

OS AA01

Statement of details of parent law and other  
information for an overseas company



Companies House

565268/20

☒ **What this form is for**  
You may use this form to  
accompany your accounts  
disclosed under parent law.

☐ **What this form is NOT for**  
You cannot use this form  
for an alteration of manner  
with accounting requirements.

TUESDAY



LD4

\*L6CEKV00\*

08/08/2017

#39

COMPANIES HOUSE

**Part 1 Corporate company name**

|                                      |                         |   |   |   |   |   |   |   |  |  |
|--------------------------------------|-------------------------|---|---|---|---|---|---|---|--|--|
| Corporate name of overseas company ① | EMI GROUP HOLDINGS B.V. |   |   |   |   |   |   |   |  |  |
| UK establishment number              | B                       | R | 0 | 0 | 7 | 8 | 7 | 2 |  |  |

→ **Filling in this form**  
Please complete in typescript or in bold black capitals.  
  
All fields are mandatory unless specified or indicated by \*  
  
① This is the name of the company in its home state.

**Part 2 Statement of details of parent law and other information for an overseas company**

**A1 Legislation**

|   |   |
|---|---|
| Please give the legislation under which the accounts have been prepared and, if applicable, the legislation under which the accounts have been audited. |   |
| Legislation ②   | TITLE 9, BOOK 2 OF THE NETHERLANDS CIVIL CODE |

② This means the relevant rules or legislation which regulates the preparation and, if applicable, the audit of accounts.

**A2 Accounting principles**

|                                |   |
|--------------------------------|---|
| Accounts                       | Have the accounts been prepared in accordance with a set of generally accepted accounting principles?<br>Please tick the appropriate box.<br><input type="checkbox"/> <b>No. Go to Section A3.</b><br><input checked="" type="checkbox"/> <b>Yes. Please enter the name of the organisation or other body which issued those principles below, and then go to Section A3.</b> |
| Name of organisation or body ③ | RAAD VOOR DE JAARVESLAGGEVING   |

③ Please insert the name of the appropriate accounting organisation or body.

**A3 Accounts**

|          |  |
|----------|--|
| Accounts | Have the accounts been audited? Please tick the appropriate box.<br><input type="checkbox"/> <b>No. Go to Section A5.</b><br><input checked="" type="checkbox"/> <b>Yes. Go to Section A4.</b> |
|----------|--|

# OS AA01

## Statement of details of parent law and other information for an overseas company

**A4****Audited accounts**

Audited accounts

Have the accounts been audited in accordance with a set of generally accepted auditing standards?

Please tick the appropriate box.

☐ **No.** Go to **Part 3 'Signature'**.

☒ **Yes.** Please enter the name of the organisation or other body which issued those standards below, and then go to **Part 3 'Signature'**.

● Please insert the name of the appropriate accounting organisation or body.

Name of organisation or body ●

ERNST & YOUNG ACCOUNTANTS LLP

**A5****Unaudited accounts**

Unaudited accounts

Is the company required to have its accounts audited?

Please tick the appropriate box.

☐ **No.**

☐ **Yes.**

**Part 3****Signature**

I am signing this form on behalf of the overseas company.

Signature

Signature

X  X

This form may be signed by:  
Director, Secretary, Permanent representative.

# OS AA01

Statement of details of parent law and other information for an overseas company



## Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

|               |                               |
|---------------|-------------------------------|
| Contact name  | Bola Abioye                   |
| Company name  | Universal Music Group         |
|               |                               |
| Address       | Beaumont House, Avonmore Road |
|               |                               |
| Post town     | London                        |
| County/Region |                               |
| Postcode      | W 1 4 8 T S                   |
| Country       |                               |
| DX            |                               |
| Telephone     | 020 7550 7373                 |



## Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and, if appropriate, the registered number, match the information held on the public Register.
- ☐ You have completed all sections of the form, if appropriate.
- ☐ You have signed the form.



## Important information

Please note that all this information will appear on the public record.



## Where to send

You may return this form to any Companies House address:

### England and Wales:

The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ.  
DX 33050 Cardiff.

