

COMPANY REGISTRATION NUMBER 3158108

EMI GROUP HOLDINGS (UK)
DIRECTORS' REPORT AND FINANCIAL
STATEMENTS
PERIOD FROM 1 APRIL 2013 TO 31 DECEMBER 2013

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EMI GROUP HOLDINGS (UK)

FINANCIAL STATEMENTS

PERIOD FROM 1 APRIL 2013 TO 31 DECEMBER 2013

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EMI GROUP HOLDINGS (UK)

OFFICERS AND PROFESSIONAL ADVISERS

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

KPMG LLP
Chartered Accountants
15 Canada Square
London
E14 5GL

EMI GROUP HOLDINGS (UK)

STRATEGIC REPORT

PERIOD FROM 1 APRIL 2013 TO 31 DECEMBER 2013

The directors present their strategic report for the company for the period ended 31 December 2013. During the period the company changed its accounting reference date from 31 March to 31 December.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the period continued to be that of a finance company. There has not been any change to the principal activity of the Company during the period ended 31 December 2013 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 period ended 31 December 2013 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

The profit on ordinary activities before taxation for the period was £4,625,000 (March 2013: £222,853,000). The higher profit in the prior year was mainly due to a gain on disposal of shares. The directors do not recommend payment of a dividend (March 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

01 AUG 2014

EMI GROUP HOLDINGS (UK)

DIRECTORS' REPORT

PERIOD FROM 1 APRIL 2013 TO 31 DECEMBER 2013

The directors present their report and the unaudited financial statements of the company for the period from 1 April 2013 to 31 December 2013

DIRECTORS

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

RM Constant
A Brown
BJ Muir

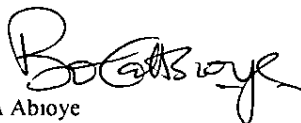
DIRECTORS QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

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

The company made no political or charitable donations in either the current period or the prior year

By order of the board



A Abioye
Company Secretary

01 AUG 2014

EMI GROUP HOLDINGS (UK)

PROFIT AND LOSS ACCOUNT

PERIOD FROM 1 APRIL 2013 TO 31 DECEMBER 2013

	Note	Period from 1 April 13 to 31 December 13 £'000	Year to 31 March 13 £'000
TURNOVER		–	–
Other operating income		–	200,000
OPERATING PROFIT		–	200,000
Other provisions		–	5,822
		–	205,822
Interest receivable and similar income	3	5,054	17,059
Amounts written off investments		(429)	(28)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		4,625	222,853
Tax on profit on ordinary activities	4	–	–
PROFIT FOR THE FINANCIAL PERIOD		4,625	222,853

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 period as set out above

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

The notes on pages 6 to 12 form part of these financial statements

EMI GROUP HOLDINGS (UK)

BALANCE SHEET

AS AT 31 DECEMBER 2013

	Note	31 December 13 £'000	31 March 13 £'000
FIXED ASSETS			
Investments	5	906,466	906,466
CURRENT ASSETS			
Debtors	6	1,277,591	1,272,966
CREDITORS Amounts falling due within one year	7	<u>110,240</u>	<u>110,240</u>
NET CURRENT ASSETS		1,167,351	1,162,726
TOTAL ASSETS LESS CURRENT LIABILITIES		2,073,817	2,069,192
CREDITORS Amounts falling due after more than one year	8	231,265	231,265
		<u>1,842,552</u>	<u>1,837,927</u>
CAPITAL AND RESERVES			
Called-up equity share capital	10	1,536,463	1,536,463
Other reserves	11	2,646,925	2,646,925
Profit and loss account	11	(2,340,836)	(2,345,461)
EQUITY SHAREHOLDERS' FUNDS	11	<u>1,842,552</u>	<u>1,837,927</u>

For the period from 1 April 2013 to 31 December 2013 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 period 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

01 AUG 2014

On behalf of the Board of Directors



A Brown

Company Registration Number 3158108

The notes on pages 6 to 12 form part of these financial statements

EMI GROUP HOLDINGS (UK)

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 APRIL 2013 TO 31 DECEMBER 2013

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 s 400 of Companies Act 2006, from the requirement to prepare group accounts if it is itself a wholly owned subsidiary undertaking and its immediate parent undertaking is established under the law of an EEA State. These financial statements present information about the company as an individual undertaking and not about its group.

