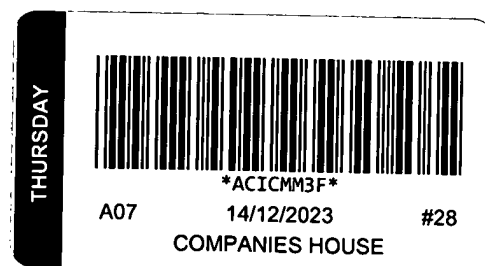


**SONY MUSIC PUBLISHING EUROPE LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**Registered number: 06583810**



## **SONY MUSIC PUBLISHING EUROPE LIMITED**

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### **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

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## **SONY MUSIC PUBLISHING EUROPE LIMITED**

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### **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 anticipated.

During the financial year, the Company experienced an increase in turnover of 22.6% compared to prior year. The Company made a profit before taxation of £12,285k (2022: profit of £9,940k). The company has net assets of £19,627k (2022: £9,526k).

The turnover of the Company is primarily generated from the Online Pan European usage (Streaming) of Anglo American repertoire/songs, licensed via an intercompany matrix agreement with SMP LLC and worldwide SMP Affiliates.

The company pays a proportion of costs recharged from other group companies in accordance with an internal cost share allocation agreement. The costs shared and borne by the company include salaries and wages, rent and overheads, which have been included in administrative expenses in the profit and loss account.

Given the continued growth of streaming revenues within existing established markets, with the addition of new digital service providers (DSP's), not to mention expansion into new, developing markets the turnover is expected to show a steady growth for the foreseeable future. Direct costs attributed to the turnover are the writer's shares of the royalties earned on their compositions.

The Company employs no staff directly as all employment contracts are held centrally and administered by Sony Music Publishing (UK) Limited. The salary and wage costs of employees involved in the day to day activities and other operating expenses are recharged by Sony Music Publishing (UK) Limited annually, which form part of the company's administration expenses.

#### **Principal risks and uncertainties**

The principal risks and uncertainties facing the Company concern the value of the European digital market for both recorded music and social media platforms which have continued to show significant growth this year. The recorded music market for streaming revenues increased by 11.9% this year, following a year-on-year growth of 20.1% in the prior year, according to data from the IFPI. We are dependent on successfully extending our licenses with existing DSPs and services as well as concluding new licenses within new entrants to the market. The continued success of these services will drive further industry growth.

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

## **SONY MUSIC PUBLISHING EUROPE LIMITED**

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### **STRATEGIC REPORT (continued)**

#### **Principal risks and uncertainties (continued)**

The key business risks and uncertainties affecting the company are considered to relate to competition from other music publishers, self-published writers and the potential loss of existing high-profile writers. Other risks include the macroeconomic climate in Europe and the impact it may have on the ad-funded market as well as the saturation of subscriber numbers in maturing markets.

To mitigate the risk of Digital Service Providers remaining unlicensed and ongoing infringement of our owned and administered copyright 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, cash flow risk and liquidity risk.

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.

#### *Cash flow risk*

The Company's cash is managed in accordance with Sony Corporation's financial risk management policies and has access to large reserves of cash through Sony Global Treasury Services PLC as and when needed for cash management purposes.

#### *Liquidity risk*

Credit checks performed on potential customers ensure that the Company's current assets are sufficiently liquid to enable it to pay its bills and fund its current liabilities. The Company has short term debtors, repayable on demand.

#### *Credit risk*

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

## SONY MUSIC PUBLISHING EUROPE LIMITED

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### STRATEGIC REPORT (continued)

#### Key performance indicators

Key performance indicators ("KPIs") are designed to indicate how the Company has performed on key ratios, and the company uses Net Publisher Share margin "NPS" (being royalty income less royalty expense) and operating margin as the key performance indicators which are most appropriate. The Directors are satisfied with the performance of the Company against these KPIs throughout the financial year.