### Scotland:

The Registrar of Companies, Companies House,  
Fourth floor, Edinburgh Quay 2,  
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.  
DX ED235 Edinburgh 1  
or LP - 4 Edinburgh 2 (Legal Post).

### Northern Ireland:

The Registrar of Companies, Companies House,  
Second Floor, The Linenhall, 32-38 Linenhall Street,  
Belfast, Northern Ireland, BT2 8BG.  
DX 481 N.R. Belfast 1.



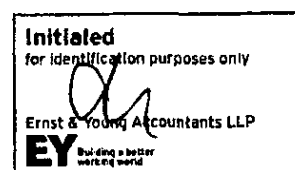
## Further information

For further information, please see the guidance notes on the website at [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk) or email [enquiries@companieshouse.gov.uk](mailto:enquiries@companieshouse.gov.uk)

This form is available in an alternative format. Please visit the forms page on the website at [www.companieshouse.gov.uk](http://www.companieshouse.gov.uk)

EMI GROUP HOLDINGS B.V.

Annual Report for the year ended 31 December 2016



## CONTENTS

### Financial Report

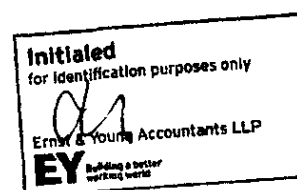
|                                       |   |
|---------------------------------------|---|
| Composition of the Board of Directors | 1 |
| Board of Directors' Report            | 2 |

### Financial Statements

|   |      |
|---|------|
| Balance Sheet as at 31 December 2016                        | 4    |
| Profit and Loss Account for the year ended 31 December 2016 | 5    |
| Notes to the Financial Statements                           | 6-17 |

### Other Information

|   |    |
|---|----|
| Statutory Arrangements in respect of Appropriation of the Result for the period | 18 |
| Proposed Appropriation of the Result for the period                             | 18 |
| Composition of the Board  | 18 |
| Subsequent Events   | 18 |
| Independent auditor's report  | 18 |
| The page number of the last page is   | 18 |



## COMPOSITION OF THE BOARD OF DIRECTORS

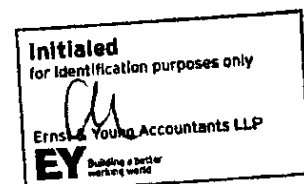
### THE BOARD OF DIRECTORS

A Brown (resigned 31 March 2017)

R Constant

B Muir

SL Carmel (appointed 31 March 2017)



## **BOARD OF DIRECTORS' REPORT**

We are pleased to present our report for EMI Group Holdings B.V. ("the Company") covering the year ended 31 December 2016, together with the financial statements for the same period.

### **Principal activities**

The principal activity of the Company is that of an investment holding company. There has not been any change to the principal activity of the Company during the year ended 31 December 2016 or subsequently. The Directors do not anticipate any change to the principal activity of the Company during the next year.

### **Financial information**

The Company made a profit from finance activities of GBP 9 million for the year ended 31 December 2016 compared to a profit from finance activities of GBP 11 million in the previous year ended 31 December 2015.

At 31 December 2016 the Company has GBP 2.8 million of net assets (31 December 2015: GBP 2,101 million). With equity of GBP 2.8 million (31 December 2015: GBP 2,101 million), the Company has a solvency of 100% (31 December 2015: 100%).

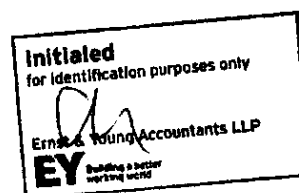
### **Investments**

During the year the liquidation of one of the Company's investments, EMI Music Arabia FZE, was completed (See note 4).

The Company recognised impairment losses of GBP 2.8 million on its investments during the current financial year (31 December 2015: GBP 2.1 million). (See note 4). There were no research and development activities in the year ended 31 December 2016.

### **Capital reduction and distribution**

On 17 November 2016 the Company undertook a capital reduction in which the nominal value of each share was reduced from EUR 450 to EUR 9.50. This resulted in a GBP 160.7 million return of capital to the Company's shareholders. On the same day the Company made a distribution to one of its shareholders, EMI Group International Holdings Limited, of GBP 1.9 billion. These transactions were settled by the assignment of an intercompany receivable.



