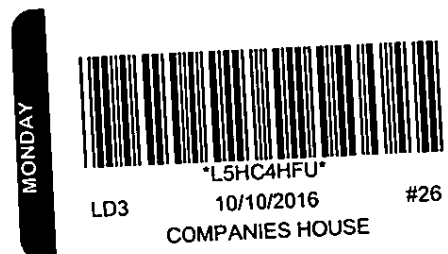


EMI RECORDS UK HOLDCO LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015



EMI RECORDS UK HOLDCO LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

CONTENTS	PAGES
Officers and professional advisers	1
Strategic report	2
Directors' report	3
Statement of comprehensive income	4
Statement of financial position	5
Statement of changes in equity	6
Notes to the financial statements	7 to 15

EMI RECORDS UK HOLDCO LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

THE BOARD OF DIRECTORS

A Brown
RM Constant
BJ Muir

COMPANY SECRETARY

A Abioye

REGISTERED OFFICE

364-366 Kensington High Street
London
W14 8NS

EMI RECORDS UK HOLDCO LIMITED

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2015

The directors present their strategic report for the company for the year ended 31 December 2015

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was that of an investment holding company

The result and position of the company as at and for the year ended 31 December 2015 are set out in the statement of comprehensive income, statement of financial position and statement of changes in equity on pages 4,5 and 6 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 £7,973,994, (2014 - loss £7,555,095). The retained loss for the year has been transferred to reserves.

The directors do not recommend payment of a dividend for the year ended 31 December 2015 (2014 - £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 dependant 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 the following risks:

- interest rate fluctuations
- exchange rate movements

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



07 OCT 2016

EMI RECORDS UK HOLDCO LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2015

The directors present their report, the strategic report and the financial statements of the company for the year ended 31 December 2015

DIRECTORS

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

A Brown
RM Constant
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

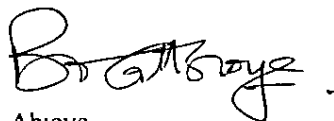
POLICY ON THE PAYMENT OF CREDITORS

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.

By order of the board



A Abioye
Company Secretary

Company Registration Number 6388809

07 OCT 2016

EMI RECORDS UK HOLDCO LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Total 2015 £'000	Total 2014 £'000
TURNOVER		-	-
OPERATING PROFIT	4	-	-
Interest payable and similar charges	5	(10,000)	(9,624)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(10,000)	(9,624)
Tax on profit on ordinary activities	6	2,025	2,069
LOSS FOR THE FINANCIAL YEAR		(7,975)	(7,555)
Other comprehensive income		-	-
Total other comprehensive loss		-	-
TOTAL COMPREHENSIVE EXPENSE FOR THE FINANCIAL YEAR		(7,975)	(7,555)

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

EMI RECORDS UK HOLDCO LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Note	2015 £'000	2014 £'000
Financial assets (Investments)	7	200,292	500,292
CURRENT ASSETS			
Debtors Amounts falling due within one year	8	276,094	2,069
		<u>276,094</u>	<u>2,069</u>
CREDITORS Amounts falling due within one year	9	(291,461)	(281,461)
NET CURRENT LIABILITIES		<u>(15,367)</u>	<u>(279,392)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>184,925</u>	<u>220,900</u>
NET ASSETS		<u>184,925</u>	<u>220,900</u>
CAPITAL AND RESERVES			
Called-up equity share capital	10	-	200,000
Share premium account		199,218	199,218
Profit and loss account		(14,293)	(178,318)
EQUITY SHAREHOLDERS' FUNDS		<u>184,925</u>	<u>220,900</u>

For the year ended 31 December 2015 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 **07 OCT 2016**

On behalf of the Board of Directors

A Brown



Company Registration Number 6388809

EMI RECORDS UK HOLDCO LIMITED
STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2015

	Share capital £'000	Share Premium £'000	Profit & Loss Account £'000	Total share-holders' funds £'000
Balance brought forward at 1 January 2014	200,000	199,218	(170,763)	228,455
Balance at 1 January 2014 restated	200,000	199,218	(170,763)	228,455
Total comprehensive income for the period				
Loss for the year	-	-	(7,555)	(7,555)
Balance brought forward at 1 January 2015	200,000	199,218	(178,318)	220,900
Balance at 1 January 2015 restated	200,000	199,218	(178,318)	220,900
Total comprehensive income for the period				
Loss for the year	-	-	(7,975)	(7,975)
Other comprehensive income result	-	-	-	-
Dividends received/(paid)	-	-	172,000	172,000
Return of capital	(200,000)	-	-	(200,000)
Balance carried forward at 31 December 2015	-	199,218	(14,293)	184,925

EMI RECORDS UK HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

1. STATUTORY INFORMATION

EMI Records UK Holdco 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

These financial statements have been prepared in compliance with the FRS 102 as it applies at 31 December 2015.