KPI	2023 £'000s	2022 £'000s	Change %	Commentary
Profit before taxation	12,285	9,940	23.6%	Increase in value of deals, growth in DSPs and new social media entrants
Profit for the financial year	10,101	7,876	28.3%	Increase in value of deals, growth in DSPs and new social media entrants
Shareholders' funds	19,627	9,526	106.0%	Profit for the year
NPS for the financial year	16,721	16,484	1.4%	
Operating profit	10,413	9,894	5.2%	

## **SONY MUSIC PUBLISHING EUROPE LIMITED**

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### **STRATEGIC REPORT (continued)**

#### **Section 172 (1) Statement**

The Directors have a duty to promote the success of the Company which is a key consideration when determining the Company's strategy. The Directors ensure they have suitable access to information in order to allow them to make informed business decisions. The Directors consider whether they possess enough information regarding the stakeholder interests which are affected by their actions and the longer-term impact. In instances when the Directors do not have all of the information relevant to make a decision, it is important to consider the expertise of others and care is taken to assess the source, quality and quantity of all information available.

The Directors continue to promote a culture which considers the interests of all stakeholders. The Directors need to manage the Company's business relationships with suppliers, customers, collection agencies and HM Revenue and Customs ("HMRC"). This includes engaging with external stakeholders that share the Sony Music Publishing Europe Limited's dedication to conducting business in a legal, ethical, and socially responsible manner, to deliver the best possible value for the Company and mitigate the risk to the Company.

The Directors work to ensure the company maintains a high reputation for high standards of business conduct. The company has a mandatory code of conduct along with annual certifications and compliance training for all employees. Areas covered include conflict of interest certifications, anti-bribery training and IT security training.

The Company also engages with local management teams in our overseas affiliates to monitor performance of its investments in those territories.

#### **Songwriters:**

Building and maintaining strong relationships with our songwriters is at the core of our business.

The board strive to help support our songwriters in new ways wherever possible, including the following recent developments:

- Sony Music Publishing's Songwriters Forward Program – an initiative paying through qualifying earnings to many of our long-standing writers, without regard to their recoupment status.
- Continually improving our Writer Royalty Portal offer so songwriters have full transparency over their earnings from every platform and territory, in real time. New features include the ability to drawdown accrued earnings, as part of the advance 'cash out' feature.

## **SONY MUSIC PUBLISHING EUROPE LIMITED**

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### **STRATEGIC REPORT (continued)**

#### **Section 172 (1) Statement**

##### **Suppliers, customers and collection agencies:**

The company maintains high ethical and business standards in its dealings with all suppliers and customers.

The company has maintained prompt contractual payments to all suppliers, and this has been maintained during Covid-19 to ensure our suppliers received payment in a timely manner.

Where appropriate, credit terms were extended for customers during Covid-19 to assist with their trading pressures.

We build and maintain strong relationships with our collection agencies and service providers to develop mutually beneficial and lasting partnerships. Engagement with our administrative partners is primarily through a series of interactions and formal reviews and we also host regular meetings to discuss shared goals and build relationships. Key areas of focus include innovation, administrative systems development, reporting timelines and any reporting issues.

##### **Social impact:**

Given music's ability to reach, engage and unite people, the board recognises the importance of the company prioritising community outreach. This is done through various charities and initiatives, including through our Social Justice Fund.

##### **Environmental impact:**

The board is committed to reducing the impact of all its operations on the environment. Sony Group Corporation has a Global Environmental Management System in place and has set a goal of the Sony Group being carbon neutral by 2040. The directors ensure the Company plays its part in these actions and initiatives.

## SONY MUSIC PUBLISHING EUROPE LIMITED

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### STRATEGIC REPORT (continued)

#### Section 172 (1) Statement

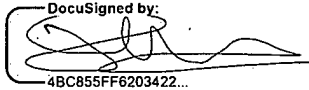
##### Employees:

The company is committed to employment policies which follow best practice, based on equal opportunities for all employees irrespective of sex, race, national origin, religion, colour, disability, sexual orientation, age or marital status.

The company provides employees with information on matters of concern to them, consulting them regularly, so that their views can be taken into account when making decisions that are likely to affect their interests.

The company encourages the involvement of employees by means of company and team meetings and internal communications.

