

COMPANY REGISTRATION NUMBER 6226803

EMI GROUP WORLDWIDE HOLDINGS LIMITED
DIRECTORS' REPORT AND FINANCIAL
STATEMENTS
PERIOD FROM 1 APRIL 2013 TO 31 DECEMBER 2013

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EMI GROUP WORLDWIDE HOLDINGS LIMITED

FINANCIAL STATEMENTS

PERIOD FROM 1 APRIL 2013 TO 31 DECEMBER 2013

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EMI GROUP WORLDWIDE HOLDINGS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

THE BOARD OF DIRECTORS

RM Constant
A Brown
BJ Muir
DRJ Sharpe

COMPANY SECRETARY

A Abioye

REGISTERED OFFICE

364-366 Kensington High Street
London
W14 8NS

AUDITOR

KPMG LLP
Chartered Accountants
Statutory Auditor
15 Canada Square
London
E14 5GL

EMI GROUP WORLDWIDE HOLDINGS LIMITED

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 an investment holding 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 £36,364,000 (March 2013 - loss of £340,472,000). The loss in the prior year was mainly due to impairment of investments. Changes to interest rates on intercompany loans has resulted in lower net interest income in the current period. The directors do not recommend payment of a dividend (March 2013 - £249,800,000).

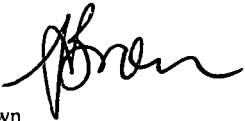
PRINCIPAL RISKS AND UNCERTAINTIES

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

 6 June 2014
A Brown
Director

EMI GROUP WORLDWIDE HOLDINGS LIMITED

DIRECTORS' REPORT

PERIOD FROM 1 APRIL 2013 TO 31 DECEMBER 2013

The directors present their report and the 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
DRJ Sharpe

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.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the strategic report, directors' report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. 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 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.

EMI GROUP WORLDWIDE HOLDINGS LIMITED

DIRECTORS' REPORT *(continued)*

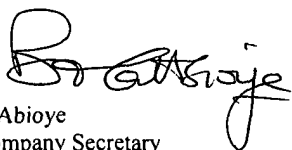
PERIOD FROM 1 APRIL 2013 TO 31 DECEMBER 2013

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



6 June 2014

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EMI GROUP WORLDWIDE HOLDINGS LIMITED

We have audited the financial statements of EMI Group Worldwide Holdings Limited for the 9 month period ended 31 December 2013 set out on pages 7 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 auditor

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 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 2013 and of its profit for the 9 month period then ended;
- have been properly prepared in accordance with UK 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 Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EMI GROUP
WORLDWIDE HOLDINGS LIMITED (CONTINUED)**

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; or



Hugh Green (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

10 June 2014

EMI GROUP WORLDWIDE HOLDINGS LIMITED

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		–	–
Administrative expenses		19,339	(9,727)
OPERATING PROFIT/(LOSS)	2	19,339	(9,727)
Interest receivable and similar income	5	44,119	146,880
Amounts written off investments	6	–	(401,041)
Interest payable and similar charges	7	(27,094)	(76,584)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		36,364	(340,472)
Tax on profit/(loss) on ordinary activities		–	–
PROFIT/(LOSS) FOR THE FINANCIAL PERIOD		<u>36,364</u>	<u>(340,472)</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 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 9 to 14 form part of these financial statements.

EMI GROUP WORLDWIDE HOLDINGS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2013

	Note	31 December 13		31 March 13	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Investments	9		533,831		533,831
CURRENT ASSETS					
Debtors	10	2,146,552		2,103,431	
Cash at bank		—		1	
		<u>2,146,552</u>		<u>2,103,432</u>	
CREDITORS: Amounts falling due within one year	11	<u>1,601,554</u>		<u>1,594,798</u>	
NET CURRENT ASSETS			<u>544,998</u>		<u>508,634</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,078,829</u>		<u>1,042,465</u>
CAPITAL AND RESERVES					
Called-up equity share capital	12		167,732		167,732
Share premium account	13		690,488		690,488
Profit and loss account	13		<u>220,609</u>		<u>184,245</u>
EQUITY SHAREHOLDERS' FUNDS	13		<u>1,078,829</u>		<u>1,042,465</u>

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

 6 June 2014

A Brown

Company Registration Number: 6226803

The notes on pages 9 to 14 form part of these financial statements.

EMI GROUP WORLDWIDE HOLDINGS LIMITED

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.

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.

Related parties transactions

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.

Taxation

The credit 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.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

EMI GROUP WORLDWIDE HOLDINGS LIMITED

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. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging/(crediting):

	Period from 1 April 13 to 31 December 13 £'000	Year to 31 March 13 £'000
Net (profit)/loss on foreign currency translation	(19,339)	9,727

EMI GROUP WORLDWIDE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 APRIL 2013 TO 31 DECEMBER 2013

3. AUDITOR'S REMUNERATION

The auditor's remuneration is borne by fellow group undertaking EMI Group Ltd and is as follows:

	Dec 2013	Mar 2013
	£	£
Audit of these financial statements	7,000	55,000

4. 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.

