

BRAVADO INTERNATIONAL GROUP LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016



BRAVADO INTERNATIONAL GROUP LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016

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BRAVADO INTERNATIONAL GROUP LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

THE BOARD OF DIRECTORS	RM Constant BJ Muir SL Carmel P Jassal
COMPANY SECRETARY	A Abioye
REGISTERED OFFICE	364-366 Kensington High Street London W14 8NS
AUDITOR	Grant Thornton UK LLP London Statutory Auditor Grant Thornton House Melton Street Euston Square London NW1 2EP
BANK	HSBC PO Box 149 210 High Holborn London WC1V 7HD

BRAVADO INTERNATIONAL GROUP LIMITED

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2016

The directors present their strategic report for the company for the year ended 31 December 2016.

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 and through retail outlets worldwide. Bravado has a strong market position and is generally seen as the top company in these sectors.

The result and position of the company as at and for the year ended 31 December 2016 are set out in the statement of comprehensive income, statement of financial position and statement of changes in equity on pages 7,8 and 9 respectively. The result and position of the company were in line with directors' expectations.

RESULTS AND DIVIDENDS

The company's profit for the financial year was £1,408,271 (2015 - profit £1,173,735). The retained profit for the year has been transferred to reserves.

During the year a dividend of £10,000,000 was declared and approved (2015: Nil).

PRINCIPAL RISKS AND UNCERTAINTIES

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

- competition from other merchandise companies to secure rights to service music merchandise;
- the pressure on margins in an already tight market;
- changes in high street trends which affect the popularity of music related designs.

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

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


P Jassal
Director

1/6/17

BRAVADO INTERNATIONAL GROUP LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2016

The directors present their report, the strategic report and the financial statements of the company for the year ended 31 December 2016.

DIRECTORS

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

RM Constant

BJ Muir

SL Carmel (appointed 31 March 2017)

P Jassal (appointed 18 May 2017)

A Brown (resigned 31 March 2017)

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.

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.

DONATIONS

The company made no political donations in either year.

During the year the company made the following contributions:

	2016 £	2015 £
Charitable	4,365	2,200
	<u>4,365</u>	<u>2,200</u>

BRAVADO INTERNATIONAL GROUP LIMITED

DIRECTORS' REPORT (continued)

YEAR ENDED 31 DECEMBER 2016

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the directors' report, strategic 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, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (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 year. 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;
- 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
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

By order of the board


A Abioye

Company Secretary

1/6/17

Company Registration Number: 02754921

BRAVADO INTERNATIONAL GROUP LIMITED

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

YEAR ENDED 31 DECEMBER 2016

We have audited the financial statements of Bravado International Group Limited for the year ended 31 December 2016, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, Statement of Changes in Equity 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), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 AUDITOR

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2016 and of its profit 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, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and Directors' Report has been prepared in accordance with applicable legal requirements.

MATTER ON WHICH WE ARE REQUIRED TO REPORT UNDER THE COMPANIES ACT 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and Directors' Report.

BRAVADO INTERNATIONAL GROUP LIMITED

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

YEAR ENDED 31 DECEMBER 2016

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.



Steven Leith

Senior Statutory Auditor

For and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

London

1/6/17

Company Registration Number: 02754921

BRAVADO INTERNATIONAL GROUP LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	Total 2016 £	Total 2015 £
TURNOVER	4	47,298,387	39,135,945
Cost of sales		(43,793,747)	(34,239,256)
GROSS PROFIT		3,504,640	4,896,689
Administrative expenses		(3,019,463)	(3,639,996)
OPERATING PROFIT	5	485,177	1,256,693
PROFIT ON ORDINARY ACTIVITIES BEFORE INVESTMENT INCOME, INTEREST AND TAXATION		485,177	1,256,693
Income from participating interests	21	900,099	-
Interest receivable and similar income	7	204,546	239,815
Interest payable and similar charges	8	(38,481)	(11,681)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,551,341	1,484,827
Tax on profit on ordinary activities	9	(143,070)	(311,092)
PROFIT FOR THE FINANCIAL YEAR		1,408,271	1,173,735

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


There was no other comprehensive income for 2016 (2015: Nil).

The notes on pages 10 to 21 form part of these financial statements.

