

COMPANY REGISTRATION NUMBER 1407770

**EMI GROUP INTERNATIONAL HOLDINGS LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL**  
**STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

WEDNESDAY



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23/09/2015  
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**EMI GROUP INTERNATIONAL HOLDINGS LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2014**

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# **EMI GROUP INTERNATIONAL HOLDINGS LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

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### **THE BOARD OF DIRECTORS**

RM Constant  
A Brown  
BJ Muir

### **COMPANY SECRETARY**

A Abioye

### **REGISTERED OFFICE**

364-366 Kensington High Street  
London  
W14 8NS

### **ACCOUNTANTS**

Ernst & Young LLP  
Chartered Accountants  
1 More London Place  
London  
SE1 2AF

# **EMI GROUP INTERNATIONAL HOLDINGS LIMITED**

## **STRATEGIC REPORT**

### **YEAR ENDED 31 DECEMBER 2014**

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The directors present their strategic report for the company for the year ended 31 December 2014

#### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the company is that of an investment holding company. There has not been any change to the principal activity of the company during the year ended 31 December 2014 or subsequently. The directors do not anticipate any change to the principal activity of the Company during the next year. The result and position of the company as at and for the year ended 31 December 2014 are set out in the profit and loss account and balance sheet on pages 7 and 8 respectively. The result and position of the company were in line with directors' expectations.

#### **RESULTS AND DIVIDENDS**

During the year to 31 December 2014, the company made a loss before tax of £33,966,000 (2013: £29,228,000). The directors do not recommend payment of a dividend (2013: £nil).

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The company operates as part of the Vivendi group (the 'group') and all of its transactions are with fellow group undertakings. As such its activities are dependent on the activities of the group as a whole. The risks and uncertainties facing the company are linked to those of the group. A detailed discussion of the group risks and uncertainties is contained in the Vivendi SA annual report.

#### **FUTURE DEVELOPMENTS**

Notwithstanding the risks and uncertainties outlined above, the directors do not anticipate any significant change in the activities and results of the company in the foreseeable future.

By order of the board



A Brown  
Director

16 SEP 2015

# EMI GROUP INTERNATIONAL HOLDINGS LIMITED

## DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2014

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The directors present their report and the unaudited financial statements of the company for the year ended 31 December 2014

### DIRECTORS

The directors who served the company during the year and subsequently were as follows

RM Constant  
A Brown  
BJ Muir

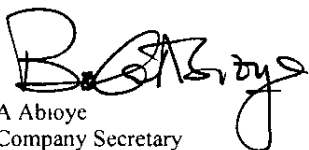
### DIRECTORS QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

A qualifying third party indemnity provision remains in force as at the date of approving the directors' report, subject to the provisions of s236 CA 2006 Vivendi SA, the ultimate parent undertaking, maintains a Directors & Officers Liability Programme which indemnifies directors' personal liabilities resulting from alleged wrongful acts committed in the line of their employment

### DONATIONS

Grants and charitable donations made during the year amounted to £nil (2013 £nil) There were no political contributions made during the year (2013 £nil)

By order of the board



A Abioye  
Company Secretary

16 SEP 2015

**EMI GROUP INTERNATIONAL HOLDINGS LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

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		Year to 31 December 14 £'000	Period from 1 April 13 to 31 December 13 £'000
<b>TURNOVER</b>		–	–
		—	—
<b>OPERATING PROFIT</b>		–	–
Interest receivable and similar income	4	–	1
Amounts written off investments	5	(297)	–
Interest payable and similar charges	6	(33,966)	(29,229)
		—	—
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(34,263)	(29,228)
Tax on loss on ordinary activities	7	7,303	–
		—	—
<b>LOSS FOR THE FINANCIAL YEAR</b>		<u>(26,960)</u>	<u>(29,228)</u>

All of the activities of the company are classed as continuing operations

The company has no recognised gains or losses other than the results for the year as set out above

There is no difference between the loss on ordinary activities before taxation and the loss for the financial year stated above and their historical cost equivalents

