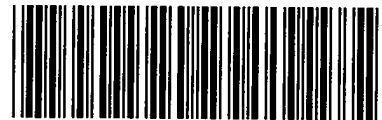


COMPANY REGISTRATION NUMBER 6226803

**EMI GROUP WORLDWIDE HOLDINGS LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL**  
**STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

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# **EMI GROUP WORLDWIDE HOLDINGS LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2014**

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# EMI GROUP WORLDWIDE HOLDINGS LIMITED

## OFFICERS AND PROFESSIONAL ADVISERS

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### 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

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

# EMI GROUP WORLDWIDE HOLDINGS LIMITED

## STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2014

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The directors present their strategic report for the company for the year ended 31 December 2014.

### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year continued to be that of an investment holding company. There has not been any change to the principal activity of the Company during the year ended 31 December 2014 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 year ended 31 December 2014 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 £36,943,000 (2013: £36,364,000). The directors do not recommend payment of a dividend (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.

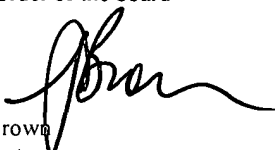
The company is exposed to interest and currency rate fluctuations. In addition the company is exposed to a risk in relation to the carrying value of its subsidiary undertakings and undertakes a review of these on an annual basis if there are indicators of impairment.

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

  
A Brown  
Director

26 JUN 2015

# EMI GROUP WORLDWIDE HOLDINGS LIMITED

## DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2014

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The directors present their report and the financial statements of the company for the year ended 31 December 2014.

### DIRECTORS

The directors who served the company during the year 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 year or the prior period.

### 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 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)*

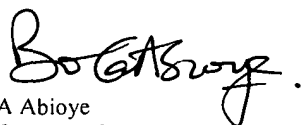
YEAR ENDED 31 DECEMBER 2014

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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

26 JUN 2015

# **EMI GROUP WORLDWIDE HOLDINGS LIMITED**

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

**YEAR ENDED 31 DECEMBER 2014**

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We have audited the financial statements of EMI Group Worldwide Holdings Limited for the year ended 31 December 2014, which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 13. 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 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**

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 2014 and of its profit 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# EMI GROUP WORLDWIDE HOLDINGS LIMITED

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

YEAR ENDED 31 DECEMBER 2014

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### 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.

*Ernst & Young LLP*

Phillip Young (Senior Statutory Auditor)  
For and on behalf of Ernst & Young LLP, Statutory Auditor  
London

*1/2/15*

Company Registration Number: 6226803

**EMI GROUP WORLDWIDE HOLDINGS LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

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	Note	Year to 31 December 14 £'000	Period from 1 April 13 to 31 December 13 £'000
<b>TURNOVER</b>		–	–
Administrative expenses		(2,572)	19,339
<b>OPERATING (LOSS)/PROFIT</b>	<b>2</b>	(2,572)	19,339
Interest receivable and similar income	<b>5</b>	69,919	44,119
Interest payable and similar charges	<b>6</b>	(30,404)	(27,094)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		36,943	36,364
Tax on profit on ordinary activities	<b>7</b>	–	–
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u>36,943</u>	<u>36,364</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.

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

# EMI GROUP WORLDWIDE HOLDINGS LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2014

	Note	2014 £'000	2013 £'000
<b>FIXED ASSETS</b>			
Investments	8	533,831	533,831
<b>CURRENT ASSETS</b>			
Debtors	9	1,136,017	2,146,552
<b>CREDITORS: Amounts falling due within one year</b>	10	<u>554,076</u>	<u>1,601,554</u>
<b>NET CURRENT ASSETS</b>		581,941	544,998
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,115,772</u>	<u>1,078,829</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	11	167,732	167,732
Share premium account	12	690,488	690,488
Profit and loss account	12	<u>257,552</u>	<u>220,609</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>	12	<u>1,115,772</u>	<u>1,078,829</u>

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

26 JUN 2015

  
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

YEAR ENDED 31 DECEMBER 2014

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### 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 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 immediate 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 year, not less than a year from the date of approval of these financial statements.