On behalf of the board

DocuSigned by:  
  
4BC855FF6203422...

Daniel Nelson  
Director

4 Handyside Street  
London  
N1C 4DJ

Date: 5 December 2023



## **SONY MUSIC PUBLISHING EUROPE LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023**

The directors present herewith the audited financial statements of the company for year ended 31 March 2023.

#### **PRINCIPAL ACTIVITIES**

The principal activity of the company is music publishing.

### **REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS**

#### **Business review**

The company exploits a music publishing catalogue across the European Union. The company registers works and collects, and processes, due royalties to writers clients.

#### **Future outlook**

The music industry in the United Kingdom and Europe is expected to remain highly competitive in 2023/24 and 2024/25 with further declines expected in digital downloads. Digital streaming revenues are expected to increase and compensate for this decline in downloads.

#### **Going Concern**

In adopting the going concern basis for preparing these financial statements the Directors have carried out a review of the business and have assessed the forecast future performance, the Company's financial position, resources, and future cash flows that are expected to arise.

In performing this assessment, the Directors have considered the Company's business activities, together with factors likely to affect its future development and performance, principal risks and uncertainties and ongoing cash requirements of the business, including the delayed profile of when cash is received from collection societies.

They have also considered the ability and commitment of its parent company, to provide ongoing financial support to the Group if required, given the significant amounts owed to group undertakings and the overall reliance on group-wide funding facilities.

After reviewing the Company's financial forecasts and expected working capital position as well as the ability and intent of its parent to provide financial support if required the Directors are confident the

Company has sufficient access to financial resources to continue as a going concern for at least 12 months from the date of signing these financial statements. For these reasons the Directors consider that it is appropriate to continue to adopt the going concern basis of accounting in preparing the Company's financial statements.

## SONY MUSIC PUBLISHING EUROPE LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023 (continued)

#### **Streamlined Energy and Carbon Reporting (SECR) for 12 months to 31 March 2023**

The company seeks to conduct its business operations in a sustainable and environmentally friendly manner.

This section of the strategic report discloses our operational energy and carbon footprint in line with the Streamlined Energy and Carbon Reporting guidelines.

Our premises up to the year ended 31 March 2023 were powered by 100% renewable, REGO certified energy providers with zero waste sent to landfill.

The disclosures below reference the total estimated impacts arising in respect to the UK music publishing businesses, including the entity, given the nature in which these entities operate as there is no clear way of estimating the impacts of each entity on a standalone basis and therefore, we feel it is appropriate to transparently disclose the full impacts.

#### **Methodology**

To comply with SECR, the company has reported on all emissions sources required under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

During the year ended 31 March 2023, we occupied two sites during the period. The first site was occupied for 3 months until June 22 and the 2<sup>nd</sup> site was occupied thereafter. At both sites we leased only part of the total office space. Our energy usage has been allocated by the landlord by taking our share of floor space in the building, which is the main location from which the Company has operated from for most of the year. The total energy usage for the building has therefore been calculated by our landlord and then our energy usage has been allocated by taking our floor space into account. Based on our primary electricity emissions below we estimate that we produced 63,788kgCO<sub>2</sub>e (2022: 80,054kgCO<sub>2</sub>e) or 139kgCO<sub>2</sub>e (2022: 190kgCO<sub>2</sub>e) per £1m of revenue across the UK music publishing businesses.

## SONY MUSIC PUBLISHING EUROPE LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023 (continued)

#### Streamlined Energy and Carbon Reporting (SECR) (continued)

Scope 1	Natural Gas	Transport - Company Car	Refrigerants
	kWh	kWh	kWh
2022	N/A	N/A	0
2023	N/A	N/A	0

Scope 2	Electricity
	kWh
2022	377,028
2023	329,857

Scope 3	Recycling	Anaerobic Digestion	Waste to Energy	Water
	KG	KG	KG	M3
2022	1,577	3,476	1,964	N/A
2023	5,069	N/A	N/A	17.06

Water consumption data was not available for the year ended 31 March 2022. Recycling data was only available for 4 months (December 22 to March 23) of the current period.