The notes on pages 6 to 13 form part of these financial statements

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# EMI GROUP INTERNATIONAL HOLDINGS LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2014

	Note	2014 £'000	2013 £'000
<b>FIXED ASSETS</b>			
Investments	8	1,198,515	1,198,812
<b>CURRENT ASSETS</b>			
Debtors	9	405,133	386,461
<b>CREDITORS: Amounts falling due within one year</b>	10	<u>993,332</u>	<u>947,997</u>
<b>NET CURRENT LIABILITIES</b>		(588,199)	(561,536)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		610,316	637,276
<b>CREDITORS. Amounts falling due after more than one year</b>	11	<u>1,336,000</u>	<u>1,336,000</u>
		<u>(725,684)</u>	<u>(698,724)</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	12	172,136	172,136
Profit and loss account	13	<u>(897,820)</u>	<u>(870,860)</u>
<b>DEFICIT</b>	13	<u>(725,684)</u>	<u>(698,724)</u>

For the year ended 31 December 2014 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies

### Directors' responsibilities

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476, and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

Approved by the Board for issue on **16 SEP 2015**

On behalf of the Board of Directors



A Brown

Company Registration Number 1407770

The notes on pages 6 to 13 form part of these financial statements

# EMI GROUP INTERNATIONAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

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### 1 ACCOUNTING POLICIES

#### **Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

The Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare Group financial statements. These financial statements present information about the Company as an individual undertaking and not about its Group.

The financial statements have been prepared on the going concern basis as the company has received confirmation from Societe d'Investissements et de Gestion 104, the company's intermediate parent undertaking, of its intention to continue to provide financial and other support to the extent necessary to enable the company to continue to pay its liabilities as and when they become due for a year, not less than a year from the date of approval of these financial statements. Having regards to this intention, the directors believe it is appropriate to prepare these financial statements on a going concern basis, notwithstanding the deficit on net current liabilities at 31 December 2014.

#### **Cash flow statement**

Under FRS 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that the ultimate parent undertaking includes the company in its own published consolidated financial statements.

#### **Related parties transactions**

The Company has taken advantage of the exemption under Financial Reporting Standard 8, "Related Party Disclosures" (FRS 8), not to disclose related party transactions between wholly owned group undertakings.

#### **Fixed assets**

All fixed assets are initially recorded at cost.

#### **Taxation**

The charge/(credit) for taxation is based on the profit/(loss) for the period and takes into account taxation deferred because of the timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that result in an obligation to pay more tax in the future or a right to pay less tax in future. Timing differences are differences between the company's taxable profit and loss and its results as stated in the financial statements. No deferred tax is recognised on permanent differences.

Deferred tax is measured at the average tax rates that are expected to apply in the period in which the timing differences are expected to reverse, based on tax rates and law that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis. Deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.



# EMI GROUP INTERNATIONAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

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### 1 ACCOUNTING POLICIES *(continued)*

#### **Financial instruments**

Following the adoption of FRS 25, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions

(a) 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

(b) 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

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds, are dealt with as appropriations in the reconciliation of movements in shareholders' funds

#### **Investments**

Investments in subsidiary and associated undertakings are stated at cost less provision to reflect any impairment

#### **Impairment of fixed assets**

The carrying amounts of the Group's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated

An impairment loss is recognised whenever the carrying amount of an assets or its income-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account unless it arises on a previously revalued fixed asset. An impairment loss on a revalued fixed asset is recognised in the profit and loss account if it is caused by a clear consumption of economic benefits. Otherwise impairments are recognised in the statement of total recognised gains and losses until the carrying amount reaches the asset's depreciated historic cost

#### **Calculation of recoverable amount**

The recoverable amount of fixed assets is the greater of their net realisable value and value in use. In assessing value in use, the expected future cash flows are discounted back to their present value using a pre-tax discount rate that reflects current market assessments of the rate of return expected on an equally risky investment. For an asset that does not generate largely independent income streams, the recoverable amount is determined for the income-generating unit to which the asset belongs

# EMI GROUP INTERNATIONAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

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### 1 ACCOUNTING POLICIES *(continued)*