## **BOARD OF DIRECTORS' REPORT (CONTINUED)**

### **Information regarding financial instruments**

During the normal course of business, the Company makes use of financial instruments that could expose the Company to credit, interest rate and currency risks. The Company is not exposed to significant credit, interest rate, or currency volatility risks.

The principal financial instruments used to fund the Company's operations are intercompany funding, receivables and payables. The Company has no other financial instruments, and therefore no increased risk on financial instruments is identified.

### **Environmental and personnel related information**

The Company is not aware of any environmental liability that the Company believes would have a material effect on the Company's business or financial statements.

The Company has no employees (31 December 2015: nil).

### **Potential risks of the Company**

The Company's activities are those of an investment company and as such it does not have any operational activities. The risks associated with these activities are limited.

The financial position of the Company is strong given the significant position in short term loans from subsidiaries. The recoverability of these loans is monitored frequently by management and audited financial statements are used to ensure recoverability. Furthermore the investments are stated at cost and reviewed for impairment periodically and are not expected to have very significant impact on the Company's overall financial position and results.

The management's risk appetite is low.


### **Future outlook**


The Company is dependent on the results of its subsidiaries with respect to the result for the financial year ended 31 December 2017.

### **Subsequent events**

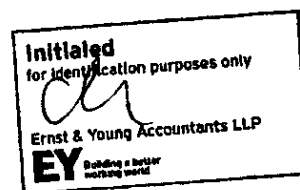
There have been no events subsequent to 31 December 2016 that require disclosure in these accounts.

### **The Board of Directors**

  
SL Carmel,

  
R Constant,

London 21 JUL 2017

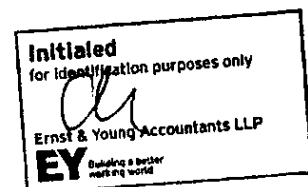




**BALANCE SHEET**  
**31 December 2016**  
*(Before profit appropriation)*

|  | Note | 31 Dec<br>2016 | 31 Dec<br>2015   |
|--|------|----------------|------------------|
|  |      | GBP'000        | GBP'000          |
| <b>Fixed assets</b>                        |      |                |                  |
| Investments                                | 4    | <u>2,715</u>   | <u>5,551</u>     |
| Total fixed assets                         |      | 2,715          | 5,551            |
| <b>Current assets</b>                      |      |                |                  |
| Amounts due from group companies           | 5    | <u>7,237</u>   | <u>2,100,811</u> |
| Total current assets                       |      | 7,237          | 2,100,811        |
| <b>Current liabilities</b>                 |      |                |                  |
| Amounts due to group companies             | 5    | <u>(7,170)</u> | <u>(5,154)</u>   |
| Total current liabilities                  |      | (7,170)        | (5,154)          |
| Current assets less current liabilities    |      | <u>67</u>      | <u>2,095,657</u> |
| <b>Total assets less total liabilities</b> |      | <u>2,782</u>   | <u>2,101,208</u> |
| <b>Shareholder's equity</b>                |      |                |                  |
| Share capital paid up and called up        | 10   | 3,317          | 135,538          |
| Share premium reserve                      | 10   | -              | 1,395,620        |
| Retained earnings                          | 10   | (7,730)        | 561,631          |
| Net profit for the year                    | 10   | <u>7,195</u>   | <u>8,419</u>     |
| <b>Total shareholder's equity</b>          |      | <u>2,782</u>   | <u>2,101,208</u> |

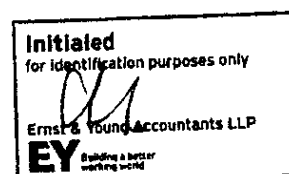
*See accompanying notes on pages 6 to 17.*