BRAVADO INTERNATIONAL GROUP LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
CURRENT ASSETS			
Inventories (Finished goods)	11	408,688	83,919
Debtors: Amounts falling due within one year	12	24,542,686	30,038,061
Cash at bank		232	13,500
		<u>24,951,606</u>	<u>30,135,480</u>
CREDITORS: Amounts falling due within one year	13	<u>(21,202,848)</u>	<u>(17,794,991)</u>
NET CURRENT ASSETS		<u>3,748,758</u>	<u>12,340,489</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,748,758</u>	<u>12,340,489</u>
NET ASSETS		<u>3,762,181</u>	<u>12,340,489</u>
CAPITAL AND RESERVES			
Called-up equity share capital	18	100	100
Profit and loss account		<u>3,748,658</u>	<u>12,340,389</u>
EQUITY SHAREHOLDERS' FUNDS		<u>3,748,758</u>	<u>12,340,489</u>

These accounts were approved by the board of directors and authorised for issue on and are signed on their behalf by:


P Jassal
Director

1/6/17

Company Registration Number: 02754921

The notes on pages 10 to 21 form part of these financial statements.

BRAVADO INTERNATIONAL GROUP LIMITED
STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2016

	Share Capital £	Profit & Loss Account £	Total Share-holders' Funds £
Balance brought forward at 1 January 2015	100	11,166,654	11,166,754
Total comprehensive income for the period			
Profit for the year	-	1,173,735	1,173,735
Balance brought forward at 1 January 2016	100	12,340,389	12,340,489
Total comprehensive income for the period			
Profit for the year	-	1,408,271	1,408,271
Dividends (Note 20)	-	(10,000,000)	(10,000,000)
Balance carried forward at 31 December 2016	100	3,748,658	3,748,758

BRAVADO INTERNATIONAL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

1. STATUTORY INFORMATION

Bravado International Group Limited is a private company limited by shares and incorporated and domiciled in the UK. The registered office is 364-366 Kensington High Street, London, W14 8NS.

2. STATEMENT OF COMPLIANCE

The company's financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS102") and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparation of financial statements

The presentation currency of these financial statements is Sterling and rounded to the nearest £.

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

FRS 102 - Qualifying exemptions

The company's ultimate parent undertaking, Vivendi SA includes the company in its consolidated financial statements. The consolidated financial statements of Vivendi SA are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from 42 Avenue de Friedland, 75380 Paris, Cedex 08, France. In these financial statements, the company is considered to be a qualifying entity and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period.
- Cash Flow Statement and related notes;
- Related party disclosures; and
- Key Management Personnel compensation.

As the consolidated financial statements of Vivendi SA include the equivalent disclosures, the company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 *Share Based Payments*; and
- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instruments Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

BRAVADO INTERNATIONAL GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016

3. ACCOUNTING POLICIES (continued)

Other qualifying exemptions

As the ultimate parent undertaking prepares publicly available consolidated accounts and is incorporated within the European Union the company has taken advantage of the exemption under section 400 of the Companies Act 2006 from preparing consolidated accounts. As such, these financial statements give information about the company as an individual undertaking and not about its group.

Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value; derivative financial instruments, financial instruments classified at fair value through the profit and loss, biological assets, investment property, tangible fixed assets and intangible assets measured in accordance with the revaluation model and investments in associates and joint ventures measured at fair value.

Going concern

The Company's business activities, together with the factors likely to affect future developments, its financial exposures and its risk exposures are described above.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources available to it to continue in operational existence for the foreseeable future. Accordingly, they continue to adapt the going concern basis in preparing the financial statements.

Continued support from parent undertaking

The financial statements have been prepared on the going concern basis as the company has received confirmation for Societe d'Investissements et de Gestion 104 S.A.S., 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.

BRAVADO INTERNATIONAL GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016

3. ACCOUNTING POLICIES (continued)

Revenue recognition

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

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.

Basic financial instruments

Investments in subsidiaries, jointly controlled entities and associates

These are separate financial statements of the company. Investments in subsidiaries, jointly controlled entities and associates are carried at cost less impairment.

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 interest for a similar debt instrument.

