

COMPANY REGISTRATION NUMBER 06854812

**LOUDCLOTHING.COM LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL**  
**STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

THURSDAY



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# **LOUDCLOTHING.COM LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2014**

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# **LOUDCLOTHING.COM LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

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### **THE BOARD OF DIRECTORS**

A Brown  
MR Constant  
BJ Muir

### **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 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 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 year ended 31 December 2014 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 financial year was £38,000 (2013 - loss £14,029). The retained loss for the year has been transferred to reserves.

The directors do not recommend the payment of a dividend for financial year (December 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:

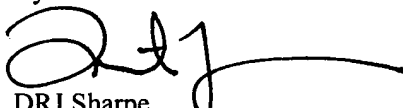
- the current uncertainty in global economic conditions would adversely affect the prospects and results of the business; and
- the continuing exposure of music merchandise industry to illegal counterfeit products;

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

  
DRJ Sharpe  
Director

30 SEP 2015

# **LOUDCLOTHING.COM 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:

A Brown  
MR Constant  
BJ Muir

DRJ Sharpe was appointed as a director on 13 February 2015.  
AM Barker was appointed as a director on 13 February 2015.  
MR Constant resigned as a director on 13 February 2015.  
BJ Muir resigned 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.

#### **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;

# LOUDCLOTHING.COM LIMITED

## DIRECTORS' REPORT *(continued)*

**YEAR ENDED 31 DECEMBER 2014**

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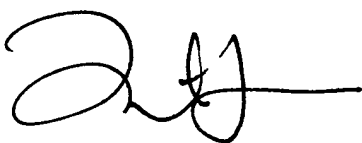
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

on behalf of the directors



DRJ Sharpe  
Director

30 SEP 2015

Company Registration Number: 06854812

# **LOUDCLOTHING.COM LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOUDCLOTHING.COM LIMITED**

**YEAR ENDED 31 DECEMBER 2014**

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We have audited the financial statements of LOUDCLOTHING.COM LIMITED for the year ended 31 December 2014 on pages 7 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 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 3 to 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 2014 and of its loss 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.

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# LOUDCLOTHING.COM LIMITED

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

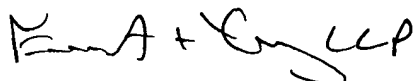
YEAR ENDED 31 DECEMBER 2014

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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.



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

30 September 2015

Company Registration Number: 06854812



**LOUDCLOTHING.COM LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

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		<b>Year Ended 31 December 2014 £'000</b>	<b>9 Months To 31 December 2013 £'000</b>
	<b>Note</b>		
		—	—
Administrative expenses		(40)	(14)
<b>OPERATING LOSS</b>		(40)	(14)
Interest receivable and similar income	<b>4</b>	3	—
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(37)	(14)
Tax on loss on ordinary activities	<b>5</b>	(1)	—
<b>LOSS FOR THE FINANCIAL YEAR</b>		<u>(38)</u>	<u>(14)</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 loss on ordinary activities before taxation and the loss for the financial year stated above and their cost equivalents.

**The notes on pages 9 to 13 form part of these financial statements.**

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# LOUDCLOTHING.COM LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2014

	Note	2014 £'000	2013 £'000
<b>CURRENT ASSETS</b>			
Debtors	6	139	177
<b>CREDITORS: Amounts falling due within one year</b>	7	(111)	(111)
<b>NET CURRENT ASSETS</b>		<u>28</u>	<u>66</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>28</u>	<u>66</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	8	—	—
Profit and loss account	9	<u>28</u>	<u>66</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>	9	<u>28</u>	<u>66</u>

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

30 SEP 2015

  
DRJ Sharpe

30 SEP 2015

The notes on pages 9 to 13 form part of these financial statements.

# **LOUDCLOTHING.COM 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.

#### **Cash flow statement and related party disclosures**

The company is a wholly owned subsidiary of Vivendi 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.

#### **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 that 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.

**LOUDCLOTHING.COM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2014**

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**1. ACCOUNTING POLICIES** *(continued)*

**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.

**2. AUDITORS' REMUNERATION**

The auditors' remuneration for the year ended 31 December 2014 was £5,000 and was borne by another group company.

The company was exempt from audit at 31 December 2013.

**3. PARTICULARS OF EMPLOYEES**

There were no employees serving during the financial year. (9 Months To December 2013 Nil)

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

**4. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>Year Ended</b> <b>31 December</b> <b>2014</b> <b>£'000</b>	<b>9 Months To</b> <b>31 December</b> <b>2013</b> <b>£'000</b>
Interest receivable from group undertakings	<u>3</u>	<u>—</u>

**LOUDCLOTHING.COM LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2014**

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**5. TAX ON PROFIT ON ORDINARY ACTIVITIES**

**(a) Analysis of (credit) / charge in the year**

	<b>Year Ended 31 December 2014 £'000</b>	<b>9 Months To 31 December 2013 £'000</b>
Current tax:		
UK Corporation tax on profit/loss for the year	-	-
Group relief payable for losses surrendered from other group undertakings	<u>1</u>	<u>-</u>
Total current tax	<u>1</u>	<u>-</u>

**(b) Factors affecting current tax charge**

The tax assessed on the loss on ordinary activities for the year is higher 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.

	<b>Year Ended 31 December 2014 £'000</b>	<b>9 Months To 31 December 2013 £'000</b>
Loss on ordinary activities before taxation	<u>(37)</u>	<u>(14)</u>
Loss on ordinary activities at the standard rate of UK Corporation tax of 21.50% (2013: 23%)	(8)	(3)
Expenses not deductible for tax purposes	9	-
Impact of group relief claimed/surrendered for no compensation	-	2
Movement in timing differences	<u>-</u>	<u>1</u>
Current tax charge for the financial year	<u>1</u>	<u>-</u>

**LOUDCLOTHING.COM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2014**

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**6. DEBTORS**

	<b>2014</b> <b>£'000</b>	<b>2013</b> <b>£'000</b>
Amounts owed by group undertakings	84	82
Other debtors	<u>55</u>	<u>95</u>
	<u>139</u>	<u>177</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.

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

	<b>2014</b> <b>£'000</b>	<b>2013</b> <b>£'000</b>
Amounts owed to group undertakings	<u>111</u>	<u>111</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.

**8. SHARE CAPITAL**

**Authorised share capital:**

	<b>2014</b> <b>£'000</b>	<b>2013</b> <b>£'000</b>
100 Ordinary share of £1 each	<u>-</u>	<u>-</u>

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

	<b>2014</b> <b>No</b>	<b>£'000</b>	<b>2013</b> <b>No</b>	<b>£'000</b>
Ordinary shares of £1 each	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>

**9. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES**

	<b>Profit and loss account £'000</b>
Balance brought forward at 1 April 2013	80
Loss for the period	<u>(14)</u>
Balance brought forward at 1 January 2014	66
Loss for the year	<u>(38)</u>

**LOUDCLOTHING.COM LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2014**

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

	<b>Profit and loss account £'000</b>
Balance carried forward at 31 December 2014	<u>28</u>

**10. 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 S.A.  
42 Avenue de Friedland  
75380 Paris  
Cedex 08  
France