

COMPANY REGISTRATION NUMBER 02754921

**BRAVADO INTERNATIONAL GROUP LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL**  
**STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

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# **BRAVADO INTERNATIONAL GROUP LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2010**

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**BRAVADO INTERNATIONAL GROUP LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

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<b>THE BOARD OF DIRECTORS</b>	RM Constant KA Drinkwater BJ Muir
<b>COMPANY SECRETARY</b>	A Abioye
<b>REGISTERED OFFICE</b>	1 Sussex Place London W6 9EA
<b>AUDITORS</b>	Grant Thornton UK LLP Statutory Auditor Grant Thornton House Melton Street Euston Square London NW1 2EP

# **BRAVADO INTERNATIONAL GROUP LIMITED**

## **DIRECTORS' REPORT**

### **YEAR ENDED 31 DECEMBER 2010**

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The directors present their report and the financial statements of the company for the year ended 31 December 2010

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

The principal activity of the company during the year was that of merchandisers of licensed products

Bravado International Group Ltd exploits the image and brand associated with artists through the sales of apparel and other branded goods at live performances. Bravado has a strong market position and is generally seen as the top company in this sector

The objective for this company is to increase the gross profit margin percentage

#### **FUTURE DEVELOPMENTS**

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

#### **RESULTS AND DIVIDENDS**

The company made a loss after tax of £904,897 (2009 - £1,050,064)

The directors do not recommend the payment of a dividend (2009 - £nil)

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

The company is faced with similar risks and uncertainties as other companies operating in the music business, broadly

- competition from other touring companies to secure rights to service music tours,
- the pressure on margins in an already tight market

All risks and uncertainties are regularly monitored by the Board of Directors of the company

#### **DIRECTORS**

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

RM Constant  
KA Drinkwater  
BJ Muir

#### **POLICY ON THE PAYMENT OF CREDITORS**

It is the company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the company and its suppliers, provided that all trading terms and conditions have been complied with

#### **DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the directors' report and financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 those financial statements, the directors are required to

# **BRAVADO INTERNATIONAL GROUP LIMITED**

## **DIRECTORS' REPORT** *(continued)*

**YEAR ENDED 31 DECEMBER 2010**

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- select suitable accounting policies and then apply them consistently,
- make judgements and 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 inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of the directors at the date of approving this report are aware:

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

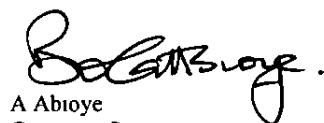
### **POLITICAL AND CHARITABLE CONTRIBUTIONS AND DONATIONS**

Grants and charitable donations made during the period amounted to £nil (2009 - £nil). There were no political contributions made during the period (2009 - £nil).

### **AUDITOR**

The auditors, Grant Thornton UK LLP, are deemed to be reappointed in accordance with Section 489 of the Companies Act 2006 by virtue of an elective resolution passed by the members.

By order of the board



A Abioye  
Company Secretary

25<sup>th</sup> MARCH 2011

Company Registration Number 02754921

## **BRAVADO INTERNATIONAL GROUP LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRAVADO INTERNATIONAL GROUP LIMITED**

**YEAR ENDED 31 DECEMBER 2010**

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We have audited the financial statements of Bravado International Group Limited for the year ended 31 December 2010 which comprise Profit and Loss Account, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 to 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

#### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **BRAVADO INTERNATIONAL GROUP LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRAVADO INTERNATIONAL GROUP LIMITED *(continued)***

**YEAR ENDED 31 DECEMBER 2010**

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#### **MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



**Ference Back**  
Senior Statutory Auditor  
For and on behalf of Grant Thornton UK LLP  
Statutory Auditor  
London

**31 March 2011**

Company Registration Number 02754921

# **BRAVADO INTERNATIONAL GROUP LIMITED**

## **PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 DECEMBER 2010**

	<b>Note</b>	<b>2010 £</b>	<b>2009 £</b>
<b>TURNOVER</b>	<b>2</b>	17,321,083	19,810,436
Cost of sales		(15,508,804)	(17,748,951)
<b>GROSS PROFIT</b>		1,812,279	2,061,485
Administrative expenses		(2,796,086)	(3,524,291)
<b>OPERATING LOSS</b>	<b>3</b>	(983,807)	(1,462,806)
Interest receivable and similar income	<b>6</b>	–	20,799
Interest payable and similar charges	<b>7</b>	(15,493)	–
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(999,300)	(1,442,007)
Tax on loss on ordinary activities	<b>8</b>	94,403	391,943
<b>LOSS FOR THE FINANCIAL YEAR</b>		(904,897)	(1,050,064)

