

COMPANY REGISTRATION NUMBER 05221402

UNIVERSAL SRG (W.A.R) LIMITED
DIRECTORS' REPORT AND FINANCIAL
STATEMENTS
(FORMERLY SANCTUARY (W.A.R.) LIMITED)
FOR THE YEAR ENDED 31 DECEMBER 2013

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UNIVERSAL SRG (W.A.R) LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

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UNIVERSAL SRG (W.A.R) LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

THE BOARD OF DIRECTORS

SN Baker
RJ Morris

COMPANY SECRETARY

A Abioye

REGISTERED OFFICE

364-366 Kensington High Street
London
W15 8NS

UNIVERSAL SRG (W.A.R) LIMITED

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2013

The directors present their strategic report for the company for the period ended 31 December 2013

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was that of music publishing

The result and position of the company as at and for the year ended 31 December 2013 are set out in the profit and loss account and balance sheet on pages 4 and 5 respectively. The result and position of the company were in line with directors' expectations.

RESULTS AND DIVIDENDS

The company's profit on ordinary activities after taxation for the year was £63,000 (2012 £40,000) and the retained profit for the year has been transferred to reserves.

The directors do not recommend the payment of a dividend (2012 - £nil).

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the company are broadly grouped as competitive, legislative and financial instrument risk.

- **Competitive Risks** - These are driven by a changing market environment and the competition from other major and independent publishing companies, competition from alternative entertainment products, the threat of a devalued product due to piracy and the illegal use of music, and uncertainty as to whether the growth of the digital market can replace the decline in the physical market.
- **Legislative Risks** - There currently appear to be no significant legislative risks for the company.
- **Financial Instrument Risk** - The company holds a number of intercompany balances, which are subject to interest charges. Interest rates may be subject to fluctuations.

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

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.

By order of the board



R J Morris
Director

15 JUL 2014

UNIVERSAL SRG (W.A.R) LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2013

The directors present their report and the unaudited financial statements of the company for the year ended 31 December 2013

FUTURE DEVELOPMENTS

DIRECTORS

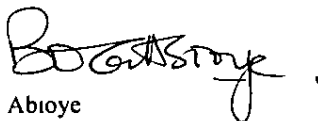
The directors who served the company during the year and subsequently were as follows

SN Baker
RJ Morris

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

By order of the board


A Abioye
Company Secretary

15 JUL 2014

UNIVERSAL SRG (W.A.R) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 £'000	2012 £'000
TURNOVER	2	615	423
Cost of sales		(529)	(365)
GROSS PROFIT		<u>86</u>	<u>58</u>
OPERATING PROFIT		<u>86</u>	<u>58</u>
Interest receivable and similar income	4	13	6
Interest payable and similar charges	5	(17)	(11)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>82</u>	<u>53</u>
Tax on profit on ordinary activities	6	(19)	(13)
PROFIT FOR THE FINANCIAL YEAR		<u>63</u>	<u>40</u>

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

The company has no recognised gains or losses other than the results for the year as set out above

There is no difference between the 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 10 form part of these financial statements.

UNIVERSAL SRG (W.A.R) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2013

	Note	2013 £'000	2012 £'000
CURRENT ASSETS			
Debtors	7	3,491	3,331
CREDITORS: Amounts falling due within one year	8	(3,089)	(2,992)
NET CURRENT ASSETS		<u>402</u>	<u>339</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>402</u>	<u>339</u>
CAPITAL AND RESERVES			
Share capital	9	—	—
Profit and loss account	10	<u>402</u>	<u>339</u>
EQUITY SHAREHOLDERS' FUNDS	10	<u>402</u>	<u>339</u>

For the year ended 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 year 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 **15 JUL 2014**

On behalf of the Board of Directors



RJ Morris

Company Registration Number 05221402

The notes on pages 6 to 10 form part of these financial statements.

UNIVERSAL SRG (W.A.R) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 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

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 about its group.

The financial statements have been prepared on a going concern basis.

