

COMPANY REGISTRATION NUMBER 06854812

LOUDCLOTHING.COM LIMITED
DIRECTORS' REPORT AND FINANCIAL
STATEMENTS

PERIOD FROM 1 APRIL 2013 TO 31 DECEMBER 2013

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LOUDCLOTHING.COM LIMITED

FINANCIAL STATEMENTS

PERIOD FROM 1 APRIL 2013 TO 31 DECEMBER 2013

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LOUDCLOTHING.COM LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

THE BOARD OF DIRECTORS

A Brown
MR Constant
BJ Muir

COMPANY SECRETARY

A Abioye

REGISTERED OFFICE

364-366 Kensington High Street
London
W14 8NS

LOUDCLOTHING.COM 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 was the sale and distribution of artist merchandise.

In April 2013, the trademarks and assets of the company were sold to a third party, Completely Independent Distribution Limited. All of the company's staff were either made redundant or their employment contracts were transferred to Completely Independent Distribution Limited. From April 2013 onwards, the company has therefore effectively ceased to trade.

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

RESULTS AND DIVIDENDS

The company's loss for the period was £14,029 (March 2013 - £249,801). The retained profit for the year has been transferred to reserves.

The directors do not recommend the payment of a dividend for the period (March 2013 - £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 below, the directors do not anticipate any significant change in the activities and results of the company in the foreseeable future.

By order of the board

A Brown
Director



03 SEP 2014

LOUDCLOTHING.COM LIMITED

DIRECTORS' REPORT

PERIOD FROM 1 APRIL 2013 TO 31 DECEMBER 2013

The directors present their report and the unaudited 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

A Brown
MR 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

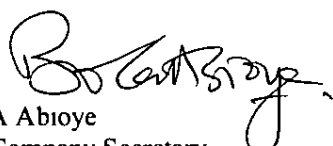
POLICY ON THE PAYMENT OF CREDITORS

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 06854812

03 SEP 2014

LOUDCLOTHING.COM LIMITED

PROFIT AND LOSS ACCOUNT

PERIOD FROM 1 APRIL 2013 TO 31 DECEMBER 2013

	Note	Period To 31 December 2013 £'000	Year Ended 31 March 2013 £'000
TURNOVER	2	—	3,641
Cost of sales		—	(2,918)
GROSS PROFIT		—	723
Distribution costs		—	(155)
Administrative expenses		(14)	(318)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(14)	250
Tax on (loss)/profit on ordinary activities	6	—	—
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD		(14)	250

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 loss on ordinary activities before taxation and the loss for the financial year stated above and their historical cost equivalents

The notes on pages 6 to 13 form part of these financial statements.

LOUDCLOTHING.COM LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2013

		31 December 13 £'000	31 March 13 £'000
	Note		
FIXED ASSETS			
Tangible assets	7	—	19
CURRENT ASSETS			
Debtors	8	177	82
Cash at bank		—	86
		177	168
CREDITORS: Amounts falling due within one year	9	(111)	(107)
NET CURRENT ASSETS		66	61
TOTAL ASSETS LESS CURRENT LIABILITIES		66	80
CAPITAL AND RESERVES			
Share capital	11	—	—
Profit and loss account	12	66	80
EQUITY SHAREHOLDERS' FUNDS	12	66	80

For the period from 1 April 2013 to 31 December 2013 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies

Directors' responsibilities

- The members have not required the company to obtain an audit of its accounts for the period 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 03 SEP 2014

On behalf of the Board of Directors



A Brown

Director

The notes on pages 6 to 13 form part of these financial statements.

LOUDCLOTHING.COM 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

Cash flow statement and related party disclosures

The company is a wholly owned subsidiary of Viendi S A who control 90% or more of the voting rights and is included in the consolidated financial statements of the group, which are publicly available. Consequently, the company has taken advantage of the exemption in FRS 1 'Cash flow statements' from preparing a cash flow statement and the exemption of FRS 8 from disclosing transaction with entities that are part of the Vivendi S A group of investees of that group

Revenue recognition

Turnover represents the invoiced value of sales of goods and services to third parties, excluding VAT. Turnover from the sale of goods and services is recognised when the company has transferred the significant risks and rewards of ownership, control of the goods and services sold and the amount of revenue can be measured reliably.

Turnover is attributable to one activity, the marketing and distribution of artist merchandise. United Kingdom royalty income is credited to the profit and loss account in the period to which it relates.