**PROFIT AND LOSS ACCOUNT**  
**Year 31 December 2016**

|                                      | Note | 12 Months<br>31 Dec<br>2016 | 12 Months<br>31 Dec<br>2015 |
|--------------------------------------|------|-----------------------------|-----------------------------|
|                                      |      | GBP'000                     | GBP'000                     |
| <b>Financial income and expenses</b> |      |                             |                             |
| Dividend income                      | 8    | 383                         | 430                         |
| Interest income from group companies |      | 10,072                      | 12,698                      |
| Gain on disposal of investments      | 3    | 1,590                       | -                           |
| Amounts written off investments      | 4    | (2,836)                     | (2,138)                     |
| <b>Result before taxation</b>        |      | <b>9,209</b>                | <b>10,990</b>               |
| Taxation                             | 9    | (2,014)                     | (2,571)                     |
| <b>Net profit for the year</b>       |      | <b>7,195</b>                | <b>8,419</b>                |

*See accompanying notes on pages 6 to 17.*



## NOTES TO THE FINANCIAL STATEMENTS

### 1. General

EMI Group Holdings B.V., Baarn, ("the Company") operates as a finance and intermediate holding company and is a subsidiary of EMI Group International Holdings Limited, holding 408042 shares and EMI Group Limited holding 1 share. Both parent undertakings are registered in England. The Company's address is at 364-366 Kensington High Street, Kensington, London W14 8NS, United Kingdom. The Company is UK tax resident and is registered as a branch with the Registrar of Companies for England and Wales.

The ultimate parent undertaking and controlling party as at 31 December 2016 was Vivendi SA, a company registered in France. The parent undertaking of the largest and smallest Group to consolidate these financial statements is Vivendi SA.

On 25 April 2017 Bolloré Group became the ultimate parent undertaking and controlling party.

### 2. Summary of significant accounting policies

#### Basis of presentation

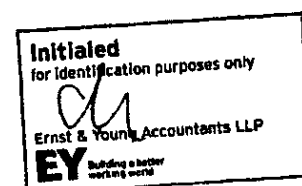
The accounts have been drawn up in accordance with the provisions of Title 9 Book 2 of the Dutch Civil Code.

#### Application of Article 408, Book 2 of the Dutch Civil Code

The Company has made use of the exemption option as laid down in Article 408, Book 2 of the Dutch Civil Code. Under this option, a company does not consolidate the financial statements of its group companies as a company attaches or separately files the annual report of its ultimate parent company, which includes the accounts of the company and its group companies on a consolidated basis. Copies of the consolidated financial statements of Vivendi SA for the year ended 31 December 2016 can be obtained at the company's registered address, 42 Avenue de Friedland, 75380, Paris.

#### General

Net result and shareholder's equity are determined by reference to historical cost. Income and expenses are allocated to the reporting period to which they relate. Unless stated otherwise, assets and liabilities are included at nominal value.



## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 2. Summary of significant accounting policies (continued)

#### Functional and presentational currency

The functional and presentational currency of the Company is the Great British Pound (GBP) (2015: GBP).

#### Translation of foreign currencies

Transactions arising in foreign currencies are translated into GBP at the exchange rate prevailing at the transaction date. At the balance sheet date, assets and liabilities denominated in foreign currencies are translated into GBP at the balance sheet date rates of exchange. Resulting exchange differences are recognised in the profit and loss account.

#### Use of estimates

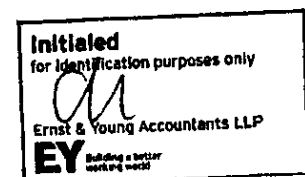
The preparation of the financial statements requires the management to form opinions and to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure. The actual results may differ from these estimates. The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognised in the period in which the estimate is revised and in future periods for which the revision has consequences.

#### Cash flow statement

As permitted under the Guidelines for financial reporting under Dutch law (RJ 360.104), the Company does not include a cash flow statement in its financial statements. The Company's financial data, including cash flow, are included in the consolidated financial statements of Vivendi SA.

#### Going concern

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.



## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 2. Summary of significant accounting policies (continued)

#### **Financial instruments**

Financial instruments include trade and other receivables, cash items, loans and other financing commitments, and trade and other payables.

Financial instruments are initially recognised at fair value. If instruments are not measured at fair value through profit and loss, then any directly attributable transaction costs are included in the initial measurement.

After initial recognition, financial instruments are valued in the manner described below.

#### ***Trade and other receivables***

Trade and other receivables are carried at amortised cost using the effective interest method, less impairment losses.