## **SONY MUSIC PUBLISHING EUROPE LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023 (continued)**

#### **Results and dividends**

The results for the company show a profit before taxation of £12,286k (2022: profit £9,940k) for the year and total turnover of £217,710k (2022: £177,522k). The company has net assets of £19,627k (2022: £9,526k). During the year, the company paid nil (2022: £2,000k) in dividends.

#### **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 America.

#### **Charitable and political donations**

There were no (2022: £nil) charitable or political donations made in the financial year.

#### **Financial risk management**

Further details relating to the financial risk management of the Company can be found in the Strategic Report on page 2.

#### **Directors**

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

Guy Henderson  
Daniel Nelson (appointed 8<sup>th</sup> August 2023)  
Thomas Kelly  
Timothy Major  
Jonathan Platt

## **SONY MUSIC PUBLISHING EUROPE LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023 (continued)**

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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 FRS 102 "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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- 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;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

#### **DIRECTORS' CONFIRMATIONS**

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 in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

## **SONY MUSIC PUBLISHING EUROPE LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023 (continued)**

#### **ANNUAL GENERAL MEETING**


In accordance with the Companies Act 2006, 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.

In accordance with the Companies Act 2006, 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

DocuSigned by:  
  
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Daniel Nelson  
**Director**

5 December 2023

**Sony Music Publishing Europe Limited**

**Independent auditors' report to the members of Sony Music Publishing Europe Limited**

# **Independent auditors' report to the members of Sony Music Publishing Europe Limited**

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

### **Opinion**

In our opinion, Sony Music Publishing Europe Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 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, including 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 2023; the Statement of comprehensive income and 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**

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## **Sony Music Publishing Europe Limited**

### **Independent auditors' report to the members of Sony Music Publishing Europe 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 our work undertaken in the course of the audit, the Companies Act 2006 requires 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 2023 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 in respect of the financial statements, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, UK tax legislation and non-compliance with employment regulations,



## **Sony Music Publishing Europe Limited**

### **Independent auditors' report to the members of Sony Music Publishing Europe Limited (continued)**

and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inappropriate journal entries, designed to manipulate the financial performance of the company and management bias in specific significant estimates. Audit procedures performed by the engagement team included:

- Inquiry with management in respect of potential non-compliance with laws and regulations and reviewing minutes of meetings of those charged with governance
- Reviewing the financial statement disclosures and agreeing the disclosures back to supporting documentation
- Identifying and testing journal entries posted with unusual account combinations
- Challenging assumptions and judgements made by management in its significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

## **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 obtained 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.



Ruaridh Macphee (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Watford  
7 December 2023

## SONY MUSIC PUBLISHING EUROPE LIMITED

### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £'000	2022 £'000
<b>TURNOVER</b>	5	217,710	177,522
Cost of sales		(200,989)	(161,038)
<b>GROSS PROFIT</b>		16,721	16,484
Administrative expenses		(6,308)	(6,590)
<b>OPERATING PROFIT</b>	8	10,413	9,894
Interest payable and similar expenses	9	(1)	-
Interest receivable and similar income	10	1,873	46
<b>PROFIT BEFORE TAXATION</b>		12,285	9,940
Tax on profit	11	(2,184)	(2,064)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		10,101	7,876

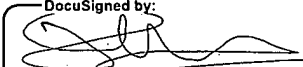
All amounts relate to continuing operations.

## SONY MUSIC PUBLISHING EUROPE LIMITED

### BALANCE SHEET AS AT 31 MARCH 2023

	Note	2023 £'000	2022 £'000
<b>CURRENT ASSETS</b>			
Debtors	12	192,826	144,890
Cash at bank and in hand		347	532
		<b>193,173</b>	<b>145,422</b>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	13	<b>(173,546)</b>	<b>(135,896)</b>
<b>NET CURRENT ASSETS</b>		<b>19,627</b>	<b>9,526</b>
<b>NET ASSETS</b>		<b>19,627</b>	<b>9,526</b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	-	-
Profit and loss account		19,627	9,526
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<b>19,627</b>	<b>9,526</b>

The financial statements on pages 16 to 29 were approved by the board of directors on 5 December 2023 and signed on its behalf by

DocuSigned by:  
  
 4BC855FF6203422...