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

YEAR ENDED 31 DECEMBER 2014

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### 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 (LOSS)/PROFIT

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

	Year to 31 December 14 £'000	Period from 1 April 13 to 31 December 13 £'000
Net loss/(profit) on foreign currency translation	<u>2,572</u>	<u>(19,339)</u>

# EMI GROUP WORLDWIDE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 DECEMBER 2014

#### 3. AUDITOR'S REMUNERATION

The auditor's remuneration is borne by a fellow group undertaking and is as follows:

	Year to 31 December 2014 £'000	Period from 1 April 2013 to 31 December 2013 £'000
Audit of these financial statements	7	7

#### 4. PARTICULARS OF EMPLOYEES

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

#### 5. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year to 31 December 14 £'000	Period from 1 April 13 to 31 December 13 £'000
Interest receivable from group undertakings	<u>69,919</u>	<u>44,119</u>

#### 6. INTEREST PAYABLE AND SIMILAR CHARGES

	Year to 31 December 14 £'000	Period from 1 April 13 to 31 December 13 £'000
Interest payable to group undertakings	<u>30,404</u>	<u>27,094</u>

#### 7. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

##### (a) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 21.50% (2013: 23%).

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.

	Year to 31 December 14 £'000	Period from 1 April 13 to 31 December 13 £'000
Profit on ordinary activities before taxation	<u>36,943</u>	<u>36,364</u>
Profit on ordinary activities at the standard rate of UK Corporation tax of 21.50% (2013: 23%)	7,943	8,364
Utilisation of tax losses	(7,943)	-
Impact of group relief claimed / surrendered for no compensation	-	(8,364)
Current tax charge for the financial year	<u>-</u>	<u>-</u>

# EMI GROUP WORLDWIDE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

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### 7. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES *(continued)*

#### (b) Factors that may affect future tax charges

The company has total unutilised tax losses carried forward estimated at £288,088,311 (2013 - £304,983,735), which may reduce future tax charges. No deferred tax asset has been recognised in respect of these losses due to uncertainty as to their future recoverability.

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.

### 8. INVESTMENTS

	Total £'000
<b>COST</b>	
At 1 January 2014 and 31 December 2014	<u>1,113,872</u>
<b>PROVISION FOR IMPAIRMENT</b>	
At 1 January 2014 and 31 December 2014	<u>580,041</u>
<b>NET BOOK VALUE</b>	
At 31 December 2014 and 31 December 2013	<u>533,831</u>

At 31 December 2014, 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 2014 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 2014.

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

\* Held directly by the Company.

# EMI GROUP WORLDWIDE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

### 9. DEBTORS

	2014 £'000	2013 £'000
Amounts owed by group undertakings	<u>1,136,017</u>	<u>2,146,552</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.

### 10. CREDITORS: Amounts falling due within one year

	2014 £'000	2013 £'000
Amounts owed to group undertakings	554,076	1,601,271
Other creditors	<u>—</u>	<u>283</u>
	<u>554,076</u>	<u>1,601,554</u>

Amounts owed to group undertakings are all 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.

### 11. SHARE CAPITAL

#### Authorised share capital:

	2014 £'000	2013 £'000
167,832,233 Ordinary shares of £1 each	<u>167,832</u>	<u>167,832</u>

#### Allotted, called up and fully paid:

	2014 No	£'000	2013 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.

### 12. 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 2013	167,732	690,488	184,245	1,042,465
Profit for the period	<u>—</u>	<u>—</u>	<u>36,364</u>	<u>36,364</u>
Balance brought forward at 1 January 2014	167,732	690,488	220,609	1,078,829

# EMI GROUP WORLDWIDE HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2014

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

Profit for the year	<u>—</u>	<u>—</u>	<u>36,943</u>	<u>36,943</u>
Balance carried forward at 31 December 2014	<u>167,732</u>	<u>690,488</u>	<u>257,552</u>	<u>1,115,772</u>

### 13. 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