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 8 to 16 form part of these financial statements



# BRAVADO INTERNATIONAL GROUP LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2010

	Note	2010 £	2009 £
<b>FIXED ASSETS</b>			
Tangible assets	9	88,330	99,967
<b>CURRENT ASSETS</b>			
Stocks	10	366,056	333,163
Debtors	11	6,718,468	8,317,523
Cash at bank and in hand		370,004	553,004
		7,454,528	9,203,690
<b>CREDITORS Amounts falling due within one year</b>	13	(7,902,383)	(8,758,285)
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		(447,855)	445,405
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		(359,525)	545,372
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	14	100	100
Profit and loss account	15	(359,625)	545,272
<b>EQUITY SHAREHOLDERS' (DEFICIT)/FUNDS</b>	15	(359,525)	545,372

These financial statements were approved by the board of directors and authorised for issue on 25<sup>th</sup> MARCH 2011 and are signed on their behalf by

BJ Muir  
Director

Company Registration Number 02754921

The notes on pages 8 to 16 form part of these financial statements

# **BRAVADO INTERNATIONAL GROUP LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2010**

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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 principal accounting policies are described below. They have been applied consistently throughout the current and preceding year.

As the Company is a wholly owned subsidiary of Vivendi SA, the Company has taken advantage of the exemption in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group.

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.

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 period not less than one year from the date of approval of these financial statements. Having regard to this intention, the directors believe it is appropriate to prepare these financial statements on a going concern basis.

#### **Cash flow statement and related party disclosures**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

# **BRAVADO INTERNATIONAL GROUP LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2010**

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### **1 ACCOUNTING POLICIES (continued)**

#### **Revenue**

Revenue represents amounts receivable for goods and services net of VAT and trade discounts

#### **Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenues can be reliably measured. Specific recognition criteria must also be met before revenue is recognised as outlined below

#### **Sale of Goods**

Revenue is measured at fair value after making provision in respect of expected future returns of goods supplied by the Company prior to the balance sheet date

Where goods are sold on the Company's behalf by third party distributors, revenue is recognised when the distributor reports sales to the Company. Where the Company receives advances from distributors which are recoupable from future sales (net of distributors' fees), these are recorded as liabilities, revenue is recognised as each distributor reports sales

#### **Royalty Income**

Royalty income from license contracts is recognised together with the associated artist royalty cost, when it has been earned and can be reliably measured, based on consideration of each contract

Under most license contracts, revenue is considered to have been earned when the licensee reports sales to the Company. Where the Company receives advances from licensees which are recoupable from future royalties, these advances are initially recorded as liabilities, revenue is recognised subsequently as the licensee reports royalties on their sales

Where a license agreement is, in substance, an outright sale, license income is recognised as revenue immediately. For an outright sale to have occurred, the licensee must have signed a non-cancellable contract, paid a fixed fee or non-refundable guarantee, been provided with the means to freely exploit their contractual rights, and have no significant ongoing reliance on the Company (as the licensor) to perform any other delivery obligations. In addition, the artist royalty cost associated with the income must have been accurately quantified

#### **Tangible fixed assets and depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Computer Equipment                      - 10% straight line

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable

#### **Stocks**

Stock is valued at the lower of the cost and net realisable value

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal

# **BRAVADO INTERNATIONAL GROUP LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2010**

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### **1 ACCOUNTING POLICIES *(continued)***

#### **Leasing and hire purchase**

Assets obtained under hire purchase contracts or finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

#### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

#### **Pension costs**

The company is a member of Universal Music Group Flexible Retirement Plan which is a money purchase scheme. Contributions are charged to the profit and loss account as incurred.

#### **Taxation**

The charge for taxation is based on the 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, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

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 will 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.

