

COMPANY REGISTRATION NUMBER 01013566

Big Ben Music Limited
Annual Report and Financial Statements
For the Year Ended 31 March 2019



Big Ben Music Limited

Annual Report and Financial Statements

Year ended 31 March 2019

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Big Ben Music Limited

Officers and Professional Advisers

The Board of Directors G R Henderson (appointed on 14 November 2018)
 T F Kelly (appointed on 31 March 2019)
 T W Major (appointed on 31 March 2019)
 J J Platt (appointed on 31 March 2019)
 M N Bandier (appointed on 14 November 2018, resigned on 31 March 2019)
 G K Moot (appointed on 14 November 2018, resigned on 31 March 2019)
 J S Puzio (appointed on 14 November 2018, resigned on 31 March 2019)
 F Crimmins (resigned on 14 November 2018)
 D H Johnson (resigned on 14 November 2018)

Company secretary TMF Corporate Administration Services Limited

Registered office 30 Golden Square
 London
 United Kingdom
 W1F 9LD

Big Ben Music Limited

Directors' Report

Year ended 31 March 2019

The Directors present their report and the unaudited financial statements of Big Ben Music Limited ("the Company") for the year ended 31 March 2019. The comparatives are for the year ended 31 March 2018.

On 30 July 2018, Sony Corporation of America ("SCA"), a US corporation that is ultimately owned by Sony Corporation (Japan) ("Sony"), acquired the remaining 25.104% membership interest in Nile Acquisition LLC ("NALLC") from the Estate of Michael Joseph Jackson. Immediately following the acquisition, SCA contributed the membership interest down the chain to its wholly-owned subsidiary, Sony Music Holdings Inc. ("SMHI"). As a result of the foregoing transactions, NALLC became a wholly-owned subsidiary of SMHI, and an indirect subsidiary of Sony Corporation.

On 14 November 2018, SMHI acquired the remaining 60.166% partnership interest in DH Publishing L.P., a Cayman Islands limited partnership, from Nile Acquisition Holding Co. Ltd, an investor consortium led by Mubadala Investment Company. On 15 November 2018, SMHI contributed the limited partnership interest to NALLC. As a result of the foregoing transactions, DH Publishing LP became a wholly-owned subsidiary of NALLC, and an indirect subsidiary of Sony Corporation.

As a result of the two acquisitions, the Company's ultimate parent and controlling party is Sony Corporation.

Going concern

The Directors of the EMI Music Publishing Group ("the Group") have prepared consolidated group financial projections for a period of more than twelve months from the date of approval of these financial statements. After considering these financial projections the Directors have concluded that they have a reasonable expectation that the Company has adequate resources to continue as a going concern for the foreseeable future and have received a signed letter of support to that effect. Consequently, the Directors have prepared these financial statements on a going concern basis.

Principal activities and business review

The principal activity 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's turnover decreased by 9% on prior year. The Company made a profit before taxation of £2,829 compared with a £3,535 profit before taxation in the prior year.

The Company has net assets of £31,047 (2018: £28,756) at the reporting date.

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 shares 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 companies in the EMI Music Publishing Group. This entity pays a proportion of employee/other costs borne directly by another UK group entity, in accordance with internal cost share allocation agreements.

Results and dividends

The profit for the financial year amounted to £2,291 (2018: £3,535). The Directors have not recommended a dividend (2018: £nil).

The Company is a wholly owned subsidiary and the interests of the Group Directors are disclosed in the financial statements of the parent company.

Future developments

The Directors do not anticipate any significant changes to the Company's activity in the foreseeable future.

Directors

The Directors who served the Company during the year and up to the date of signing the financial statements are listed on page 2.

Big Ben Music Limited

Directors' Report (continued)

Year ended 31 March 2019

Qualifying third party indemnity provisions

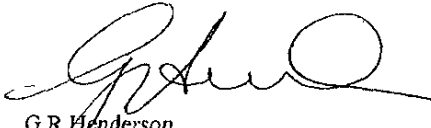
Certain Directors benefited from the qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Political contributions

The Company made no political donations or incurred any political expenditure during the year (2018: £nil).

