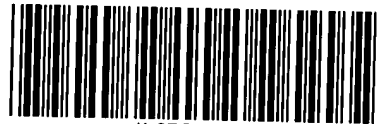


COMPANY REGISTRATION NUMBER 03967906

RELENTLESS 2006 LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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RELENTLESS 2006 LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016

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RELENTLESS 2006 LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

THE BOARD OF DIRECTORS

AM Barker
DRJ Sharpe
SL Carmel

COMPANY SECRETARY

A Abioye

REGISTERED OFFICE

364-366 Kensington High Street
London
W14 8NS

AUDITOR

Ernst & Young LLP
Statutory Auditor
1 More London Place
London
SE1 2AF

RELENTLESS 2006 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 the sale and distribution of all forms of recorded music.

The result and position of the company 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 loss for the financial year was £182,000, (2015 - loss £192,000). The retained loss for the year has been transferred to reserves.

The directors do not recommend a dividend payment for the year ended 31 December 2016 (2015 - £Nil).

PRINCIPAL RISKS AND UNCERTAINTIES

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

- competition from alternative entertainment products;
- price pressure from the increased presence of supermarkets in the music market and their threat to the survival of independent music retailers;
- the threat of a devalued product due to piracy and the illegal use of music;
- uncertainty as to whether the growth in the subscription services market can replace the decline in the physical and download market; and
- interest rate fluctuations.

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



DRJ Sharpe
Director

31 MAY 2017

RELENTLESS 2006 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:

AM Barker
A Brown
DRJ Sharpe
SL Carmel

A Brown resigned as a director on 31 March 2017.

SL Carmel was appointed as a director on 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 charitable or political donations in either year.

RELENTLESS 2006 LIMITED

DIRECTORS' REPORT (continued)

YEAR ENDED 31 DECEMBER 2016

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the directors' report, the 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:

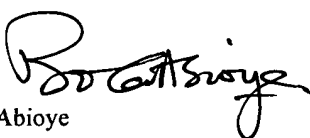
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

By order of the board



A Abioye

Company Secretary

Company Registration Number: 03967906

31 MAY 2017

RELENTLESS 2006 LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RELENTLESS 2006 LIMITED YEAR ENDED 31 DECEMBER 2016

We have audited the financial statements of Relentless 2006 Limited for the year ended 31 December 2016, which comprise the statement of comprehensive income, the statement of financial position and statement of changes in equity and the related notes 1 to 15. 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 Financial Reporting Standard 102).

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102; 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 the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

RELENTLESS 2006 LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RELENTLESS 2006 LIMITED (continued)

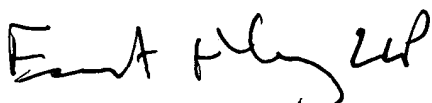
YEAR ENDED 31 DECEMBER 2016

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Strategic Report or Directors' Report.

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:

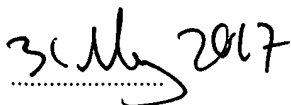
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law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



Paul Gordon (Senior Statutory Auditor)

For and on behalf of Ernst & Young LLP, Statutory Auditor

London



Company Registration Number: 03967906

RELENTLESS 2006 LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	Total 2016 £'000	Total 2015 £'000
TURNOVER	4	7	11
Cost of sales		(2)	(4)
		<hr/>	<hr/>
GROSS PROFIT		5	7
Distribution costs		(2)	(2)
		<hr/>	<hr/>
OPERATING PROFIT		3	5
Interest payable and similar charges	7	(231)	(246)
		<hr/>	<hr/>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(228)	(241)
Tax on loss on ordinary activities	8	46	50
		<hr/>	<hr/>
LOSS FOR THE FINANCIAL YEAR		(182)	(191)
		<hr/>	<hr/>
TOTAL COMPREHENSIVE EXPENSE FOR THE FINANCIAL YEAR		(182)	(191)
		<hr/>	<hr/>