#### Reversals of impairment

An impairment loss is reversed on intangible assets and goodwill only if subsequent external events reverse the effect of the original event which caused the recognition of the impairment or the loss arose on an intangible asset with a readily ascertainable market value and that market value has increased above the impaired carrying amount. For other fixed assets where the recoverable amount increases as a result of change in economic conditions or in the expected use of the asset then the resultant reversal of the impairment loss should be recognised in the current period.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### 2 AUDITOR'S REMUNERATION

The auditor's remuneration in the prior year was borne by a fellow group undertaking and was as follows:

	Dec 2014 £	Dec 2013 £
Audit of these financial statements	-	5,000

For the year ended 31 December 2014 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. Vivendi SA, the ultimate parent undertaking, has provided guarantees to the company in order to claim this exemption.

### 3 PARTICULARS OF EMPLOYEES

The directors were also directors of fellow group undertakings and did not receive any remuneration for their services to this company. The company had no employees during the year other than the directors (2013 - nil).

### 4 INTEREST RECEIVABLE AND SIMILAR INCOME

	Year to 31 December 14 £'000	Period from 1 April 13 to 31 December 13 £'000
Interest receivable from group undertakings	<u>-</u>	<u>1</u>

### 5 AMOUNTS WRITTEN OFF INVESTMENTS

	Year to 31 December 14 £'000	Period from 1 April 13 to 31 December 13 £'000
Amount written off investments	<u>297</u>	<u>-</u>

### 6 INTEREST PAYABLE AND SIMILAR CHARGES

	Year to 31 December 14 £'000	Period from 1 April 13 to 31 December 13 £'000
Interest payable to group undertakings	<u>33,966</u>	<u>29,229</u>

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# EMI GROUP INTERNATIONAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 DECEMBER 2014

#### 7 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

##### (a) Analysis of (credit) / charge in the year

	Year to 31 December 14 £'000	Period from 1 April 13 to 31 December 13 £'000
Current tax		
UK Corporation tax on profit/loss for the year	-	-
Group relief payable for losses surrendered from other group undertakings	(7,303)	-
Total current tax	<u>(7,303)</u>	<u>-</u>

##### (b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 21.50% (2013 - 23%)

The Finance Act 2013 enacted reductions in the UK corporate tax rate to 21% from April 2014 and 20% from April 2015. Deferred tax assets and liabilities are measured at the rate that is expected to apply to the accounting period when the asset is realised or the liability is settled, based on the above rates

	Year to 31 December 14 £'000	Period from 1 April 13 to 31 December 13 £'000
Loss on ordinary activities before taxation	<u>(34,263)</u>	<u>(29,228)</u>
Loss on ordinary activities at the standard rate of UK Corporation tax of 21.50% (2013 - 23%)	(7,366)	(6,722)
Expenses not deductible for tax purposes	63	-
Impact of group relief claimed / surrendered for no compensation	-	6,722
Current tax credit for the financial year	<u>(7,303)</u>	<u>-</u>

# EMI GROUP INTERNATIONAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

### 8 INVESTMENTS

	Total £'000
<b>COST</b>	
At 1 January 2014 and 31 December 2014	<u>1,687,733</u>
<b>PROVISION FOR IMPAIRMENT</b>	
At 1 January 2014	488,921
Written off in year	<u>297</u>
At 31 December 2014	<u>489,218</u>
<b>NET BOOK VALUE</b>	
At 31 December 2014	<u>1,198,515</u>
At 31 December 2013	<u>1,198,812</u>

In accordance with FRS 11 'Impairment of Fixed Assets and Goodwill', the carrying values of the investments have been compared to their recoverable amounts, represented by their net realisable value, and impaired where appropriate. The Directors do not consider value in use to be materially different to the net realisable value of the investment, and therefore use the investment's net realisable value as its recoverable amount.