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.

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.

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.

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.

EMI GROUP HOLDINGS (UK)

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 APRIL 2013 TO 31 DECEMBER 2013

1 ACCOUNTING POLICIES *(continued)*

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 Company'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.

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.

Interest bearing intercompany loans

Intercompany interest bearing loans bear interest at a rate agreed by both parties on a loan by loan basis. Accrued interest is added to the loan balance on a quarterly basis.

2 PARTICULARS OF EMPLOYEES

No Director received any remuneration during the current period or the prior year in respect of his services to the Company. The Company had no employees during either the current period or prior year.

3 INTEREST RECEIVABLE AND SIMILAR INCOME

	Period from 1 April 13 to 31 December 13 £'000	Year to 31 March 13 £'000
Interest receivable from group undertakings	5,054	17,059

EMI GROUP HOLDINGS (UK)

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 APRIL 2013 TO 31 DECEMBER 2013

4 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 23% (To 31 March 13 - 24%)

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

	Period from 1 April 13 to 31 December 13 £'000	Year to 31 March 13 £'000
Profit on ordinary activities before taxation	<u>4,625</u>	<u>222,853</u>
Profit on ordinary activities at the standard rate of UK Corporation tax of 23% (2013 - 24%)	1,064	53,485
Expenses not deductible for tax purposes	99	(28,000)
Impact of group relief claimed / surrendered for no compensation	(1,163)	(13,351)
Impact of tax losses not utilised in the period	-	(12,134)
Current tax charge for the financial period	<u>-</u>	<u>-</u>

5 INVESTMENTS

	Total £'000
COST	
At 1 April 2013	1,734,278
Additions	429
At 31 December 2013	<u>1,734,707</u>
PROVISION FOR IMPAIRMENT	
At 1 April 2013	827,812
Written off in period	429
At 31 December 2013	<u>828,241</u>
NET BOOK VALUE	
At 31 December 2013	<u>906,466</u>
At 31 March 2013	<u>906,466</u>

EMI GROUP HOLDINGS (UK)

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 APRIL 2013 TO 31 DECEMBER 2013

5 INVESTMENTS *(continued)*

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. In the opinion of the Directors, the value of the Company's investments at 31 December 2013 is at least equal to their carrying value and no impairment has been made.

PRINCIPAL SUBSIDIARY UNDERTAKINGS

The following were the subsidiary undertakings held directly by EMI Group Holdings (UK) at 31 December 2013

Subsidiary undertakings	Country of Incorporation	Proportion held	Nature of business
Electric and Musical Industries Limited	UK	100%	Recorded Music
EMI Catalogue Investments Holland Limited	UK	100%	Recorded Music
EMI Group America Finance Limited	UK	100%	Recorded Music
EMI Group Danish Investments Limited	UK	100%	Recorded Music
EMI Group Finance Denmark Limited	UK	100%	Recorded Music
EMI Group Hayes Limited	UK	100%	Recorded Music
EMI Group Nominees Limited	UK	100%	Recorded Music
EMI Group Properties Limited	UK	100%	Recorded Music
EMI Investments Holland Limited	UK	100%	Recorded Music
EMI Recorded Music Holdings (UK) Limited	UK	100%	Recorded Music
EMI Records UK Holdco Limited	UK	100%	Recorded Music
EMIG 5 Limited	UK	100%	Recorded Music
Imet 21 Limited (ordinary shares)	UK	100%	Recorded Music
Imet 21 Limited (preference shares)	UK	100%	Recorded Music
John Taylor, Dunford & Co. Limited	UK	100%	Recorded Music
Mawlaw EMI Limited	UK	100%	Recorded Music

6 DEBTORS

	31 December 13 £'000	31 March 13 £'000
Amounts owed by group undertakings	<u>1,277,591</u>	<u>1,272,966</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.

7 CREDITORS Amounts falling due within one year

	31 December 13 £'000	31 March 13 £'000
Amounts owed to group undertakings	<u>110,240</u>	<u>110,240</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.