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

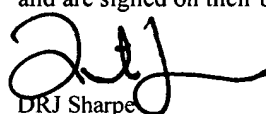
The notes on pages 10 to 15 form part of these financial statements

RELENTLESS 2006 LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	2016 £'000	2015 £'000
CURRENT ASSETS			
Inventories	9	1	-
Debtors: Amounts falling due within one year	10	207	159
		<u>208</u>	<u>159</u>
CREDITORS: Amounts falling due within one year	11	<u>(7,452)</u>	<u>(7,221)</u>
NET CURRENT LIABILITIES		<u>(7,244)</u>	<u>(7,062)</u>
NET LIABILITIES		<u>(7,244)</u>	<u>(7,062)</u>
CAPITAL AND RESERVES			
Called-up equity share capital	14	-	-
Profit and loss account		<u>(7,244)</u>	<u>(7,062)</u>
EQUITY SHAREHOLDERS' DEFICIT		<u>(7,244)</u>	<u>(7,062)</u>

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

31 MAY 2017


DRJ Sharpe
Director

The notes on pages 10 to 15 form part of these financial statements

RELENTLESS 2006 LIMITED
STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2016

	Share capital £'000	Profit & Loss Account £'000	Total share-holders' funds £'000
Balance brought forward at 1 January 2015	-	(6,871)	(6,871)
Total comprehensive income for the period			
Loss for the year	-	(191)	(191)
	<u>-</u>	<u>(191)</u>	<u>(191)</u>
Balance brought forward at 1 January 2016	-	(7,062)	(7,062)
	<u>-</u>	<u>(7,062)</u>	<u>(7,062)</u>
Total comprehensive income for the period			
Loss for the year	-	(182)	(182)
	<u>-</u>	<u>(182)</u>	<u>(182)</u>
Balance carried forward at 31 December 2016	<u>-</u>	<u>(7,244)</u>	<u>(7,244)</u>

The notes on pages 10 to 15 form part of these financial statements

RELENTLESS 2006 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2016

1. STATUTORY INFORMATION

Relentless 2006 Limited is a 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" ("FRS 102") and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparation of financial statements

These financial statements have been prepared on a going concern basis, under the historical cost convention.

The financial statements are prepared in sterling, which is the functional currency of the company, and have been rounded to the nearest £000.

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 has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102:

- from preparing a statement of cash flows and related notes;
- from preparing a reconciliation of the number of shares outstanding from the beginning to the end of the financial year;
- from disclosing related party disclosures;
- from disclosing key management personnel compensation; and
- from certain financial instrument disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instruments*.

This information is included in the consolidated financial statements of the company's ultimate parent undertaking, Vivendi SA, copies of which can be obtained from 42 Avenue de Friedland, 75380 Paris, Cedex 08, France.

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.

RELENTLESS 2006 LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016

3. ACCOUNTING POLICIES (continued)

Going concern - continued support from parent undertaking

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 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, notwithstanding the deficit on net current liabilities at 31 December 2016.

Revenue recognition

Turnover represents goods sold less returns, the invoiced value of services and royalty income, excluding VAT. Turnover is attributable to one activity; the marketing and distribution of recorded music.

United Kingdom digital and royalty income is credited to the statement of comprehensive income in the period to which it relates, or if it cannot be reliably estimated, on a receipt basis. Overseas digital and royalty income, which is all collected on behalf of the company by other group undertakings, is credited to the statement of comprehensive income in the period overseas sales are reported to the company. Royalties payable are charged against the relevant income of the same period.

Basic financial instruments

Trade creditors

Trade creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Advances

Advances to unproven artists are expensed. Advances to other 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, 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.

Interest-bearing loans borrowings classified as basic financial instruments

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 the fixed element of the debt at an arms length rate.

RELENTLESS 2006 LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016

3. ACCOUNTING POLICIES (continued)

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised through profit or loss 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, associated and joint ventures 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 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. 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.

4. TURNOVER

Turnover relates to product sales, and its destination and source is exclusively derived in the United Kingdom.