Daniel Nelson  
**Director**

**Registered number: 06583810**

## SONY MUSIC PUBLISHING EUROPE LIMITED

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Called up share capital £'000	Profit and loss account £'000	Total shareholders' funds £'000
Balance as at 1 April 2021	-	3,650	3,650
Profit for the financial year	-	7,876	7,876
<b>Total comprehensive income for the year</b>	-	<b>7,876</b>	<b>7,876</b>
Dividends paid	-	(2,000)	(2,000)
<b>Total transactions with owners, recognised directly in equity</b>	-	<b>(2,000)</b>	<b>(2,000)</b>
Balance as at 31 March 2022	-	9,526	9,596
Balance as at 1 April 2022	-	9,526	9,526
Profit for the financial year	-	10,101	10,101
<b>Total comprehensive income for the year</b>	-	<b>19,627</b>	<b>18,192</b>
Dividends paid	-	-	-
<b>Total transactions with owners, recognised directly in equity</b>	-	<b>-</b>	<b>-</b>
Balance as at 31 March 2023	-	<b>19,627</b>	<b>18,192</b>

## **SONY MUSIC PUBLISHING EUROPE LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

#### **1. GENERAL INFORMATION**

Sony Music Publishing Europe Limited is a music publisher which administers pan-European digital copyrights.

The company is a private company limited by shares and is incorporated in England. On 1 July 2021, the address for the registered office changed from 22 Berners Street, London, W1T 3LP to 4 Handyside Street, London, N1C 4DJ.

#### **2. STATEMENT OF COMPLIANCE**

The individual financial statements of Sony Music Publishing Europe 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. The company adopted FRS 102 in these financial statements

##### **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**

In adopting the going concern basis for preparing these financial statements the Directors have carried out a review of the business and have assessed the forecast future performance, the Company's financial position, resources, and future cash flows that are expected to arise.

In performing this assessment, the Directors have considered the Company's business activities, together with factors likely to affect its future development and performance, principal risks and uncertainties and ongoing cash requirements of the business, including the delayed profile of when cash is received from collection societies.

They have also considered the ability and commitment of its parent company, to provide ongoing financial support to the Group if required, given the significant amounts owed to group undertakings and the overall reliance on group-wide funding facilities.

## **SONY MUSIC PUBLISHING EUROPE LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)**

#### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **b) Going concern (continued)**

After reviewing the Group's financial forecasts and expected working capital position as well as considering the ability and intent of its parent to provide financial support if required the Directors are confident the Company has sufficient access to financial resources to continue as a going concern for at least 12 months from the date of signing these financial statements. For these reasons the Directors consider that it is appropriate to continue to adopt the going concern basis of accounting in preparing the Company's 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).
- (iii) the requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b), and 12.29 A."

##### **d) Turnover**

Turnover represents copyright royalties earned during the period. Copyright royalties are recognised at the point at which the relevant copyright is exploited or when the Company reasonably estimates that the income has been earned from a relevant source.

The Company's Cash to accrual represents accrued royalty income which relates to the current financial year. The accrued income is based on royalty income that is received post year but where performance obligations related to the year ended 31 March 2023.

Advances in respect of future revenues are treated as deferred revenue and recognised evenly over the term of the respective agreements. Turnover is stated after deducting all sales commissions and any sales related taxes levied on turnover.

Turnover generated with respect to copyrights exploited in a territory with an affiliated entity or exploited in the UK where the copyright is registered by an affiliate in a separate territory is recognised based on the Company's share of income based on the intercompany arrangements in place.

## **SONY MUSIC PUBLISHING EUROPE LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)**

#### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

##### **d) Turnover (continued)**

Synchronization revenue is earned where a musical work is licensed by a third party for coordination with advertisements, television or film. Whilst these arrangements may give the licensee access to use of the work for a period of time revenue is recognised at the point the licence arrangement is agreed from which point there is no further performance obligation for the Company to fulfil and the licensee can exploit the rights freely.