#### **Foreign currencies**

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are recorded in the profit and loss account.

#### **Royalties**

Royalties payable are charged to the profit and loss accounts on an accruals basis. Advances to artists and licensors are assessed and the value of the unrecovered proportion to be included in debtors is determined by the prospects of the future recoupment, based on past sales performance, current popularity and future touring plans. Provisions are made for unrecovered royalty advances in the accounting period in which they are regarded as irrecoverable.

# BRAVADO INTERNATIONAL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

### 1 ACCOUNTING POLICIES *(continued)*

#### Interest-bearing loans and borrowings

All interest-bearing loans and borrowings are initially recognised at net proceeds. Interest bearing debt is increased by the finance cost in respect of the reporting period and reduced by any settlement made. Interest is charged and earned on a fixed element of the debt at an arms length rate.

All (other) amounts owed by/to group undertakings are due to UK group undertakings, are unsecured and repayable on demand. Interest accrues on these amounts excluding group relief at rates between 1 month LIBOR and 1 month LIBOR plus 1%.

### 2 TURNOVER

The whole of the turnover is attributable to the company's principal activity as stated in the Directors' Report. An analysis of turnover has not been disclosed as in the opinion of the directors, it would be seriously prejudicial to the company's business.

### 3 OPERATING LOSS

Operating loss is stated after charging

	2010 £	2009 £
Depreciation of owned fixed assets	11,637	73,906
Operating lease costs		
- Land and buildings	366,690	44,990
Net loss on foreign currency translation	68,291	9,532
Auditor's remuneration	8,300	8,300
	<u>2010</u> £	<u>2009</u> £
Auditor's remuneration - audit of the financial statements	8,300	8,300

### 4 PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to

	2010 No	2009 No
Merchandising and administration	<u>11</u>	<u>23</u>

The aggregate payroll costs of the above were

	2010 £	2009 £
Wages and salaries	505,446	1,442,391
Social security costs	295,337	244,005
Other pension costs	42,030	107,975
	<u>842,813</u>	<u>1,794,371</u>

# **BRAVADO INTERNATIONAL GROUP LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2010**

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### **4 PARTICULARS OF EMPLOYEES *(continued)***

The amounts above include the number and costs of directors serving during the year

On 1st July 2010, the company ceased to be an employer and the employees were transferred to Universal Music Holdings Limited, a UK group undertaking, in accordance with the Transfer of Undertakings (Protection of Employment) Regulations 2006

### **5 DIRECTORS' REMUNERATION**

The directors' aggregate remuneration in respect of qualifying services were

	2010 £	2009 £
Remuneration receivable	<u>149,000</u>	<u>181,000</u>

The emoluments of two directors (2009 two) were paid and borne by other fellow group undertakings and they received no remuneration in respect of their services to the company

Three directors, one of whom was the highest paid director were not members of any retirement benefit schemes

Two of the directors received share options under the group's long term incentive grant scheme (2009 nil) The amounts payable to the directors under long term incentive schemes were £nil (2009 £nil)

### **6 INTEREST RECEIVABLE AND SIMILAR INCOME**

	2010 £	2009 £
Bank interest receivable	<u>–</u>	<u>20,799</u>

### **7 INTEREST PAYABLE AND SIMILAR CHARGES**

	2010 £	2009 £
Interest payable to group undertakings	<u>15,493</u>	<u>–</u>

# BRAVADO INTERNATIONAL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 DECEMBER 2010

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

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

	2010 £	2009 £
Current tax		
<b>UK Taxation</b>		
In respect of the year		
Adjustments in respect of previous years	-	2,816
Group relief payable for losses surrendered from other group undertakings	(139,287)	(421,770)
	<u>(139,287)</u>	<u>(418,954)</u>
<b>Foreign tax</b>		
Current tax on income for the year	14,371	11,063
Total current tax	<u>(124,916)</u>	<u>(407,891)</u>
Deferred tax		
Origination and reversal of timing differences (note 12)		
Capital allowances	27,833	3,213
Losses	2,680	9,207
Other	-	3,528
Total deferred tax (note 12)	<u>30,513</u>	<u>15,948</u>
Tax on loss on ordinary activities	<u>(94,403)</u>	<u>(391,943)</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 28% (2009 - 28%)