5. AUDITORS' REMUNERATION

The auditors' remuneration for the year ended 31 December 2016 was £5,000 (2015 - £5,000) and was borne by another group company in both years.

6. PARTICULARS OF EMPLOYEES

The company had no employees during the year ended 31 December 2016 (2015 - none). The emoluments of the directors of the company were borne by other group companies in both years.

Emoluments for the directors of the Company are paid for by a fellow group company. The fellow group company has not recharged any amount to the Company (2015: nil) on the basis that they are unable to make a reasonable apportionment of the portion of these total emoluments that relate to qualifying services provided by directors of the Company.

RELENTLESS 2006 LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2016 £'000	2015 £'000
Interest payable to group undertakings	<u>231</u>	<u>246</u>

8. TAX ON LOSS ON ORDINARY ACTIVITIES

(a) Analysis of tax credit in the year

	2016 £'000	2015 £'000
Current tax:		
UK Taxation		
In respect of the year		
Group relief payable/(receivable) for losses claimed from/surrendered to other group undertakings	<u>(46)</u>	<u>(50)</u>
Tax on loss on ordinary activities	<u>(46)</u>	<u>(50)</u>

(b) Factors affecting tax credit

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 20.00% (2015 - 20.25%).

Under the Finance (No. 2) Act 2015, the main rate of corporation tax will be reduced from 20% to 19% effective from 1 April 2017. A further reduction to 17% from 1 April 2020 will apply by virtue of the Finance Act 2016 s46 which was enacted on 15 September 2016. Deferred tax assets and liabilities are measured at the rate expected to apply to the accounting period when the asset is realised or the liability is settled, based on the above rates.

	2016 £'000	2015 £'000
Loss on ordinary activities before taxation	<u>(228)</u>	<u>(241)</u>
Loss on ordinary activities at the standard rate of UK Corporation tax of 20.00% (2015: 20.25%)	<u>(46)</u>	<u>(49)</u>
Impact of tax losses utilised in the period	<u>-</u>	<u>(1)</u>
Current tax charge for the financial year	<u>(46)</u>	<u>(50)</u>

(c) Factors that may affect future tax charges

The company has a total unutilised tax losses carried forward estimated at £5,868,694 (2015 - £5,871,654), which may reduce future tax charges.

RELENTLESS 2006 LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016

9. STOCKS

	2016 £'000	2015 £'000
Finished goods	<u>1</u>	<u>-</u>

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

10. DEBTORS: Amounts due within one year

	2016 £'000	2015 £'000
Amounts owed by group undertakings	<u>207</u>	<u>159</u>

All amounts due from fellow group undertakings are classified as current as they are repayable on demand. Interest rates on intercompany loans have been agreed between parties on a loan by loan basis.

11. CREDITORS: Amounts falling due within one year

	2016 £'000	2015 £'000
Trade creditors	5	5
Amounts owed to group undertakings	<u>7,447</u>	<u>7,216</u>
	<u>7,452</u>	<u>7,221</u>

All amounts owed to fellow group undertakings 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.

12. POST BALANCE SHEET EVENT

No post balance sheet events have been identified by management.

13. CAPITAL COMMITMENTS

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

RELENTLESS 2006 LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2016

14. SHARE CAPITAL

Authorised:

	2016		2015	
	No	£'000	No	£'000
Ordinary A shares of £0.10 each	5,010	1	5,010	1
Ordinary B shares of £0.10 each	4,990	-	4,990	-
	<u>10,000</u>	<u>1</u>	<u>10,000</u>	<u>1</u>

Allotted, called up and fully paid:

	2016		2015	
	No	£'000	No	£'000
Ordinary A shares of £0.10 each	510	-	510	-
Ordinary B shares of £0.10 each	499	-	499	-
	<u>1,009</u>	<u>-</u>	<u>1,009</u>	<u>-</u>

15. ULTIMATE PARENT COMPANY

The immediate parent undertaking is Virgin Records 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.