#### ***Other financial commitments***

Financial commitments that are not held for trading purposes are carried at amortised cost using the effective interest rate.

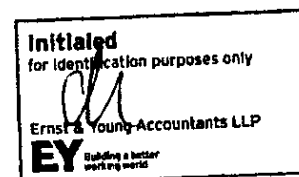
#### **Investments in subsidiaries**

Investments in subsidiary companies are stated at cost or their assigned value at the date of acquisition. Provision against the carrying value of an investment is only made when management believes that there is a permanent diminution in value.

#### **Impairment of assets**

The carrying amount of the Company's assets are reviewed for impairment in the case of changes or circumstances arising that lead to an indication that the carrying amount of the asset will not be recovered. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to dispose.

An impairment loss is recognised whenever the carrying amount exceeds the recoverable amount.



## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 2. Summary of significant accounting policies (continued)

#### Dividend income

Dividends are recognised in the profit and loss account if the Company is entitled to them and the dividends are likely to be received.

#### Interest income

Interest income arises on funds provided to other group companies and is recognised on an accruals basis.

#### Taxation

Tax on the profit for the period comprises the current and deferred corporate income tax payable and deductible for the reporting period.

Corporate income tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

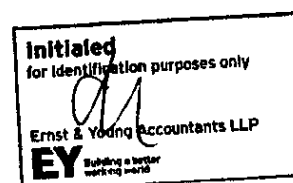
Current tax comprises the expected tax payable or receivable on the taxable profit or loss for the financial period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to the tax payable in respect of previous periods.

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### 3. Gain/loss on disposal of investments

As discussed in the Board of Directors' report, the liquidation of EMI Music Arabia FZE was completed during 2016. The Company has recorded a gain of GBP 1.6m on disposal . (2015: nil). Investment in EMI Music Arabia FZE was fully impaired in the prior year based on management's best estimate. During the year ended 31 December 2016, Universal Music Group underwent a rationalisation program under which EMI Music Arabia FZE received funding from other group undertakings to ensure it had sufficient funds to repay all creditors and shareholder upon liquidation.



## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 4. Investments

Financial fixed assets relate to investments in subsidiary companies. The movement in investments is as follows:

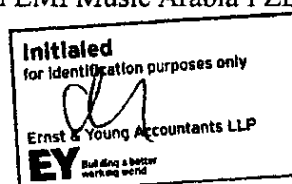
|                 | 31 Dec<br>2016 | 31 Dec<br>2015 |
|-----------------|----------------|----------------|
|                 | GBP'000        | GBP'000        |
| Opening balance | 5,551          | 7,729          |
| Additions       | -              | 1              |
| Disposals       | -              | (41)           |
| Impairment      | (2,836)        | (2,138)        |
| Closing balance | 2,715          | 5,551          |

The prior year disposal relates to the liquidation of EMI Group Singapore Holdings pte. EMI New Zealand and EMI Group Ireland Ltd were also liquidated.

The reconciliation from cost to book value as at 31 December 2016 is as follows:

|                        | 31 Dec<br>2016 | 31 Dec<br>2015 |
|------------------------|----------------|----------------|
|                        | GBP'000        | GBP'000        |
| Cost                   | 18,817         | 25,008         |
| Accumulated provisions | (16,102)       | (19,457)       |
| Closing balance        | 2,715          | 5,551          |

Cost had decreased by £6.2m as a result of liquidation of EMI Music Arabia FZE. Movement in accumulated provision was made up of write back of provision on EMI Music Arabia FZE of £6.2million and provision on Minos- EMI SA of £2.8 million.



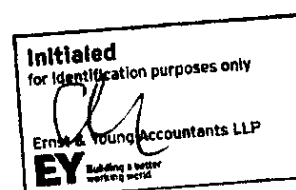
## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 4. Investments (continued)

During the year the Company identified impairment indicators under RJ 121 triggering an impairment review. In accordance with RJ 121 'Impairment of Fixed Assets and Goodwill', the carrying values of the assets have been compared to their recoverable values, represented by their fair market value. In line with the accounting policy disclosed in note 2, an impairment loss was recognised for each investment where the carrying amount exceeded the recoverable amount. A total impairment loss of GBP 2.8 million was recognised (2015: GBP 2.1 million). In the opinion of the Directors, the value of the investments is at least equal to their carrying value at the year end.

