

COMPANY REGISTRATION NUMBER 06854812

**LOUDCLOTHING.COM LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**



**LOUDCLOTHING.COM LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2015**

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# **LOUDCLOTHING.COM LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

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### **THE BOARD OF DIRECTORS**

AM Barker  
A Brown  
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

**LOUDCLOTHING.COM LIMITED**  
**STRATEGIC REPORT**  
**YEAR ENDED 31 DECEMBER 2015**

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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 the sale and distribution of artist merchandise.

The result and position of the company 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 7, 8 and 9 respectively. The result and position of the company were in line with directors' expectations.

**RESULTS AND DIVIDENDS**

The company's profit for the financial year was £2,000, (2014 - loss £38,000). The retained profit for the year has been transferred to reserves.

The directors do not recommend for the year ended 31 December 2015 (2014 - £Nil).

**PRINCIPAL RISKS AND UNCERTAINTIES**

The company's business faces a number of risks and uncertainties as is normal for a company of its size and complexity. The directors consider that the principal risks faced by the business include:

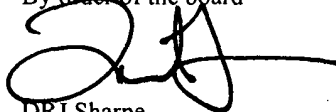
- the current uncertainty in global economic conditions would adversely affect the prospects and results of the business; and
- the continuing exposure of music merchandise industry to illegal counterfeit products.

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

29 SEP 2016

**LOUDCLOTHING.COM LIMITED**  
**DIRECTORS' REPORT**  
**YEAR ENDED 31 DECEMBER 2015**

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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:

AM Barker  
A Brown  
RM Constant  
BJ Muir  
DRJ Sharpe

RM Constant resigned as a director on 13 February 2015.

BJ Muir resigned as a director on 13 February 2015.

AM Barker appointed as a director on 13 February 2015.

DRJ Sharpe appointed as a director on 13 February 2015.

**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.

# LOUDCLOTHING.COM LIMITED

## DIRECTORS' REPORT (continued)

YEAR ENDED 31 DECEMBER 2015

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### 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:

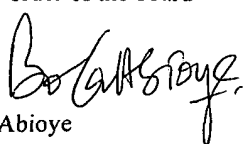
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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: 06854812

29 SEP 2016

# **LOUDCLOTHING.COM LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOUDCLOTHING.COM LIMITED YEAR ENDED 31 DECEMBER 2015**

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We have audited the financial statements of Loudclothing.com Limited for the year ended 31 December 2015, which comprise the statement of comprehensive income, the statement of financial position and statement of changes in equity and the related notes 1 to 14. 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 pages 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 2015 and of its profit 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 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.

# LOUDCLOTHING.COM LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOUDCLOTHING.COM LIMITED (continued)

**YEAR ENDED 31 DECEMBER 2015**

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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.



Paul Gordon (Senior Statutory Auditor)

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

London

30 September 2016

Company Registration Number: 06854812



**LOUDCLOTHING.COM LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

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	Note	Total 2015 £'000	Total 2014 £'000
<b>GROSS PROFIT</b>		-	-
Administrative expenses		-	(40)
<b>OPERATING PROFIT(LOSS)</b>		-	(40)
Interest receivable and similar income	6	3	3
<b>PROFIT(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		3	(37)
Tax on profit on ordinary activities	7	(1)	(1)
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		2	(38)
<b>Total other comprehensive gain/(loss)</b>		-	-
Tax on other comprehensive gain/(loss)		-	-
<b>TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE FINANCIAL YEAR</b>		2	(38)

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

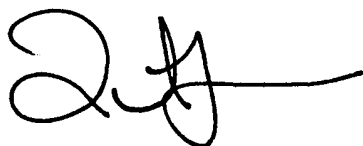
The notes on pages 10 to 16 form part of these financial statements

**LOUDCLOTHING.COM LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2015**

	Note	2015 £'000	2014 £'000
<b>CURRENT ASSETS</b>			
Debtors: Amounts falling due within one year	8	88	139
		<u>88</u>	<u>139</u>
<b>CREDITORS: Amounts falling due within one year</b>	9	(58)	(111)
<b>NET CURRENT ASSETS</b>		<u>30</u>	<u>28</u>
<b>NET ASSETS</b>		<u>30</u>	<u>28</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	12	-	-
Profit and loss account		<u>30</u>	<u>28</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u>30</u>	<u>28</u>