BRAVADO INTERNATIONAL GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016

3. ACCOUNTING POLICIES (continued)

Basic financial instruments (continued)

Advances

Advances to artists are written down to the estimated amount that will be recoverable from future royalty payments to the artist. Net advances to artists are classified as falling due within one year within other debtors, although elements may not be recovered until more than one year. Long term advances to artists, where the effect of the time value of money is material, are discounted.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and bank overdrafts that are repayable on demand.

Inventories (Finished goods)

Stocks are valued at the lower of the cost or net realisable value. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Impairment excluding stocks and deferred tax assets

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.

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 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 2016

3. ACCOUNTING POLICIES (continued)

Expenses

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the statement of comprehensive income (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset/are expensed as incurred.

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the statement of comprehensive income on the date the company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income 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 statement of financial position 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. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. 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 provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

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 statement of financial position date. For non-depreciable assets that are measured using the revaluation model, or investment property that is measured at fair value, deferred tax is provided at the rates and allowances applicable to the sale of the asset/property, except when the investment property has a limited useful life and the objective of the company's business model is to consume substantially all of the value through use. In the latter case the tax rate that is expected to apply to the reversal of the related difference is used. Deferred tax balances are not discounted.

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

BRAVADO INTERNATIONAL GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016

3. ACCOUNTING POLICIES (continued)

Expenses (continued)

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.

4. TURNOVER

Turnover by activity is as follows:

	2016 £	2015 £
Merchandise Sales	47,298,387	39,135,945
	<u>47,298,387</u>	<u>39,135,945</u>

5. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2016 £	2015 £
Auditor's remuneration	52,000	50,500
Operating lease costs:		
- Land and buildings	205,000	357,850
Net (gain)/loss on foreign currency translation	<u>(146,405)</u>	<u>238,142</u>

6. PARTICULARS OF EMPLOYEES

The company had no employees during the year ended 31 December 2016 (2015 - nil).

The emoluments of the directors of the company were borne by other group companies in both years.

BRAVADO INTERNATIONAL GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2016	2015
	£	£
Interest receivable from group undertakings	204,546	239,815
	<u>204,546</u>	<u>239,815</u>

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2016	2015
	£	£
Interest payable to group undertakings	38,481	11,681
	<u>38,481</u>	<u>11,681</u>

BRAVADO INTERNATIONAL GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016

9. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of tax charge in the year

	2016 £	2015 £
Current tax:		
UK Taxation		
In respect of the year		
UK Corporation tax based on the results for the year at 20.00% (2015 : 20.25%)	9,726	1,586
Adjustments in respect of previous years	-	(17,735)
	<u>9,726</u>	<u>(16,149)</u>
Group relief payable for losses surrendered from other group undertakings	119,921	289,230
	<u>129,647</u>	<u>273,081</u>
Double taxation relief	(9,726)	(1,586)
	<u>119,921</u>	<u>271,495</u>
Foreign tax		
Current tax on income for the year	9,726	1,586
	<u>129,647</u>	<u>273,081</u>
Deferred tax:		
Capital allowances	12,508	19,687
Adjustments in respect of prior periods	-	16,495
Other	915	1,829
	<u>13,423</u>	<u>38,011</u>
Total deferred tax	<u>13,423</u>	<u>38,011</u>
Tax on profit on ordinary activities	<u><u>143,070</u></u>	<u><u>311,092</u></u>

	2016 £	2016 £	2016 £	2015 £	2015 £	2015 £
	Current Tax	Deferred Tax	Total Tax	Current Tax	Deferred Tax	Total Tax
Recognised in Profit and loss	129,647	13,423	143,070	273,081	38,011	311,092
Total Tax	<u><u>129,647</u></u>	<u><u>13,423</u></u>	<u><u>143,070</u></u>	<u><u>273,081</u></u>	<u><u>38,011</u></u>	<u><u>311,092</u></u>

BRAVADO INTERNATIONAL GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016

9. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 20.00% (2015 - 20.25%).

The Finance Act 2013 enacted reductions in the UK corporate tax rate to 21% from 1 April 2014 and 20% from 1 April 2015. As announced in the Budget on 8 July 2015, the Corporation Tax main rate will be reduced to 19% from 1 April 2017 and 18% from 1 April 2020, which were enacted by the Finance (No. 2) Act 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.