This report has been prepared in accordance with the special provisions applicable to companies subject to the small companies regime.

Signed on behalf of the Directors



G R Henderson
Director

30 Golden Square
London
United Kingdom
W1F 9LD

Approved by the Directors on 30/12/19

Big Ben Music Limited

Statement of Directors' Responsibilities in Respect of the Annual Report and the Financial Statements
Year ended 31 March 2019

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is appropriate 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.

Big Ben Music Limited**Income Statement****Year ended 31 March 2019**

	<i>Note</i>	2019 £	2018 £
Turnover	3	6,680	7,360
Cost of sales		<u>(3,485)</u>	<u>(3,369)</u>
Gross profit		3,195	3,991
Administrative expenses		<u>(366)</u>	<u>(456)</u>
Operating profit and profit before taxation	4	2,829	3,535
Tax on profit		<u>(538)</u>	-
Profit for the financial year		<u>2,291</u>	<u>3,535</u>

The notes on pages 8 to 12 form part of these financial statements.

All of the activities of the Company are classed as continuing for the current and prior years.

There are no other items of comprehensive income other than those in the Income Statement, and therefore no Statement of Comprehensive Income has been presented.

Big Ben Music Limited**Balance Sheet****At 31 March 2019**

	<i>Note</i>	2019 £	2018 £
Current assets			
Debtors	7	41,399	38,006
Creditors: amounts falling due within one year	8	(10,352)	(9,250)
Net current assets		<u>31,047</u>	<u>28,756</u>
Net assets		<u>31,047</u>	<u>28,756</u>
Capital and reserves			
Called up share capital	9	100	100
Retained earnings		30,947	28,656
Shareholders' funds		<u>31,047</u>	<u>28,756</u>

The financial statements have been prepared in accordance with the provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the provisions of FRS 102 Section 1A – Small Entities.

For the year ending 31 March 2019 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476.

The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The notes on pages 8 to 12 form part of these financial statements.

These financial statements on pages 6 to 12 were approved by the Board of Directors on 30/12/19 and signed on their behalf by:



G R Henderson
Director

Company Registration Number: 01013566

Big Ben Music Limited

Notes to the Financial Statements

Year ended 31 March 2019

1. Accounting policies

Big Ben Music Limited (the "Company") is a private company limited by shares, incorporated, domiciled and registered in England and Wales in the United Kingdom. The registered number is 01013566 and the registered address is 30 Golden Square, London, W1F 9LD.

These financial statements were prepared in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ("FRS 102"). The presentation currency of these financial statements is sterling. All amounts are rounded to the nearest £1.

As the consolidated financial statements of Sony Corporation include the equivalent disclosures, the Company has taken exemptions under FRS 102 available in respect of certain disclosures required by FRS 102.11 Basic Financial Instruments.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the Directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2.

Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

Going concern

Big Ben Music Limited has made a profit for the financial year of £2,291 (2018: £3,535) and has net current assets of £31,047 (2018: £28,756) and net assets of £31,047 (2018: £28,756) at the reporting date.

The Directors of the Group have prepared consolidated group financial projections for a period of more than twelve months from the date of approval of these financial statements. After considering the financial projections, the Directors have concluded that they have a reasonable expectation that the Company has adequate resources to continue as a going concern for the foreseeable future and have received a signed letter of support to that effect. Consequently, the Directors have prepared these financial statements on a going concern basis.

Cash flow statement

The Company has taken advantage of the exemption available under FRS 102 Section 1A -- Small Entities from preparing a statement of cash flows.

Related party transactions

The Company is exempt under the terms of FRS 102.33 Related Party Disclosures from disclosing related party transactions with entities that are part of Sony Corporation Group or investees of Sony Corporation Group provided that any subsidiary which is party to the transaction is wholly owned by the Group.

Big Ben Music Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2019****1. Accounting policies (continued)****Classification of financial instruments issued by the Company**

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Basic financial instruments*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.

Impairment*Financial assets (including trade and other debtors)*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Turnover

The Company's turnover is wholly attributable to its principal activity and the Directors do not believe that any part of the Company's worldwide market is significantly different from any other.