The following were the principal subsidiary undertakings of EMI Group International Holdings Limited at 31 December 2014

Subsidiary undertakings	Country of Incorporation	Proportion held	Nature of business
EMI Overseas Holdings Ltd	UK	100%	Holding Company
EMI Group Holdings BV	Netherlands	100%	Holding Company
EMI Music Colombia SA	Columbia	100%	Records

The Company directly owns EMI Group Holdings BV and EMI Overseas Holdings Ltd and a portion of EMI Music Colombia SA (the remainder of which is owned indirectly)

### 9 DEBTORS

	2014 £'000	2013 £'000
Amounts owed by group undertakings	<u>405,133</u>	<u>386,461</u>

Amounts owed by group undertakings are all owed by UK undertakings. Loans to fellow Group undertakings in the UK are classified as current as they are repayable on demand. Interest rates on intercompany loans have been agreed between parties on a loan by loan basis.

# EMI GROUP INTERNATIONAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

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### 10 CREDITORS Amounts falling due within one year

	2014 £'000	2013 £'000
Amounts owed to group undertakings	<u>993,332</u>	<u>947,997</u>

Amounts owed to group undertakings are all owed to UK undertakings. Loans from fellow Group undertakings in the UK are classified as current as they are repayable on demand. Interest rates on intercompany loans have been agreed between parties on a loan by loan basis.

### 11 CREDITORS Amounts falling due after more than one year

	2014 £'000	2013 £'000
Shares classed as financial liabilities	<u>1,336,000</u>	<u>1,336,000</u>

Each of the redeemable ordinary shares ranks pari passu in all respects with the ordinary shares except in respect of redemption rights.

Both the Company and the holder of the redeemable ordinary shares have the right at any time to redeem all or any of the redeemable ordinary shares. No premium is payable on redemption. The Directors of the company which owns 100% of the redeemable ordinary shares, EMI Group Worldwide, have formally waived the right to redeem the shares until 31 December 2015.

The redeemable ordinary shares have been treated as debt rather than equity under FRS 25 and have therefore been included in Creditors due after more than one year.

# EMI GROUP INTERNATIONAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

### 12 SHARE CAPITAL

#### Authorised share capital

	2014 £'000	2013 £'000
172,136,100 Ordinary shares of £1 each	172,136	172,136
1,399,999,900 Preference shares of £1 each	1,400,000	1,400,000
	<u>1,572,136</u>	<u>1,572,136</u>

#### Allotted, called up and fully paid

	2014 No	2014 £'000	2013 No	2013 £'000
Ordinary shares of £1 each	172,136,100	172,136	172,136,100	172,136
Preference shares of £1 each	1,335,999,900	1,336,000	1,335,999,900	1,336,000
	<u>1,508,136,000</u>	<u>1,508,136</u>	<u>1,508,136,000</u>	<u>1,508,136</u>

	2014 £'000	2013 £'000
<b>Amounts presented in equity</b>		
172,136,100 Ordinary shares of £1 each	<u>172,136</u>	<u>172,136</u>
<b>Amounts presented in liabilities</b>		
1,335,999,900 Preference shares of £1 each	<u>1,336,000</u>	<u>1,336,000</u>

### 13 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share capital £'000	Profit and loss account £'000	Total share- holders' funds £'000
Balance brought forward at 1 April 2013	172,136	(841,632)	(669,496)
Loss for the period	—	(29,228)	(29,228)
Balance brought forward at 1 January 2014	172,136	(870,860)	(698,724)
Loss for the year	—	(26,960)	(26,960)
Balance carried forward at 31 December 2014	<u>172,136</u>	<u>(897,820)</u>	<u>(725,684)</u>

# EMI GROUP INTERNATIONAL HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

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### 14 ULTIMATE PARENT COMPANY

The immediate parent companies are EMI Group Worldwide holding 172,136,099 ordinary shares and all of the redeemable ordinary shares, and EMI Group Nominees Limited holding 1 ordinary share. Both parent companies are incorporated and operate in England. The ultimate parent undertaking and controlling party is Vivendi SA, a company incorporated in France.

The smallest and largest group in which the results of the company will be consolidated will be that headed by Vivendi SA, incorporated in France. Copies of its annual report in English may be obtained from

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Cedex 08  
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