

COMPANY REGISTRATION NUMBER 02760501

**BRAVADO RETAIL & LICENSING LIMITED
DIRECTORS' REPORT AND FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2012



BRAVADO RETAIL & LICENSING LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

CONTENTS	PAGES
Officers and professional advisers	1
Directors' report	2 to 4
Independent auditor's report to the members	5 to 6
Profit and loss account	7
Balance sheet	8
Notes to the financial statements	9 to 15

BRAVADO RETAIL & LICENSING LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

THE BOARD OF DIRECTORS

RM Constant
BJ Muir
A Brown

COMPANY SECRETARY

A Abioye

REGISTERED OFFICE

364-366 Kensington High Street
London
W14 8NS

AUDITORS

Grant Thornton UK LLP
Statutory Auditor
Grant Thornton House
Melton Street
Euston Square
London
NW1 2EP

BRAVADO RETAIL & LICENSING LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2012

The directors present their report and the financial statements of the company for the year ended 31 December 2012

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company continued to be that of wholesalers and online retailers of licensed leisurewear and novelty products

Effective from 1 January 2012, the company entered a licence agreement, granting licence to all its revenue earning rights in favour of Bravado International Group Limited, a fellow subsidiary of Universal Music Holdings Limited. The trading assets and liabilities held by the company at 1 January 2012 were transferred to Bravado International Group Limited at net book value, resulting in no gain or loss.

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, as it will continue to be a dormant company.

RESULTS AND DIVIDENDS

The company's loss for the financial year was £1,876,152 (2011 - profit of £2,222,194), due in part to management's decision to waive an outstanding balance due from Bravado International Group Limited. The retained loss for the year has been transferred to reserves.

There have been no dividends paid or declared during the year (2011: £nil).

PRINCIPAL RISKS AND UNCERTAINTIES

- competition from other merchandising companies
- the pressure on margins in an already tight market,

No foreseeable risks due to dormant state of the company.

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
BJ Muir
A Brown

BRAVADO RETAIL & LICENSING LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2012

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

- 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.

DONATIONS

The company made no charitable or political donations in either year.

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.

In preparing the report, the directors have taken advantage of the small companies exemption provided by section 415A of the Companies Act 2006.

BRAVADO RETAIL & LICENSING LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2012

on behalf of the directors



A Abioye

Company Secretary

Company Registration Number 02760501

28 March 2013

BRAVADO RETAIL & LICENSING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRAVADO RETAIL & LICENSING LIMITED

YEAR ENDED 31 DECEMBER 2012

We have audited the financial statements of Bravado Retail & Licensing Limited for the year ended 31 December 2012 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 page 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/private.cfm.

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 2012 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 RETAIL & LICENSING LIMITED

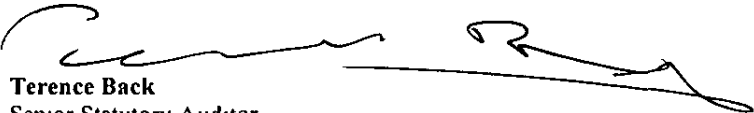
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRAVADO RETAIL & LICENSING LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2012

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
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report



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

28/3/2013

Company Registration Number 02760501

BRAVADO RETAIL & LICENSING LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 £	2011 £
TURNOVER	2	–	24,558,217
Cost of sales		–	(19,998,038)
GROSS PROFIT		–	4,560,179
Administrative expenses		–	(1,355,309)
OPERATING PROFIT	3	–	3,204,870
Non operating exceptional expense	5	(1,876,152)	–
		(1,876,152)	3,204,870
Interest receivable and similar income	6	–	19,917
Interest payable and similar charges	7	–	(195,800)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,876,152)	3,028,987
Tax on (loss)/profit on ordinary activities	8	–	(806,793)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(1,876,152)	2,222,194

All of the activities of the company are classed as discontinued 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 9 to 15 form part of these financial statements

BRAVADO RETAIL & LICENSING LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2012

	Note	2012 £	2011 £
FIXED ASSETS			
Tangible assets	9	—	2,543
CURRENT ASSETS			
Stocks	10	—	576,550
Debtors	11	200,000	12,097,749
		200,000	12,674,299
CREDITORS: Amounts falling due within one year	13	—	(10,600,690)
NET CURRENT ASSETS		200,000	2,073,609
TOTAL ASSETS LESS CURRENT LIABILITIES		200,000	2,076,152
CAPITAL AND RESERVES			
Called-up equity share capital	15	200,000	200,000
Profit and loss account	16	—	1,876,152
EQUITY SHAREHOLDERS' FUNDS	16	200,000	2,076,152

These financial statements were approved by the board of directors and authorised for issue on 28 March 2013 and are signed on their behalf by



A Brown

Company Registration Number: 02760501

The notes on pages 9 to 15 form part of these financial statements

BRAVADO RETAIL & LICENSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

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 contained 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.

Revenue

Revenue represents the invoiced value of goods supplied by the company stated net of value added tax.

Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue 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 the 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.