##### **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) Cash at bank and in hand**

Cash at bank and in hand 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.

##### **g) Related party 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.

## SONY MUSIC PUBLISHING EUROPE LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

#### 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### h) 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 statement of comprehensive income.

##### i) Financial assets

The company has adopted sections 11 and 12 of FRS 102 in respect of financial instruments. Basic financial assets, including trade debtors, cash and bank balances and amounts owed by group undertakings, 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 rates of interest. Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the assets expire or are settled, or (b) substantially all the risk and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

##### j) Financial liabilities

Basic financial liabilities, including trade and other creditors and amounts owed to group undertakings are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at a present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditors for at least twelve months after the reporting period. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities. Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.



## **SONY MUSIC PUBLISHING EUROPE LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)**

#### **3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**k) Trade and other debtors/creditors**

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 transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

**l) Interest receivable and interest payable**

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

**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.

#### **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.

The following critical accounting judgement, apart from those involving estimation (which are dealt with separately below), was applicable to the financial statements

**Recognition of synchronization revenue**

Synchronization revenue is earned where a musical work is licensed by a third party for coordination with advertisements, television or film. Whilst these arrangements may give the licensee access to use of the work for a period of time revenue is recognised at the point the licence arrangement is agreed from which point there is no further performance obligation for the Group to fulfil and the licensee can exploit the rights freely.

The following critical accounting estimates were applicable to the financial statements.

**Accrued royalties**

The company uses estimates to calculate writer royalties in respect of revenue that has not yet been processed. This is estimated based on historical actual rates.

## SONY MUSIC PUBLISHING EUROPE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

#### 4 CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY (continued)

##### Cash to accrual

The Company's Cash to accrual represents accrued royalty income which relates to the current financial year. The accrued income is based on royalty income that is expected to be received post year end, but where the performance obligations related to the year ended 31 March 2023. The assessment of amounts earned which have not yet been confirmed is inherently uncertain and determined as managements best estimate based on current market activity and historical experience. An associated royalty expense due to writers is also estimated and accrued based on actual royalty rates previously incurred. The amounts initially recognised are trued up in subsequent periods once all amounts have been confirmed.

#### 5 TURNOVER

Turnover represents copyright royalties earned during the financial year. A geographical analysis of turnover by origin is as follows:

	2023 £'000	2022 £'000
United Kingdom	66,428	58,320
Rest of the world	151,282	119,202
	<b>217,710</b>	<b>177,522</b>

#### 6 DIRECTORS' REMUNERATION

The Directors, who are also the key management of the Company, received no direct remuneration from the Company during the year (2022: £nil).

The UK Directors' remuneration in 2023 in respect of their services to Sony Corporation Group companies is £1,842k (2022: £1,681k). The highest paid UK director remuneration in 2023 is £960k (2022: £967k)

The UK Directors were remunerated by Sony Music Publishing (UK) Limited and a portion of the corresponding costs are appropriately borne by the Company. Having made reasonable efforts, the remuneration of these directors in respect of qualifying services to the Company cannot be determined. The US Directors were remunerated by Sony Music Holdings Inc and no recharge is made.

## SONY MUSIC PUBLISHING EUROPE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

#### 7 EMPLOYEE INFORMATION

During the year the company had no (2022: none) employees. Administrative duties and management functions are primarily performed by staff who are employees of Sony Music Publishing (UK) Limited and EMI Music Publishing Limited. The costs incurred for these duties are recharged to the company as incurred:

	2023 £'000	2022 £'000
Wages and salaries	5,393	4,380
Social security costs	746	605
Other pension costs	429	333
	6,568	5,318

#### 8 OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2023 £'000	2022 £'000
Auditors' remuneration - audit fees	72	42
Foreign exchange (gains)/losses	(1,761)	(503)

Cost recharges of £7,748k (2022: £6,967k) due to other group companies are included in administrative expenses in the Profit and Loss Account in respect of salaries and wages, rent and overheads and other administrative expenses.