EMI GROUP HOLDINGS (UK)

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 APRIL 2013 TO 31 DECEMBER 2013

8 CREDITORS Amounts falling due after more than one year

	31 December 13 £'000	31 March 13 £'000
Shares classed as financial liabilities	<u>231,265</u>	<u>231,265</u>

Rights of preference shares

i) Preference Dividend

In the event that the Directors declare an interim dividend or the members by ordinary resolution declare a dividend, the holders of the Preference Shares shall be entitled in respect of each such Preference Share to receive (in priority to any dividend declared or to be paid on the Ordinary Shares and to the extent that payment thereof out of profits would be lawful), a net fixed cumulative preferential dividend at the rate of 3½ per cent per annum on the amount of each Preference Share held which is fully paid up or credited as fully paid up, including the amount of any premium paid

The Directors of the company which owns 100 per cent of the preference shares, EMI Group Worldwide, have formally waived the right to receive all dividends since the shares were issued, and therefore no liability in respect of these dividends has been recognised in the financial statements

ii) Capital

In the event of a winding-up of the Company or other return of capital by the Company the assets of the Company available for distribution among the members are to be paid in the following order of priority

First in priority to the rights of the holders of any other class of share in repaying *pari passu* to the holders of the Preference Shares,

a) an amount equal to the monies paid up or credited as paid up (including any premium) in respect of each Preference Share

b) subject to the provisions of the Act, an amount equal to 3½ per cent per annum on the amount of each Preference Share held which is fully paid up or credited as fully paid up, including the amount of any premium paid, such amount to be calculated by reference to the period since the later of the date on which such Preference Share was allotted or the record date by reference to which a dividend was last declared or paid on such Preference Share

iii) Redemption

With the prior approval of members by ordinary resolution in general meeting, the Company shall have the right at any time to redeem all or any of the Preference Shares for the time being outstanding and fully paid upon giving to the holders of such of the Preference Shares as are to be redeemed not less than three months previous notice in writing of its intention to do so. With the prior approval of members by ordinary resolution in general meeting, the holders of the Preference Shares shall have the right at any time to require all or any of the Preference Shares held by them which are fully paid or credited as fully paid to be redeemed by the Company by giving to the Company not less than three months previous notice in writing

The Directors of the company which owns 100 per cent of the preference shares, EMI Group Worldwide, have formally waived the right to redeem the shares until after 31 December 2014

9 CAPITAL COMMITMENTS

The company had no capital commitments at 31 March 2013 or 31 December 2013

EMI GROUP HOLDINGS (UK)

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 APRIL 2013 TO 31 DECEMBER 2013

10 SHARE CAPITAL

Authorised share capital

	31 December 13 £'000	31 March 13 £'000
4,193,403,865 Ordinary shares of £0.3664 each	1,536,463	1,536,463
700,000,000 Fixed Rate Cumulative Redeemable Preference Shares of £0.4022 each	281,540	281,540
	<u>1,818,003</u>	<u>1,818,003</u>

Allotted, called up and fully paid:

	No	31 December 13 £'000	No	31 March 13 £'000
Ordinary shares of £0.3664 each	4,193,403,865	1,536,463	4,193,403,865	1,536,463
Fixed Rate Cumulative Redeemable Preference Shares of £0.4022 each	575,000,000	231,265	575,000,000	231,265
	<u>4,768,403,865</u>	<u>1,767,728</u>	<u>4,768,403,865</u>	<u>1,767,728</u>

	31 December 13 £'000	31 March 13 £'000
Amounts presented in equity:		
4,193,403,865 Ordinary shares of £0.3664 each	<u>1,536,463</u>	<u>1,536,463</u>
Amounts presented in liabilities		
575,000,000 Fixed Rate Cumulative Redeemable Preference Shares of £0.4022 each	<u>231,265</u>	<u>231,265</u>

11 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share capital £'000	Capital reserve £'000	Profit and loss account £'000	Total share- holders' funds £'000
Balance brought forward at 1 April 2012	1,536,463	2,646,925	(2,568,314)	1,615,074
Profit for the year	—	—	222,853	222,853
Balance brought forward at 1 April 2013	1,536,463	2,646,925	(2,345,461)	1,837,927
Profit for the period	—	—	4,625	4,625
Balance carried forward at 31 December 2013	<u>1,536,463</u>	<u>2,646,925</u>	<u>(2,340,836)</u>	<u>1,842,552</u>

EMI GROUP HOLDINGS (UK)

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 APRIL 2013 TO 31 DECEMBER 2013

12 ULTIMATE PARENT COMPANY

The immediate parent company is Virgin Music Group, a company incorporated and operating in the UK. 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