The company transitioned from previously UK GAAP to FRS 102 as at 1 January 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 13.

3. ACCOUNTING POLICIES

Basis of preparation of financial statements

The financial statements for the year ended 31 December 2015 are the first financial statements that comply with FRS 102. The presentation currency of these financial statements is sterling and rounded to the nearest £'000.

In the transition to FRS 102 from old UK GAAP, the company has made no measurement and recognition adjustments as explained in note 13.

FRS 102 grants certain first-time adoption exemptions from the full requirements of FRS 102. The following exemptions have been taken in these financial statements:

First time adoption exemptions taken

- The company has elected to use the previous GAAP valuation of tangible and intangible fixed assets at the date of transition to FRS 102 as its deemed cost at the transition date.
- Separate financial instruments - the company has measured the value of its investments in subsidiaries at cost less impairment. The deemed cost shall be the carrying amount at the date of transition as determined under the entity's previous GAAP valuation.
- Borrowing costs - the company has elected to capitalise borrowing costs only from the date of transition.
- FRS 102 section 35.11.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

EMI RECORDS UK HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

3. ACCOUNTING POLICIES (continued)

FRS 102 - Qualifying exemptions

- The company's ultimate parent undertaking, Vivendi SA includes the company in its consolidated financial statements. The consolidated financial statements of Vivendi SA are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from 42 Avenue de Friedland, 75380 Paris, Cedex 08, France. In these financial statements, the company is considered to be a qualifying entity and has applied the exemptions available under FRS 102 in respect of the following disclosures
- Reconciliation of the number of shares outstanding from the beginning to end of the period
- Cash Flow Statement and related notes,
- Related party disclosures, and
- Key Management Personnel compensation

As the consolidated financial statements of Vivendi SA include the equivalent disclosures, the company has also taken the exemptions under FRS 102 available in respect of the following disclosures

- Certain disclosures required by FRS 102 26 *Share Based Payments*, and
- The disclosures required by FRS 102 11 *Basic Financial Instruments* and FRS 102 12 *Other Financial Instruments* Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1

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.

Measurement convention

The financial statements are prepared on the historical cost basis.

Going concern

The Company's business activities, together with the factors likely to affect future developments, its financial exposures and its risk exposures are described in the strategic report.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources available to it to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

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 2015.

EMI RECORDS UK HOLDCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

3 ACCOUNTING POLICIES (continued)

Classification of financial instruments issued by the Company

In accordance with FRS 102 22, financial instruments issued by the company are treated as equity only to the extent that they meet the following two conditions

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company, and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

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

Finance costs of debt are allocated over the term of the debt at a constant rate on the carrying amount.

Investments in subsidiaries, jointly controlled entities and associates

These are separate financial statements of the company. Investments in subsidiaries, jointly controlled entities and associates are carried at cost less impairment.

EMI RECORDS UK HOLDCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

3. ACCOUNTING POLICIES (continued)

Impairment excluding stocks deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

Expenses

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges, unwinding of the discount on provisions, and net foreign exchange losses that are recognised through profit or loss in the statement of comprehensive income.

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue. Dividend income is recognised in the statement of comprehensive income on the date the company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

EMI RECORDS UK HOLDCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

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 the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Transactions in foreign currencies are translated to the company's functional currency at the foreign exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised through profit or loss in the statement of comprehensive income except for differences arising on the retranslation of qualifying cash flow hedges and items which are fair valued with changes taken to other comprehensive income.