## SONY MUSIC PUBLISHING EUROPE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

#### 9 INTEREST RECEIVABLE AND SIMILAR INCOME

	2023 £'000	2022 £'000
Interest receivable from short term deposits	1,872	46

#### 10 INTEREST PAYABLE AND SIMILAR EXPENSES

	2023 £'000	2022 £'000
Interest payable	1	-

#### 11 TAX ON PROFIT

	2023 £'000	2022 £'000
United Kingdom corporation tax on profit for the year	2,330	1,912
Adjustments in respect of prior periods	(165)	10
Double taxation relief	(417)	(98)
Foreign tax	430	271
Deferred tax	6	(31)
<b>Total tax charge</b>	<b>2,184</b>	<b>2,064</b>

The tax assessed for the year is higher than (2022: higher than) the standard rate of corporation tax in the UK of 19% (2022: 19%).

	2023 £'000	2022 £'000
<b>Profit before tax</b>	<b>12,285</b>	<b>9,940</b>
Profit before tax multiplied by standard rate of corporation tax in the UK of 19 (2022: 19%)	2,334	1,889
Expenses not deductible	-	-
Effects of overseas tax rates	13	173
Adjustments in respect of prior periods	(165)	10
Tax rate changes	2	(8)
<b>Total tax charge</b>	<b>2,184</b>	<b>2,064</b>

## SONY MUSIC PUBLISHING EUROPE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

#### 11 TAX ON PROFIT (continued)

##### Factors affecting tax charges

The standard rate of tax applied to reported profit on ordinary activities is 19% (2022: 19%). In the Finance Bill 2021, the Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. As the proposal to increase the rate at 25% was substantively enacted at the balance sheet date, its effects are included in these financial statements.

#### 12 DEBTORS

	2023 £'000	2022 £'000
Trade debtors	67,742	67,402
Deferred tax	27	33
Short term deposits with related parties	74,108	32,067
Amounts owed by group undertakings	50,949	45,388
Prepayments	-	-
	<b>192,826</b>	<b>144,890</b>

Short-term deposits with related parties represent overnight deposits with Sony Global Treasury Services PLC, which are swept back to the financial statements of the company as/when needed for cash management purposes. Interest is paid monthly on these deposits. The interest rate on these deposits ranged from 0.51% to 4.09% during the period. Interest is not charged on amounts owed by or to group undertakings. Amounts owed by other group undertakings are unsecured, have no fixed date of repayment.

Trade debtors are unsecured, interest-free with an average credit term of 30 days.

## SONY MUSIC PUBLISHING EUROPE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

#### 13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £'000	2022 £'000
Amounts owed to group undertakings	304	159
Corporation tax	3,562	1,824
VAT	6,659	6,806
Other creditors	609	474
Accruals and deferred income	162,412	126,633
	<b>173,546</b>	<b>135,896</b>

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

Amounts owed to other creditors are unsecured and interest free.

#### 14 CALLED UP SHARE CAPITAL

	2023 £'000	2022 £'000
Authorised:		
2023 1,000 (2022: 1,000) ordinary shares of £1 each	1	1
Allotted, issued and fully paid:		
2023 1 (2022: 1) ordinary share of £1	-	-

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

## SONY MUSIC PUBLISHING EUROPE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

#### 15 DIVIDENDS

	2023 £'000	2022 £'000
Equity – ordinary	-	-
Paid (2022) 2,000,000 per £1 share	-	2,000
Total dividends	-	2,000

#### 16 RELATED PARTIES

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

#### 17 ULTIMATE PARENT UNDERTAKINGS AND CONTROLLING PARTY

The immediate parent entity is Sony Music Publishing (UK) Limited with a registered address of 4 Handyside Street, London, England N1C 4DJ

Sony Corporation is the parent undertaking of the largest and smallest groups of undertakings to consolidate these financial statements at 31 March 2023. The consolidated financial statements of Sony Corporation are available from 1-7-1 Konan Minato-ku, Tokyo, 108-0075 Japan.