preparing the accounts on the going concern basis is appropriate due to the continued financial support of Orchard Enterprises NY, Inc.

#### *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 1-7-1 Konan Minato-ku, Tokyo, 108-0075, Japan.

#### *Turnover and revenue recognition*

Turnover comprises the value of recharges of costs to a parent entity, excluding VAT. Turnover is recognised at the time of invoicing the parent entity.

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

### 3 Summary of significant accounting policies *(continued)*

#### *Foreign currencies*

##### *(i) Functional and presentation currency*

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

##### *(ii) Transactions and balances*

Normal trading 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 period end are reported at the rates of exchange prevailing at the period 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 profit and loss account.

#### *Taxation*

Taxation expense for the year comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, 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.

##### *(i) Current tax*

Current tax is the amount of income tax credit 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 (and those entities qualifying for consortium relief) 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 period.

##### *(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.

#### *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.

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

### 3 Summary of significant accounting policies *(continued)*

#### *Financial instruments (continued)*

##### *(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.

#### *Tangible assets*

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method. Depreciation is provided on the following basis:

Land and buildings	- Straight line basis over the length of the lease
Plant and machinery etc	- 20% to 50% per annum on a straight line basis

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted prospectively if appropriate, or if there is an indication of a significant change since last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amounts and are recognised in the income statement.

#### *Share capital*

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new 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 directors have concluded that there are no material judgements or estimations to disclose.

### 5 Turnover

The turnover for the year is attributable to the principal activities of the company.

A geographical analysis of turnover is shown below:

	Year ended 31 March 2018 £	Period 1 January 2016 to 31 March 2017 £
USA	2,068,386	1,469,365
	<hr/>	<hr/>

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

### 6 Operating profit

Operating profit is stated after charging/(crediting):

	Year ended 31 March 2018 £	Year ended 31 March 2017 £
Audit fees payable to the company's auditor (included in administrative expenses)	-	15,100
Depreciation – owned assets	21,505	23,080
	<u>          </u>	<u>          </u>
The audit fee of £8,000 for the current year has been met by a group company.		

### 7 Remuneration of directors

The directors received no emoluments from the company for their services to the company. They were remunerated by other group companies.

### 8 Staff numbers and costs

The monthly average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Year ended 31 March 2018	Year ended 31 March 2017
Administration	6	6
Sales	19	19
	<u>          </u>	<u>          </u>
	25	25
	<u>          </u>	<u>          </u>

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

### 8 Staff numbers and costs *(continued)*

The aggregate payroll costs of these persons were as follows:

	Year ended 31 March 2018 £	Year ended 31 March 2017 £
Wages and salaries	1,306,037	795,942
Social security costs	117,168	114,394
Other pension costs	25,585	76,135
	<u>1,448,790</u>	<u>986,471</u>

### 9 Tax on profit

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

	Year ended 31 March 2018 £	Year ended 31 March 2017 £
<i>Current tax</i>		
<i>United Kingdom</i>		
Corporation tax on profits for the year	39,165	27,296
Adjustment in respect of previous years	(4,638)	-
<b>Total current tax charge</b>	<u>34,527</u>	<u>27,296</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	(1,857)	-
Impact of change in tax rate	195	-
Adjustments in respect of prior periods	17,626	1,634
<b>Total deferred tax charge</b>	<u>15,964</u>	<u>1,634</u>
<b>Tax charge on profit</b>	<u>50,491</u>	<u>28,930</u>

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

### 9 Tax on profit *(continued)*

#### *(b) Reconciliation of tax charge:*

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

	Year ended 31 March 2018 £	Year ended 31 March 2017 £
<b>Profit before taxation</b>	<b>188,035</b>	<b>123,843</b>
	<hr/>	<hr/>
Tax on profit before taxation multiplied by standard rate of corporation tax in the UK of 19% <i>(2017: 20%)</i>	<b>35,727</b>	<b>24,769</b>
<i>Effects of:</i>		
Expenses not deductible for tax purposes	<b>1,582</b>	<b>2,527</b>
Adjustment from previous years	<b>12,987</b>	<b>1,634</b>
Tax rate changes	<b>195</b>	<b>-</b>
	<hr/>	<hr/>
<b>Total tax charge for the year</b>	<b>50,491</b>	<b>28,930</b>
	<hr/> <hr/>	<hr/> <hr/>

#### *(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.



## Notes to the financial statements (continued)

### 10 Tangible Assets

	Plant and Machinery £	Land and Buildings £	Total £
<b>Cost:</b>			
At 1 April 2017	25,265	79,065	104,330
Additions	1,916	26,510	28,425
	<hr/>	<hr/>	<hr/>
At 31 March 2018	27,181	105,575	132,755
<b>Accumulated depreciation:</b>			
At 1 April 2017	7,255	17,542	24,797
Charge	4,770	16,735	21,505
	<hr/>	<hr/>	<hr/>
At 31 March 2018	12,025	34,277	46,302
<b>Net Book Value:</b>			
At 31 March 2018	15,156	71,298	86,454
	<hr/>	<hr/>	<hr/>
At 31 March 2017	18,010	61,523	79,533
	<hr/>	<hr/>	<hr/>

### 11 Debtors

	31 March 2018 £	31 March 2017 £
<b>Amounts falling due within one year:</b>		
Amounts owed by group undertakings	833,456	-
Other debtors	100,804	211,349
Deferred tax asset	15,699	24,686
	<hr/>	<hr/>
	949,959	236,035
	<hr/>	<hr/>

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

	31 March 2018 £	31 March 2017 £
<b>Amounts falling due after one year:</b>		
Deferred tax asset	50,491	57,637
	<hr/>	<hr/>
	50,491	57,637
	<hr/>	<hr/>

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

### 12 Creditors: amounts falling due within one year

	31 March 2018 £	31 March 2017 £
Trade creditors	-	20,718
Amounts owed to group undertakings	1,089,663	801,370
Group relief creditor	34,527	-
Taxation and social security	-	22,362
Other creditors	248,607	10,760
	<u>1,372,797</u>	<u>855,210</u>

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

### 13 Deferred taxation

	31 March 2018 £	31 March 2017 £
Asset at start of year	82,323	83,957
Adjustment in respect of prior years	(17,626)	(1,634)
Deferred tax credit to income statement for the year	1,662	-
	<u>66,359</u>	<u>82,323</u>

#### Deferred tax asset at end of year

	31 March 2018 £	31 March 2017 £
Fixed asset timing differences	(1,187)	(2,848)
Losses	67,546	85,171
	<u>66,359</u>	<u>82,323</u>

#### Deferred tax assets

Recoverable within 12 months	16,886	27,534
Recoverable after 12 months	50,659	57,637
	<u>67,546</u>	<u>85,171</u>

#### Deferred tax liabilities

Payable within 12 months	1,187	2,848
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## Notes to the financial statements *(continued)*

### 14 Called up share capital

	31 March 2018 £	31 March 2017 £
<i>Allotted and fully paid</i>		
100 (2017: 100) shares of £1 each	100	100
	<u>100</u>	<u>100</u>

### 15 Related party transactions

The company has taken advantage of the exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

### 16 Controlling parties

The company's immediate parent undertaking is Orchard Enterprises NY, Inc., a company incorporated in the United States of America. The ultimate parent company and controlling party is Sony Corporation, a company incorporated in Japan. It is the parent undertaking of the smallest and largest group to consolidate these financial statements. Financial statements can be obtained from 1-7-1 Konan Minato-ku, Tokyo, 108-0075, Japan.