Fixed assets

Tangible fixed assets are stated at cost net of depreciation and any provision for impairment.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant, Machinery and Furniture	- 10% - 33 33% Straight line
Computer hardware	- 25% Straight line

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

LOUDCLOTHING.COM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 APRIL 2013 TO 31 DECEMBER 2013

1 ACCOUNTING POLICIES *(continued)*

Taxation

The charge/credit for taxation is based on the profit/loss 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 the will result in an obligation to pay more tax in the future or a right to pay less tax in the 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

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction Exchange differences are recorded in the profit and loss account

Interest-bearing loans and borrowings

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

Continued support from intermediate 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 2013

LOUDCLOTHING.COM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 APRIL 2013 TO 31 DECEMBER 2013

2 TURNOVER

Turnover by destination is as follows

	Period To 31 December 2013 £'000	Year Ended 31 March 2013 £'000
United Kingdom	-	3,641

Turnover by source is exclusively derived in the United Kingdom

3. AUDITORS' REMUNERATION

The company was exempt from audit at 31 December 2013. In the prior year ended 31 March 2013 the audit fee was £6,000, which was paid for in full by Parlophone Records Limited.

4. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging

	Period To 31 December 2013 £'000	Year Ended 31 March 2013 £'000
Depreciation of owned fixed assets	-	5

LOUDCLOTHING.COM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 APRIL 2013 TO 31 DECEMBER 2013

5. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial period amounted to

	Period To 31 December 2013 No	Year Ended 31 March 2013 No
Number of production staff	<u>—</u>	<u>5</u>

The aggregate payroll costs of the above were

	Period To 31 December 2013 £'000	Year Ended 31 March 2013 £'000
Wages and salaries	—	217
Social security costs	—	15
Other pension costs	—	2
	<u>—</u>	<u>234</u>

During April 2013 the company sold the trademarks and assets to a 3rd Party All staff were either made redundant or had their employment contracts transferred to the 3rd party

The company incurred no redundancy costs in the period (March 2013 - £Nil)

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

LOUDCLOTHING.COM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 APRIL 2013 TO 31 DECEMBER 2013

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the period is higher than the standard rate of corporation tax in the UK of 23% (To 31 March 13 - 24%)

The tax assessed on the loss on ordinary activities for the year is higher than the average rate of corporation tax in the UK of 23.25% (2012 - 24.5%) 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

	Period To 31 December 2013 £'000	Year Ended 31 March 2013 £'000
(Loss)/profit on ordinary activities before taxation	(14)	250
(Loss)/profit on ordinary activities at the standard rate of UK Corporation tax of 23% (2013 - 24%)	(3)	60
Expenses not deductible for tax purposes	-	(14)
Impact of group relief claimed/surrendered for no compensation	2	(46)
Movement in timing differences	1	-
Current tax charge for the financial period	-	-

(b) Factors that may affect future tax charges

The company has no unutilized tax losses to carry forward (March 2013 - £Nil). No deferred tax asset has been recognised in respect of these losses due to uncertainty as to their future recoverability.

LOUDCLOTHING.COM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 APRIL 2013 TO 31 DECEMBER 2013

7. TANGIBLE FIXED ASSETS

	£'000	£'000	£'000
COST			
At 1 April 2013	24	2	26
Disposals	(24)	(2)	(26)
At 31 December 2013	<u>—</u>	<u>—</u>	<u>—</u>
DEPRECIATION			
At 1 April 2013	6	1	7
On disposals	(6)	(1)	(7)
At 31 December 2013	<u>—</u>	<u>—</u>	<u>—</u>
NET BOOK VALUE			
At 31 December 2013	<u>—</u>	<u>—</u>	<u>—</u>
At 31 March 2013	<u>18</u>	<u>1</u>	<u>19</u>

In April 2013 all the fixed assets were sold to a 3rd party, Completely Independent Distribution Limited

8. DEBTORS

	31 December 13 £'000	31 March 13 £'000
Amounts owed by group undertakings	82	82
Other debtors	95	—
	<u>177</u>	<u>82</u>

Loans 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.

LOUDCLOTHING.COM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 APRIL 2013 TO 31 DECEMBER 2013

9. CREDITORS: Amounts falling due within one year

	31 December 13 £'000	31 March 13 £'000
Trade creditors	–	107
Amounts owed to group undertakings	<u>111</u>	<u>–</u>
	<u>111</u>	<u>107</u>

Loans 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

10 RELATED PARTY 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

11. SHARE CAPITAL

Authorised share capital:

	31 December 13 £'000	31 March 13 £'000
100 Ordinary share of £1 each	<u>–</u>	<u>–</u>

Allotted, called up and fully paid:

	31 December 13		31 March 13	
	No	£'000	No	£'000
Ordinary shares of £1 each	<u>1</u>	<u>–</u>	<u>1</u>	<u>–</u>

12. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Profit and loss account £'000
Balance brought forward at 1 April 2012	(170)
Profit for the year	<u>250</u>
Balance brought forward at 1 April 2013	80
Loss for the period	<u>(14)</u>
Balance carried forward at 31 December 2013	<u>66</u>

LOUDCLOTHING.COM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 APRIL 2013 TO 31 DECEMBER 2013

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

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