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

29 SEP 2016



DRJ Sharpe

The notes on pages 10 to 16 form part of these financial statements

**LOUDCLOTHING.COM LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**YEAR ENDED 31 DECEMBER 2015**

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	Share capital £'000	Profit & Loss Account £'000	Total share-holders ' funds £'000
Balance brought forward at 1 January 2014	-	66	66
Balance at 1 January 2014 restated	-	66	66
<b>Total comprehensive income for the period</b>			
Loss for the year	-	(38)	(38)
Balance brought forward at 1 January 2015	-	28	28
Balance at 1 January 2015 restated	-	28	28
<b>Total comprehensive income for the period</b>			
Profit for the year	-	2	2
<b>Balance carried forward at 31 December 2015</b>	<b>-</b>	<b>30</b>	<b>30</b>

The notes on pages 10 to 16 form part of these financial statements

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# LOUDCLOTHING.COM LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 DECEMBER 2015

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#### 1. STATUTORY INFORMATION

Loudclothing.com 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 14.

#### 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.

FRS 102 grants certain first-time adoption exemptions from the full requirements of FRS 102. No first time exemptions have been taken in these financial statements.

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'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.

**LOUDCLOTHING.COM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2015**

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**3. ACCOUNTING POLICIES (continued)**

**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.

**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.

**LOUDCLOTHING.COM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2015**

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**3. ACCOUNTING POLICIES (continued)**

**Other financial instruments**

*Financial instruments not considered to be Basic financial instruments (Other financial instruments)*

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss except as follows:

- investments in equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably shall be measured at cost less impairment.

**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.

**LOUDCLOTHING.COM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2015**

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**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. AUDITORS' REMUNERATION**

The auditors' remuneration for the year ended 31 December 2015 was £5,000 (2014 - £5,000) and was borne by another group company in both years.

**5. 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.

**6. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2015 £'000	2014 £'000
Interest receivable from group undertakings	3	3
	<u>3</u>	<u>3</u>

**LOUDCLOTHING.COM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2015**

**7. TAX ON PROFIT ON ORDINARY ACTIVITIES**

**(a) Analysis of tax charge in the year**

	2015 £'000	2014 £'000
<b>Current tax:</b>		
<b>UK Taxation</b>		
In respect of the year		
Group relief payable/(receivable) for losses claimed from/surrendered to other group undertakings	1	1
Tax on profit/(loss) on ordinary activities	1	1

	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	1	-	1	1	-	1
<b>Total Tax</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>1</b>

**(b) Factors affecting tax charge**

The tax assessed on the profit on ordinary activities for the year is same as than 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 1 April 2014 and 20% from 1 April 2015. As announced in the Budget on 8 July 2015, the Corporation Tax main rate will be reduced to 19% from 1 April 2017 and 18% from 1 April 2020, which were enacted by the Finance (No. 2) Act 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
Profit/(Loss) on ordinary activities before taxation	3	(37)
Profit/(Loss) on ordinary activities at the standard rate of UK Corporation tax of 20.25% (2014: 21.50%)	1	(8)
Expenses not deductible for tax purposes	-	9
Current tax charge for the financial year	1	1



**LOUDCLOTHING.COM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2015**

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**8. DEBTORS: Amounts due within one year**

	2015 £'000	2014 £'000
Amounts owed by group undertakings	87	84
Other debtors	1	55
	<u>88</u>	<u>139</u>

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.

**9. CREDITORS: Amounts falling due within one year**

	2015 £'000	2014 £'000
Amounts owed to group undertakings	58	111
	<u>58</u>	<u>111</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.

**10. POST BALANCE SHEET EVENT**

No post balance sheet events have been identified by management.

**11. CAPITAL COMMITMENTS**

The company had no capital commitments at 31 December 2015 or 31 December 2014.

**LOUDCLOTHING.COM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2015**

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**12. SHARE CAPITAL**

**Authorised:**

	2015		2014	
	No	£'000	No	£'000
Ordinary shares of £1 each	100	-	100	-
	<u>100</u>	<u>-</u>	<u>100</u>	<u>-</u>
	<u>100</u>	<u>-</u>	<u>100</u>	<u>-</u>

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

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

**13. ULTIMATE PARENT COMPANY**

The immediate parent undertaking is Virgin Records 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:

Vivendi SA  
42 Avenue de Friedland  
75380 Paris  
Cedex 08  
France

**14. 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 were no adjustments arising from the transition to FRS 102.