	2010 £	2009 £
Loss on ordinary activities before taxation	<u>(999,300)</u>	<u>(1,442,007)</u>
Loss on ordinary activities at the standard rate of UK Corporation tax of 28% (2009 28%)	(279,804)	(403,762)
Expenses not deductible for tax purposes	165,940	678
Impact of group relief claimed/surrendered for no compensation	-	2,816
Movement in timing differences	(30,513)	(18,686)
Impact of change in tax rate	5,090	-
Foreign tax suffered in the period	14,371	11,063
Current tax credit for the financial year	<u>(124,916)</u>	<u>(407,891)</u>

##### (c) Factors that may affect future tax charges

The company has total unutilised tax losses carried forward estimated at £357,260 (2009 - £357,260) which may reduce future tax charges

# BRAVADO INTERNATIONAL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

### 9 TANGIBLE FIXED ASSETS

	Computer Equipment £
<b>COST</b>	
At 1 January 2010	573,322
Disposals	(473,355)
<b>At 31 December 2010</b>	<b>99,967</b>
<b>DEPRECIATION</b>	
At 1 January 2010	473,355
Charge for the year	11,637
On disposals	(473,355)
<b>At 31 December 2010</b>	<b>11,637</b>
<b>NET BOOK VALUE</b>	
<b>At 31 December 2010</b>	<b>88,330</b>
At 31 December 2009	99,967

### 10 STOCKS

	2010 £	2009 £
Stock	366,056	333,163

The difference between the purchase price or production cost of stock and their replacement cost is not material

### 11 DEBTORS

	2010 £	2009 £
Trade debtors	288,510	1,269,575
Amounts owed by group undertakings	1,631,416	2,055,913
Other taxation and social security costs	379,834	884,981
Other debtors	3,785,590	3,627,128
Prepayments and accrued income	448,182	264,477
Deferred taxation (note 12)	184,936	215,449
	<b>6,718,468</b>	<b>8,317,523</b>



# BRAVADO INTERNATIONAL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

### 12 DEFERRED TAXATION

The deferred tax included in the Balance sheet is as follows

	2010 £	2009 £
Included in debtors (note 11)	184,936	215,449

The movement in the deferred taxation account during the year was

	2010 £	2009 £
Balance brought forward	215,449	231,397
Profit and loss account movement arising during the year	(30,513)	(15,948)
Balance carried forward	184,936	215,449

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	2010 £	2009 £
Excess of depreciation over taxation allowances	87,583	115,416
Tax losses available	97,353	100,033
	184,936	215,449

A number of changes to the UK Corporation tax system were introduced in the 2010 Finance Act. The UK corporation tax rate will reduce to 27% effective 1 April 2011 and disclosure of deferred tax has been adjusted to reflect the enactment of the revised rate but with no significant impact on these financial statements.

### 13 CREDITORS Amounts falling due within one year

	2010 £	2009 £
Trade creditors	1,244,247	1,535,037
Amounts owed to group undertakings	3,184,921	2,975,778
Other creditors	2,256,282	3,513,820
Accruals and deferred income	1,216,933	733,650
	7,902,383	8,758,285

# BRAVADO INTERNATIONAL GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2010

### 14 SHARE CAPITAL

#### Authorised share capital

	2010 £	2009 £
100,000 Ordinary shares of £1 each	100,000	100,000

#### Allotted, called up and fully paid

	2010 No	£	2009 No	£
Ordinary shares of £1 each	100	100	100	100

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

	Share capital £	Profit and loss account £	Total share- holders' funds £
Balance brought forward at 1 January 2009	100	1,595,336	1,595,436
Loss for the year	—	(1,050,064)	(1,050,064)
Balance brought forward at 1 January 2010	100	545,272	545,372
Loss for the year	—	(904,897)	(904,897)
Balance carried forward at 31 December 2010	100	(359,625)	(359,525)

### 16 ULTIMATE PARENT COMPANY

The immediate parent undertaking is The Sanctuary Group Limited. 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:

Vivendi SA  
42 Avenue de Friedland  
75380 Paris  
Cedex 08  
France