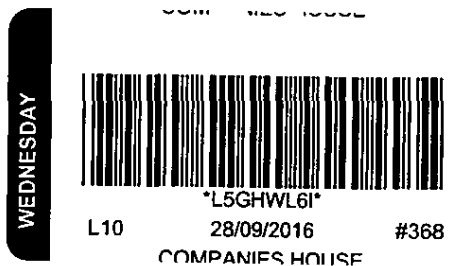


COMPANY REGISTRATION NUMBER 07934340

**EMI RECORDED MUSIC (CHILE) LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**



**EMI RECORDED MUSIC (CHILE) LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2015**

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**EMI RECORDED MUSIC (CHILE) LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

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**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 RECORDED MUSIC (CHILE) 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 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 profit for the financial year was £77,349 (2014 - profit £74,227). The retained profit for the year has been transferred to reserves.

The directors do not recommend 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 dependent on the activities of the group as a whole. The risks and uncertainties facing the company are linked to those of the group. A detailed discussion of the group risks and uncertainties is contained in the Vivendi SA annual report.

The company is exposed to 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



27 SEP 2016

**EMI RECORDED MUSIC (CHILE) 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

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

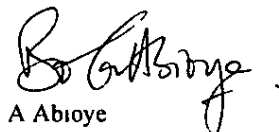
**POLICY ON THE PAYMENT OF CREDITORS**

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 07934340

27 SEP 2016

**EMI RECORDED MUSIC (CHILE) LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

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	<b>Note</b>	<b>Total 2015 £'000</b>	<b>Total 2014 £'000</b>
<b>TURNOVER</b>		-	-
Interest receivable and similar income	<b>5</b>	97	94
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		97	94
Tax on loss on ordinary activities	<b>6</b>	(20)	(20)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		77	74
<b>Other comprehensive income</b>			
<b>Total other comprehensive gain</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR</b>		77	74

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

**EMI RECORDED MUSIC (CHILE) 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	7	16,064	15,967
		<u>16,064</u>	<u>15,967</u>
<b>CREDITORS: Amounts falling due within one year</b>	8	(41)	(21)
<b>NET CURRENT ASSETS</b>		<u>16,023</u>	<u>15,946</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>16,023</u>	<u>15,946</u>
<b>NET ASSETS</b>		<u>16,023</u>	<u>15,946</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	10	-	-
Share premium account		14,919	14,919
Profit and loss account		<u>1,104</u>	<u>1,027</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u>16,023</u>	<u>15,946</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

27 SEP 2016

Of behalf of the Board of Directors

A Brown



Company Registration Number 07934340

**EMI RECORDED MUSIC (CHILE) 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	-	14,919	953	15,872
Balance at 1 January 2014 restated	-	14,919	953	15,872
<b>Total comprehensive income for the period</b>				
Profit for the year	-	-	74	74
Balance brought forward at 1 January 2015	-	14,919	1,027	15,946
Balance at 1 January 2015 restated	-	14,919	1,027	15,946
<b>Total comprehensive income for the period</b>				
Profit for the year	-	-	77	77
<b>Balance carried forward at 31 December 2015</b>	<b>-</b>	<b>14,919</b>	<b>1,104</b>	<b>16,023</b>



# **EMI RECORDED MUSIC (CHILE) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **YEAR ENDED 31 DECEMBER 2015**

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#### **1. STATUTORY INFORMATION**

EMI Recorded Music (Chile) 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 12.

#### **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 12.

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.

Judgements made by directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in next year are discussed in note 12.

# EMI RECORDED MUSIC (CHILE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 DECEMBER 2015

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### 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 adapt the going concern basis in preparing the financial statements.

**EMI RECORDED MUSIC (CHILE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2015**

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**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 RECORDED MUSIC (CHILE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2015**

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**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 RECORDED MUSIC (CHILE) 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 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 RECORDED MUSIC (CHILE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2015**

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**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 RECEIVABLE AND SIMILAR INCOME**

	<b>2015</b> <b>£'000</b>	2014 £'000
Interest receivable from group undertakings	97	94
	<u>97</u>	<u>94</u>

**6. TAX ON PROFIT ON ORDINARY ACTIVITIES**

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

	<b>2015</b> <b>£'000</b>	2014 £'000
<b>Current tax:</b>		
<b>UK Taxation</b>		
In respect of the year		
UK Corporation tax based on the results for the year at 20 2% (2014 21 5%)	-	-
Group relief payable for losses surrendered from other group undertakings	20	20
Tax on profit on ordinary activities	<u>20</u>	<u>20</u>

**EMI RECORDED MUSIC (CHILE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2015**

**6. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)**

	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	20	-	20	20	-	20
<b>Total Tax</b>	<b>20</b>	<b>-</b>	<b>20</b>	<b>20</b>	<b>-</b>	<b>20</b>

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

The tax assessed on the profit on ordinary activities for the year is the same as the standard rate of corporation tax in the UK of 20 2% (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
Profit on ordinary activities before taxation	97	94
Profit on ordinary activities at the standard rate of UK Corporation tax of 20 2% (2014 21 50%)	20	20
Current tax charge for the financial year	20	20

**(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.

**EMI RECORDED MUSIC (CHILE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2015**

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

	2015 £'000	2014 £'000
Amounts owed by group undertakings	16,064	15,967
	<u>16,064</u>	<u>15,967</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.

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

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

	2015 £'000	2014 £'000
Amounts owed to group undertakings	41	20
	<u>41</u>	<u>21</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.

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

**9. POST BALANCE SHEET EVENT**

No post balance sheet events have been identified by management.



# EMI RECORDED MUSIC (CHILE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**YEAR ENDED 31 DECEMBER 2015**

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### 10. SHARE CAPITAL

#### Authorised:

	2015		2014	
	No	£'000	No	£'000
Ordinary shares of £1 each	101	-	101	-
	<u>101</u>	<u>-</u>	<u>101</u>	<u>-</u>

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

	2015		2014	
	No	£'000	No	£'000
Ordinary shares of £1 each	101	-	101	-
	<u>101</u>	<u>-</u>	<u>101</u>	<u>-</u>

### 11. 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

### 12. 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.