EMI RECORDS UK HOLDCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

4 PARTICULARS OF EMPLOYEES

The company had no employees during the year ended 31 December 2015 (2014 - Nil)

The emoluments of the directors of the company were borne by other group companies in both years

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2015 £'000	2014 £'000
Interest payable to group undertakings	<u>10,000</u>	<u>9,624</u>
	<u>10,000</u>	<u>9,624</u>

6 TAX ON LOSS ON ORDINARY ACTIVITIES

(a) Analysis of tax credit in the year

	2015 £'000	2014 £'000
Current tax		
Group relief payable for losses surrendered from other group undertakings	<u>(2,025)</u>	<u>(2,069)</u>
Tax on loss on ordinary activities	<u>(2,025)</u>	<u>(2,069)</u>

	2015 £'000	2015 £'000	2015 £'000	2014 £'000	2014 £'000	2014 £'000
	Current Tax	Deferred Tax	Total Tax	Current Tax	Deferred Tax	Total Tax
Recognised in Profit and loss	(2,025)	-	(2,025)	(2,069)	-	(2,069)
Total Tax	<u>(2,025)</u>	<u>-</u>	<u>(2,025)</u>	<u>(2,069)</u>	<u>-</u>	<u>(2,069)</u>

EMI RECORDS UK HOLDCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

6. TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES (continued)

(b) Factors affecting current tax credit

The tax assessed on the loss on ordinary activities for the year is the same as the standard rate of corporation tax in the UK of 20.25% (2014 - 21.50%)

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.

	2015 £'000	2014 £'000
Loss on ordinary activities before taxation	<u>(10,000)</u>	<u>(9,624)</u>
Loss on ordinary activities at the standard rate of UK Corporation tax of 20.25% (2014 - 21.50%)	32,805	(2,069)
Expenses not deductible for tax purposes	<u>(34,830)</u>	<u>-</u>
Current tax credit for the financial year	<u>(2,025)</u>	<u>(2,069)</u>

(c) Factors that may affect future tax charges

The company has a total unutilised tax losses carried forward estimated at £Nil (2014 - £Nil), which may reduce future tax charges.

7. FINANCIAL ASSETS (INVESTMENTS)

	Shares In Subs/Grp £'000	Shares In Other £'000	Loans To Grp Participating Companies £'000	Interest £'000	Fixed Assets Available-for- sale £'000	Total £'000
COST/FAIR VALUE						
At 1 January 2015	576,218	-	-	-	-	576,218
Movement in the year	<u>(300,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(300,000)</u>
At 31 December 2015	<u>276,218</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>276,218</u>
PROVISION FOR IMPAIRMENT						
At 1 January 2015	75,926	-	-	-	-	75,926
At 31 December 2015	<u>75,926</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,926</u>
NET BOOK VALUE						
At 31 December 2015	<u>200,292</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,292</u>
At 31 December 2014	<u>500,292</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500,292</u>

EMI RECORDS UK HOLDCO LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2015

7. FINANCIAL ASSETS (INVESTMENTS) (continued)

Subsidiary Undertakings

The principal subsidiaries of EMI Records UK Holdco Limited, all incorporated in England and Wales as at 31 December 2015 were as follows

Name	Country of Incorporation	Ordinary share holding	Nature of business
Virgin Records Limited	UK	100%	Music

8 DEBTORS: Amounts due within one year

	2015 £'000	2014 £'000
Amounts owed by group undertakings	276,094	2,069
	276,094	2,069

All amounts owed 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

All other amounts owed by UK group undertakings are unsecured and repayable on demand

9 CREDITORS: Amounts falling due within one year

	2015 £'000	2014 £'000
Amounts owed to group undertakings	291,461	281,461
	291,461	281,461

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

All other amounts owed by UK group undertakings are unsecured and repayable on demand

EMI RECORDS UK HOLDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

10 SHARE CAPITAL

Allotted, called up and fully paid:

	2015 No	£'000	2014 No	£'000
Ordinary shares of £1 each	2	-	200,000,002	200,000
	<u>2</u>	<u>-</u>	<u>200,000,002</u>	<u>200,000</u>

11. POST BALANCE SHEET EVENT

No post balance sheet events have been identified by management

12 ULTIMATE PARENT COMPANY

The immediate parent undertaking is EMI Group Holdings (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

13 EXPLANATION OF TRANSITION TO FRS 102 FROM OLD UK GAAP

As stated in note 2, these are the Company's first financial statements prepared in accordance with FRS 102.

The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ended 31 December 2015 and the comparative information presented in these financial statements for the year ended 31 December 2014.

There are no differences arising from the transition from UK GAAP to FRS 102.