BRAVADO RETAIL & LICENSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

1 ACCOUNTING POLICIES *(continued)*

Fixed assets

Tangible fixed assets are stated at cost net of depreciation and any provision for impairment

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

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

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 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

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%

BRAVADO RETAIL & LICENSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

2 TURNOVER

	2012	2011
	£'000	£'000
Turnover	-	24,558,217

3 OPERATING PROFIT

Operating profit is stated after charging

	2012	2011
	£	£
Depreciation of owned fixed assets	-	5,087
Net loss on foreign currency translation	-	13,289
Auditor's remuneration	-	8,300

The auditors remuneration was borne by a fellow group entity

	2012	2011
	£	£
Auditor's remuneration - audit of the financial statements	-	8,300

4 PARTICULARS OF EMPLOYEES

The company has no employees other than directors, who did not receive any remuneration in respect of their services to the company

5 NON OPERATING EXCEPTIONAL EXPENSE

On 1 Jan 2012 the trade and net assets of the company were transferred to it fellow subsidiary, Bravado International Limited at book value of £1,876,152 Bravado Retail & Licensing has subsequently forgiven the consequent loan amount balance between themselves and Bravado International Limited

6 INTEREST RECEIVABLE AND SIMILAR INCOME

	2012	2011
	£	£
Interest receivable from group undertakings	-	19,917

7 INTEREST PAYABLE AND SIMILAR CHARGES

	2012	2011
	£	£
Interest payable to group undertakings	-	195,800

BRAVADO RETAIL & LICENSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

8 TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

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

	2012 £	2011 £
Current tax		
UK Corporation tax on profit/loss for the year	-	-
Group relief payable for losses surrendered from other group undertakings	-	770,016
Total current tax	-	770,016
Deferred tax		
Origination and reversal of timing differences	-	36,777
Total deferred tax (note 12)	-	36,777
Tax on (loss)/profit on ordinary activities	-	806,793

(b) Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than the average rate of corporation tax in the UK of 24.5% (2011 - 26.5%). The Finance Act 2012, which includes a reduction in the UK corporate tax rate to 24% from April 2012 and 23% from April 2013 has been enacted. Deferred tax assets and liabilities are measured at the rate that is expected to apply to the period when the asset is realised or the liability is settled, based on the rates that have been enacted at the balance sheet date. Therefore, at 31 December 2012, deferred tax assets and liabilities have been calculated based on the rates that have been enacted by the balance sheet date.

	2012 £	2011 £
(Loss)/profit on ordinary activities before taxation	(1,876,152)	3,028,987
Profit on ordinary activities at the standard rate of UK Corporation tax of 24.5% (2011 - 26.50%)	-	802,681
Expenses not deductible for tax purposes	-	1,478
Movement in timing differences	-	(36,777)
Impact of change in tax rate	-	2,634
Current tax charge for the financial year	-	770,016

(c) Factors that may affect future tax charges

The UK Government intends to reduce the UK corporate income tax further, to 20% from 1 April 2015. The future reduction has not been enacted at the balance sheet date so the effect of this has not been reflected in this financial statement, however it is not expected that this change would have a significant effect on the value of the company's deferred tax balances at the balance sheet date.

BRAVADO RETAIL & LICENSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

9. TANGIBLE FIXED ASSETS

	Office equipment £
COST	
At 1 January 2012	2,543
Disposals	(2,543)
At 31 December 2012	<u>—</u>
DEPRECIATION	
At 1 January 2012 and 31 December 2012	<u>—</u>
NET BOOK VALUE	
At 31 December 2012	<u>—</u>
At 31 December 2011	<u>2,543</u>

10. STOCKS

	2012 £	2011 £
Finished goods	<u>—</u>	<u>576,550</u>

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

11. DEBTORS

	2012 £	2011 £
Trade debtors	—	2,453,439
Amounts owed by group undertakings	200,000	6,832,863
Other debtors	—	738,065
Prepayments and accrued income	—	2,052,324
Deferred taxation (note 12)	—	21,058
	<u>200,000</u>	<u>12,097,749</u>

BRAVADO RETAIL & LICENSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

12. DEFERRED TAXATION

The deferred tax included in the Balance sheet is as follows

	2012 £	2011 £
Included in debtors (note 11)	-	21,058

The movement in the deferred taxation account during the year was

	2012 £	2011 £
Balance brought forward	21,058	57,835
Profit and loss account movement arising during the year	-	(36,777)
Transferred to fellow subsidiary group undertakings	(21,058)	-
Balance carried forward	-	21,058

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

	2012 £	2011 £
Excess of depreciation over taxation allowances	-	11,589
Other timing differences	-	9,469
	-	21,058

13 CREDITORS: Amounts falling due within one year

	2012 £	2011 £
Trade creditors	-	2,318,683
Amounts owed to group undertakings	-	1,600,742
Other taxation and social security	-	357,373
Other creditors	-	4,023,187
Accruals and deferred income	-	2,300,705
	-	10,600,690

14. CAPITAL COMMITMENTS

The company had no capital commitments at 31 December 2012 or 31 December 2011

BRAVADO RETAIL & LICENSING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

15 SHARE CAPITAL

Authorised share capital.

	2012 £	2011 £
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

Allotted, called up and fully paid.

	2012 No	£	2011 No	£
Ordinary shares of £1 each	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>

16 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share capital £	Profit and loss account £	Total share- holders' funds £
Balance brought forward at 1 January 2011	200,000	(346,042)	(146,042)
Profit for the year	—	2,222,194	2,222,194
Balance brought forward at 1 January 2012	200,000	1,876,152	2,076,152
Loss for the year	—	(1,876,152)	(1,876,152)
Balance carried forward at 31 December 2012	<u>200,000</u>	<u>—</u>	<u>200,000</u>

17 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 S A
42 Avenue de Friedland
75380 Paris
Cedex 08
France