	2016 £	2015 £
Profit on ordinary activities before taxation	<u>1,551,341</u>	<u>1,484,827</u>
Profit on ordinary activities at the standard rate of UK Corporation tax of 20.00% (2015: 20.25%)	310,268	300,677
Expenses not deductible for tax purposes	(169,530)	3,833
Adjustments in respect of previous periods	-	(1,240)
Double tax relief	9,726	(1,586)
Foreign tax suffered in the period	(9,726)	1,586
Impact of statutory rate change	<u>2,332</u>	<u>7,822</u>
Current tax charge for the financial year	<u>143,070</u>	<u>311,092</u>

10. FINANCIAL ASSETS (INVESTMENTS)

Subsidiary Undertakings

The principal subsidiaries of Bravado International Group Limited, as at 31 December 2016 were as follows:

Name	Country of Incorporation	Ordinary share holding	Nature of business
Concessions Management International Limited	United Kingdom	100%	Concession company

11. STOCKS

	2016 £	2015 £
Finished goods	<u>408,688</u>	<u>83,919</u>

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

BRAVADO INTERNATIONAL GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

12. DEBTORS: Amounts due within one year

	2016 £	2015 £
Trade debtors	3,263,406	1,908,892
Amounts owed by group undertakings	16,779,295	20,209,667
Other debtors	2,651,216	6,474,061
Prepayments and accrued income	1,790,273	1,373,522
Deferred taxation (note 14)	58,496	71,919
	<u>24,542,686</u>	<u>30,038,061</u>

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 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 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%.

13. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	2,318,398	3,340,976
Amounts owed to group undertakings	9,422,048	8,577,176
VAT	167,862	65,443
Other creditors	6,319,554	3,382,361
Accruals and deferred income	2,974,986	2,429,035
	<u>21,202,848</u>	<u>17,794,991</u>

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 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 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%.

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14. DEFERRED TAXATION

The movement in the deferred taxation account during the year was:

	2016 £	2015 £
Balance brought forward	71,919	109,930
Deferred taxation on ordinary activities account movement arising during the year	(13,423)	(38,011)
	<u>58,496</u>	<u>71,919</u>
Provision carried forward	<u>58,496</u>	<u>71,919</u>

The movement for deferred taxation consists of the tax effect of timing differences in respect of:

	2016 £	2015 £
Excess of depreciation over taxation allowances	42,946	55,454
Other timing differences	15,550	16,465
	<u>58,496</u>	<u>71,919</u>
	<u>58,496</u>	<u>71,919</u>

The deferred tax is included in the statement of financial position is as follows:

	2016 £	2015 £
Included in debtors (note 12)	<u>58,496</u>	<u>71,919</u>

15. POST BALANCE SHEET EVENT

No post balance sheet events have been identified by management.

16. CAPITAL COMMITMENTS

The company had no capital commitments at 31 December 2016 or 31 December 2015.

17. CONTINGENT LIABILITIES

The company had no contingent liabilities at 31 December 2016 or 31 December 2015.

BRAVADO INTERNATIONAL GROUP LIMITED
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18. SHARE CAPITAL

Authorised:

	2016		2015	
	No	£	No	£
Ordinary shares of £1 each	100,000	100,000	100,000	100,000
	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

Allotted, called up and fully paid:

	2016		2015	
	No	£	No	£
Ordinary shares of £1 each	100	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

	2016	2015
	£	£
Amounts presented in equity:		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

19. ULTIMATE PARENT COMPANY

The immediate parent undertaking is Universal SRG Group Limited. The ultimate parent undertaking and controlling party as at 31 December 2016 was Vivendi SA, a company incorporated in France. The smallest and largest group in which the results of the company are consolidated is that headed by Vivendi SA. Copies of its annual report in English may be obtained from:

Vivendi SA
42 Avenue de Friedland
75380 Paris
Cedex 08
France

On 25 April 2017 Bolloré Group became the ultimate parent undertaking and controlling party.

20. DIVIDENDS

During the year Bravado International Group declared a dividend of £10,000,000 to immediate parent undertaking Universal SRG Group Limited.

21. INCOME FROM PARTICIPATING INTERESTS

During the year subsidiary undertaking Concessions Management International Limited made a return of capital of £200,099 and declared a dividend of £700,000 to Bravado International Group Limited.