Turnover 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. It is recorded when reported to the Company by the relevant source, or when the Company reasonably estimates that the income has been earned from a relevant source. Turnover is stated after deducting all commissions and any sales related taxes levied on turnover.

All turnover arises from continuing activities. In certain countries, the Company has assigned its rights to royalty income to other undertakings of the EMI Music Publishing Group.

Big Ben Music Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2019**

1. Accounting policies (continued)**Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Income Statement except to the extent that it relates to items recognised directly in Equity or Other Comprehensive Income, in which case it is recognised directly in Equity or Other Comprehensive Income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the Balance Sheet date and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which 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 not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the Balance Sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Balance Sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the Income Statement.

Debtors - royalty advances

Royalties due to a composer are credited against the outstanding advance in the year of receipt until the amount of the advance is fully recovered. If it is thought that future earnings will not amount to the net value of an advance, a provision for the estimated shortfall will be raised. Advances are included in debtors as recoverable within one year although certain amounts may be recovered after more than one year.

Provisions

A provision is recognised where the expected future earnings of a writer do not support the net value of the advance. Advances to writers who are deemed to be unproven at the time of the advance are fully provided for at that time. A further review of the recoverability of unproven and proven writers is undertaken at the end of the period, and an additional adjustment to the provision may be made at this point. The movement in this provision credited to the Income Statement in the year was £117 (2018: £155).

2. Accounting estimates and judgements

In preparing these financial statements, the Directors do not consider that they have made any accounting estimates or judgements which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Big Ben Music Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2019****3. Turnover**

The turnover is attributable to the one principal activity of the Company.

An analysis of turnover by geographical market is given below:

	2019 £	2018 £
United Kingdom	1,622	1,847
Rest of Europe	2,463	2,222
USA	1,320	1,512
Rest of the world	1,275	1,779
	<u>6,680</u>	<u>7,360</u>

4. Operating profit

Administration charges of £366 (2018: £456) due to EMI Music Publishing Limited are included in administrative expenses in the Income Statement.

5. Directors' remuneration

The Directors, who are also the Company key management, received no remuneration for their services to the Company during the year (2018: £nil).

The Directors were remunerated by a member of the US Group for their services to the Group as a whole.

6. Staff numbers and costs

The Company had no employees (2018: none).

7. Debtors

	2019 £	2018 £
Amounts owed by group undertakings	40,075	36,619
Prepayments and accrued income	1,324	1,387
	<u>41,399</u>	<u>38,006</u>

At 31 March 2019, debtors falling due after more than one year amounted to £nil (2018: £nil).

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

Big Ben Music Limited**Notes to the Financial Statements (continued)****Year ended 31 March 2019****8. Creditors: amounts falling due within one year**

	2019 £	2018 £
Accruals and deferred income	9,814	9,250
Taxation	538	-
	<u>10,352</u>	<u>9,250</u>

9. Capital and reserves**Share capital****Allotted, called up and fully paid:**

	2019 £	2018 £
100 (2018: 100) ordinary shares of £1 each at 1 April and at 31 March	<u>100</u>	<u>100</u>

Reserves*Called up share capital*

Represents the nominal value of shares issued.

Retained earnings

Represents the reserves for net gains and losses recognised in the Income Statement.

10. Ultimate parent company and parent company of larger group

The ultimate parent undertaking and controlling party of the Company up to 14 November 2018 was DH Publishing, L.P., a partnership registered in the Cayman Islands. Subsequent to 14 November the ultimate parent and controlling party was Sony Corporation, a company registered in Japan.

The largest group in which the results of the Company are consolidated is that headed by Sony Corporation, 1-7-1 Konan Minato-ku, Tokyo, Japan, 108-0075. The smallest group in which they are consolidated is that headed by EMI Music Publishing Finance (UK) Limited, 30 Golden Square, London, W1F 9LD, United Kingdom. The consolidated financial statements of these groups are available to the public and may be requested from 30 Golden Square, London, W1F 9LD, United Kingdom.