At 31 December 2016 the Company's directly held investments comprise:

| Name                              | Registered office          | % owned |
|-----------------------------------|----------------------------|---------|
| <b>Subsidiaries</b>               |                            |         |
| EMI Records Austria GmbH          | Vienna, Austria            | 100     |
| Virgin Records (India) Pvt Ltd    | Mumbai, India              | 100     |
| Oy EMI Group Finland Ab           | Helsinki, Finland          | 100     |
| EMI Records France Holdco Limited | London, England            | 100     |
| EGHI B.V.                         | Baarn, the Netherlands     | 100     |
| Minos- EMI SA                     | Athens, Greece             | 100     |
| EMI Music Egypt Ltd               | Egypt                      | 100     |
| EMI Holding Lebanon SAL           | Beirut, Lebanon            | 100     |
| EMI Music Mexico S.A. de C.V      | Mexico City, Mexico        | 100     |
| EMI Recorded Music SA de C.V      | Mexico City, Mexico        | 100     |
| EMI Kent Elektronik San Ve TIC AS | Istanbul, Turkey           | 100     |
| Insight Music Ltd                 | London, England            | 100     |
| EMI Music de Uruguay SA           | Montevideo, Uruguay        | 100     |
| EMI Music South Africa (Pty) Ltd  | Johannesburg, South Africa | 100     |
| The CCP Record Company (Pty) Ltd  | Johannesburg, South Africa | 100     |





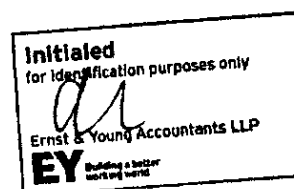
## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 5. Amounts due from group companies

|                                   |                |                  |
|-----------------------------------|----------------|------------------|
| Current assets comprise:          | 31 Dec<br>2016 | 31 Dec<br>2015   |
|                                   | GBP'000        | GBP'000          |
| Amounts due from group companies: |                |                  |
| Interest Bearing Loans            | 7,237          | 2,100,811        |
|                                   | <u>7,237</u>   | <u>2,100,811</u> |
| Current liabilities comprise:     | 31 Dec<br>2016 | 31 Dec<br>2015   |
|                                   | GBP'000        | GBP'000          |
| Amounts due to group companies:   |                |                  |
| Interest Free Loans               | (7,169)        | (5,154)          |
|                                   | <u>(7,169)</u> | <u>(5,154)</u>   |

All loans and receivables from group companies are classified as current as they are available on demand.

Interest rates on loans are at 1 month LIBOR plus 0.1% apart from the interest free loans.



## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 7. Financial instruments

#### General

During the normal course of business, the Company uses various financial instruments that expose the Company to market and/or credit risks.

The Company does not trade in financial derivatives and follows procedures and code of conduct to limit the size of the credit risk with each counterparty and market.

If a counterparty fails to meet its payment obligations to the Company, the resulting losses are limited to the fair value of the instruments in question. The contract value or principal amounts of the financial instruments serve only as an indication of the extent to which such financial instruments are used, and not of the value of the credit or fair risks.

#### Credit risk

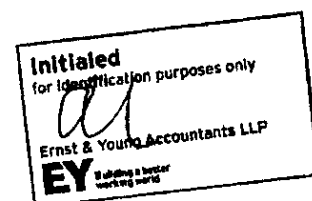
The maximum amount of credit risk is GBP 7,237,000. The actual credit risk is considered limited as the amounts are due from two related parties, EMI Group Finance Limited and EMI Limited, both of which are capable of and have the intention to settle these positions in the future.

#### Interest rate risk and cash-flow risk

The interest rate risk is limited to possible changes in the fair value of loans taken up and granted. The Company's policy is not to use derivative financial instruments to control interim or other interest rate fluctuations.

### 8. Dividend income

During the year ended 31 December 2016 dividends of GBP 383,310 were received from subsidiary undertakings (2015: GBP 430,260).