5. 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	<u>44,119</u>	<u>146,880</u>

6. AMOUNTS WRITTEN OFF INVESTMENTS

	Period from 1 April 13 to 31 December 13 £'000	Year to 31 March 13 £'000
Amount written off investments	<u>-</u>	<u>401,041</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	Period from 1 April 13 to 31 December 13 £'000	Year to 31 March 13 £'000
Bank interest payable	-	23,068
Interest payable to group undertakings	<u>27,094</u>	<u>53,516</u>
	<u>27,094</u>	<u>76,584</u>

8. DIVIDENDS

Equity dividends

	Period from 1 April 13 to 31 December 13 £'000	Year to 31 March 13 £'000
Paid during the year:		
Dividends on equity shares	<u>-</u>	<u>249,800</u>

EMI GROUP WORLDWIDE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 APRIL 2013 TO 31 DECEMBER 2013

9. INVESTMENTS

	Total £'000
COST	
At 1 April 2013 and 31 December 2013	<u>1,113,872</u>
PROVISION FOR IMPAIRMENT	
At 1 April 2013 and 31 December 2013	<u>580,041</u>
NET BOOK VALUE	
At 31 December 2013 and 31 March 2013	<u>533,831</u>

At 31 December 2013, the carrying values of the investments have been compared to their recoverable amounts, represented by their net realisable value. The net realisable value of these investments have been derived from recent third party valuations of the Music Publishing and Recorded Music businesses, adjusted for the Parlophone Label Group disposal.

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 subsequent to that has been made.

PRINCIPAL SUBSIDIARY UNDERTAKINGS

The following were the principal subsidiary undertakings of EMI Group Worldwide Holdings Limited at 31 December 2013.

Subsidiary undertakings	Country of Incorporation	Proportion held	Nature of business
EMI Group(Newco)Limited*	UK	100%	Holding Company
EMI Group Limited	UK	100%	Holding Company
Virgin Music Group	UK	100%	Holding Company
EMI Group Worldwide	UK	100%	Holding Company
EMI Group International Holdings Limited	UK	100%	Holding Company
EMI Group Holdings(UK)	UK	100%	Holding Company
EMI Group Holdings BV	Netherlands	100%	Holding Company
EMI Group Finance Limited	UK	100%	Holding Company
Virgin Records Limited	UK	100%	Recorded Music
EMI RM US, Inc	USA	100%	Recorded Music
EMI Christian Music Group, Inc	USA	100%	Recorded Music
Capitol Records, LLC^	USA	100%	Recorded Music

* Held directly by the Company. This subsidiary indirectly owned the majority of EMI businesses as at 31 December 2013.

^ Disposed on 1 July. This was a mandatory regulatory requirement in approving the sale of the EMI Recorded Music business to Universal Music Group.

EMI GROUP WORLDWIDE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 APRIL 2013 TO 31 DECEMBER 2013

10. DEBTORS

	31 December 13 £'000	31 March 13 £'000
Amounts owed by group undertakings	<u>2,146,552</u>	<u>2,103,431</u>

All debtors are repayable within one year of the balance sheet date.

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.

11. CREDITORS: Amounts falling due within one year

	31 December 13 £'000	31 March 13 £'000
Amounts owed to group undertakings	1,601,271	1,594,798
Other creditors	<u>283</u>	<u>-</u>
	<u>1,601,554</u>	<u>1,594,798</u>

Amounts owed to group undertakings are made up of £2.2m owed to overseas undertakings and £1.599bn owed to UK undertakings. Loans from fellow Group undertakings in the UK and overseas 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. SHARE CAPITAL

Authorised share capital:

	31 December 13 £'000	31 March 13 £'000
167,832,233 Ordinary shares of £1 each	<u>167,832</u>	<u>167,832</u>

Allotted, called up and fully paid:

	31 December 13		31 March 13	
	No	£'000	No	£'000
Ordinary shares of £1 each	<u>167,732,133</u>	<u>167,732</u>	<u>167,732,133</u>	<u>167,732</u>

There was no change to the authorised or issued share capital during the current period.

13. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share capital £'000	Share premium account £'000	Profit and loss account £'000	Total share- holders' funds £'000
Balance brought forward at 1 April 2012	100	690,488	774,517	1,465,105
Loss for the year	-	-	(340,472)	(340,472)
Equity dividends	-	-	(249,800)	(249,800)
New equity share capital subscribed	167,632	-	-	167,632

EMI GROUP WORLDWIDE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 APRIL 2013 TO 31 DECEMBER 2013

13. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES *(continued)*

	Share capital £'000	Share premium account £'000	Profit and loss account £'000	Total share- holders' funds £'000
Balance brought forward at 1 April 2013	167,732	690,488	184,245	1,042,465
Profit for the period	—	—	36,364	36,364
Balance carried forward at 31 December 2013	<u>167,732</u>	<u>690,488</u>	<u>220,609</u>	<u>1,078,829</u>

14. ULTIMATE PARENT COMPANY

The immediate parent company is Societe d'Investissements et de Gestion 104 S.A.S, a company incorporated and operating in France. 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