Cash flow statement and related party disclosures

The company is a wholly owned subsidiary of Vivendi S.A. who control 90% or more of the voting rights and is included in the consolidated financial statements of the group, which are publicly available. Consequently, the company has taken advantage of the exemption in Financial Reporting Standard ("FRS") 1 from preparing a cash flow statement.

The company has also taken advantage of the exemption in FRS 8 from disclosing transactions with other wholly owned subsidiaries within the Vivendi S.A. group.

Revenue recognition

Turnover represents royalty income, exclusive of value added tax. UK royalty income is credited to the profit and loss account in the period to which it relates, or if it can not be reliably estimated, on a receipts basis.

Overseas royalty income, which is all collected on behalf of the company by other group undertakings, is credited to the profit and loss account in the period overseas sales are reported to the company.

Taxation

The charge for taxation is based on the profit 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.

UNIVERSAL SRG (W.A.R) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

1 ACCOUNTING POLICIES *(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.

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.

2 TURNOVER

Turnover is derived from one continuing activity, music publishing. An analysis of turnover by geographical market is given below.

	2013 £'000	2012 £'000
United Kingdom	44	51
Europe	125	136
United States of America	407	122
Rest of World	39	114
	<u>615</u>	<u>423</u>

3 PARTICULARS OF EMPLOYEES

The average number of employees including directors employed by the company during the year was zero (2012 zero).

The directors received no remuneration in respect of their services to the company (2012 £nil).

4 INTEREST RECEIVABLE AND SIMILAR INCOME

	2013 £'000	2012 £'000
Interest receivable from group undertakings	<u>13</u>	<u>6</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2013 £'000	2012 £'000
Group interest payable	<u>17</u>	<u>11</u>

UNIVERSAL SRG (W.A.R) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

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

	2013	2012
	£'000	£'000
Current tax		
UK Corporation tax on profit/loss for the year	-	-
Group relief payable for losses surrendered from other group undertakings	19	13
Total current tax	<u>19</u>	<u>13</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is the same as the standard rate of corporation tax in the UK of 23.25% (2012 - 24.50%)

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

	2013	2012
	£'000	£'000
Profit on ordinary activities before taxation	<u>82</u>	<u>53</u>
Profit on ordinary activities at the standard rate of UK Corporation tax of 23.25% (2012 - 24.50%)	19	13
Current tax charge for the financial year	<u>19</u>	<u>13</u>

7. DEBTORS

	2013	2012
	£'000	£'000
Amounts owed by group undertakings	2,713	2,142
Other debtors	778	1,189
	<u>3,491</u>	<u>3,331</u>

Amounts owed by group undertakings are unsecured and repayable on demand

UNIVERSAL SRG (W.A.R) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

8. CREDITORS: Amounts falling due within one year

	2013	2012
	£'000	£'000
Trade creditors	280	200
Amounts owed to group undertakings	<u>2,809</u>	<u>2,792</u>
	<u>3,089</u>	<u>2,992</u>

All amounts owed to group undertakings are unsecured and repayable on demand

9 SHARE CAPITAL

Authorised share capital:

	2013	2012
	£'000	£'000
500 Ordinary-A share of £1 each	1	1
500 Ordinary-B share of £1 each	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

Allotted, called up and fully paid:

	2013		2012	
	No	£'000	No	£'000
Ordinary-A shares of £1 each	1	-	1	-
Ordinary-B shares of £1 each	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>
	<u>2</u>	<u>-</u>	<u>2</u>	<u>-</u>

10 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Profit and loss account £'000
Balance brought forward at 1 January 2012	299
Profit for the year	<u>40</u>
Balance brought forward at 1 January 2013	339
Profit for the year	<u>63</u>
Balance carried forward at 31 December 2013	<u>402</u>

UNIVERSAL SRG (W.A.R) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2013

11. ULTIMATE PARENT COMPANY

The immediate parent undertaking is Universal SRG Music Publishing Limited (Formerly Sanctuary Music Publishing 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

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