**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**9. Taxation**

**Tax on profit on ordinary activities**

|   | <b>31 Dec<br/>2016<br/>GBP'000</b> | <b>31 Dec<br/>2015<br/>GBP'000</b> |
|---|------------------------------------|------------------------------------|
| <b>Foreign tax</b>                          |                                    |                                    |
| Current period                              | (2,014)                            | (2,571)                            |
| Adjustments in respect of previous year     | -                                  | -                                  |
| <b>Total current tax charge</b>             | <b>(2,014)</b>                     | <b>(2,571)</b>                     |
| <b>Tax on profit on ordinary activities</b> | <b>(2,014)</b>                     | <b>(2,571)</b>                     |

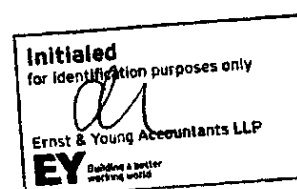
| <b>31 Dec<br/>2016<br/>GBP'000</b> | <b>31 Dec<br/>2015<br/>GBP'000</b> |
|------------------------------------|------------------------------------|
|------------------------------------|------------------------------------|

**Factors affecting current tax charge**

The tax assessed on the profit on ordinary activities for the year is lower than the average rate of corporation tax in the UK of 20.25% (2015: 20.25%).

|  |                |                |
|--|----------------|----------------|
| Profit on ordinary activities before tax   | 9,209          | 10,990         |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015: 20.25%) | 1,841          | 2,225          |
| <i>Effect of:</i>  |                |                |
| Permanent difference   | 173            | 346            |
| <b>Total current tax charge</b>  | <b>(2,014)</b> | <b>(2,571)</b> |

The permanent differences relate to net losses on disposal of investments and amounts written off investments.



## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 9. Taxation (continued)

#### Factors affecting future tax charge

As part of the Universal Music Group, the company may receive or surrender losses by way of group relief. Equivalent receipts or surrenders have been made in the past without charge.

#### Deferred tax

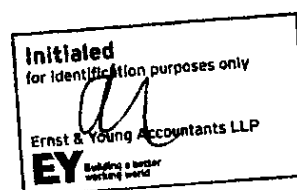
At the balance sheet date the Company had unused tax losses of GBP nil (2015: GBP nil) available for offset against future profits.

### 10. Shareholders' equity

The Company has an authorised share capital of 986,990 common shares and 10 B shares, each with a nominal value of EUR 9.50 (2015 EUR 450). A total of 408,842 common shares and 1 B share have been issued. During the year ended 31 December 2016 there were no movements in the underlying authorised capital. On 17 November 2016 the nominal value of the share capital was reduced by EUR 440.5 and the share premium was distributed to the two shareholders in proportion to the entitlement of each shareholder. The share capital has been revalued at the 31 December 2016 rate of €1.17089.

The movements in share capital and share premium are as follows:

|                   | Share<br>capital | Share<br>premium |
|-------------------|------------------|------------------|
|                   | GBP'000          | GBP'000          |
| Opening balance   | 135,538          | 1,395,620        |
| Revaluation       | 28,496           | -                |
| Distribution      | -                | (1,395,620)      |
| Return of Capital | (160,717)        | -                |
| Closing Balance   | 3,317            | -                |



## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 10. Shareholders' equity (continued)

The movements in retained earnings are as follows:

|                           | 31 Dec<br>2016 | 31 Dec<br>2015 |
|---------------------------|----------------|----------------|
|                           | GBP'000        | GBP'000        |
| Opening balance           | 570,050        | 551,590        |
| Effect of merger          | -              | 1,606          |
| Share capital revaluation | (28,496)       | 8,435          |
| Dividends paid            | (549,284)      | -              |
| Net profit                | 7,195          | 8,419          |
| Closing balance           | (535)          | 570,050        |

### 11. Remuneration of the board of directors

The Company's Directors received no remuneration for the year ended 31 December 2016 and the year ended 31 December 2015. The Company employs no other personnel.

### 12. Commitments and contingent liabilities

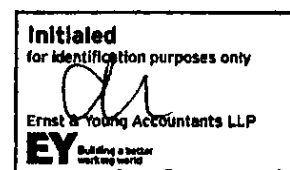
For corporate income tax purposes, the Company and certain of its Dutch subsidiaries formed a fiscal unity until 30 September 2004, of which the Company was the head and as a consequence the Company can be held jointly and severally liable for the obligations of the fiscal unity in respect of corporate income tax assessments payable.

### 13. Transactions with related parties

Transactions with related parties include relationships between the Company, the Company's participating interests and the Company's directors.

As at 31 December 2016, the amounts receivable from related parties amounted to GBP 7.2 million (31 December 2015: GBP 2,101 million) and the amounts payable of GBP 7.2 million (31 December 2015: GBP 5.2 million).

GBP 0.4 million income was received from dividends in the year ended 31 December 2016 (year ended 31 December 2015: GBP 0.4 million). The remuneration of directors is included in note 11.



## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 13. Transactions with related parties (continued)

In November 2016 the Company distributed the share premium of £1,396m, made a return of capital of £161m and paid a dividend of £549,284 to its parent, EMI Group International Holdings Limited (see note 10).

### 14. Auditor's fees

With reference to section 382a sub 3 of Part 9, Book 2 of the Dutch Civil Code, the fees charged to the Company for the financial period by Ernst and Young Nederland LLP are included in the financial statements of Vivendi SA.

#### The Board of Directors

SL

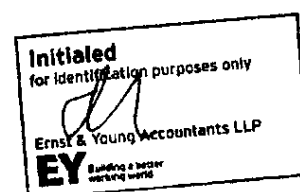
SL Carmel,

R

R Constant,

London

21 JUL 2017



## **OTHER INFORMATION**

### **Statutory arrangements in respect of appropriation of the result for the year**

In accordance with Article 17 of the Company's Articles of Association, the result for the year ended 31 December 2016 as shown in the profit and loss account has been added to retained earnings in the balance sheet following a decision of the shareholder.

### **Proposed appropriation of the result for the year**

An interim dividend has been paid during the year (see note 8) (2015: nil).

### **Composition of the board of directors**

The Dutch Civil Code Book 2 art. 276 includes provisions for a balanced participation of men and women in the executive and supervisory board for which purpose a target has been set for at least 30% for both genders. EMI Group Holdings B.V. recognises the possibility of added value provided by women as directors of the company. We are currently considering the approach to achieve this goal, if and when we reach the conclusion that it can be achievable.

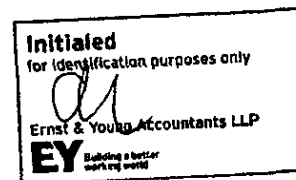
### **Subsequent events**

There have been no events subsequent to 31 December 2016 that require disclosure in these accounts.

### **Independent auditor's report**

The independent auditor's report is set forth on the following pages.

\* \* \* \* \*



## **Independent auditor's report**

To: the shareholder and management board of EMI Group Holdings B.V.

### **Report on the audit of the financial statements 2016 included in the annual report**

#### **Our opinion**

We have audited the financial statements 2016 of EMI Group Holdings B.V., based in London, United Kingdom.

In our opinion the accompanying financial statements give a true and fair view of the financial position of EMI Group Holdings B.V. as at 31 December 2016 and of its result for 2016 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

#### **The financial statements comprise:**

- The balance sheet as at 31 December 2016
- The profit and loss account for 2016
- The notes, comprising a summary of the accounting policies and other explanatory information

#### **Basis for our opinion**

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the Our responsibilities for the audit of the financial statements section of our report.

We are independent of EMI Group Holdings B.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (VIO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Report on other information included in the annual report**

In addition to the financial statements and our auditor's report thereon, the annual report contains other information, that consists of:

- The board of directors' report
- Other information pursuant to Part 9 of Book 2 of the Dutch Civil Code

#### **Based on the following procedures performed, we conclude that the other information:**

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code



We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the board of directors' report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information pursuant to Part 9 of Book 2 of the Dutch Civil Code.

## **Description of responsibilities for the financial statements**

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting, unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high but not absolute level of assurance, which means we may not have detected all material errors and fraud.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Concluding on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.

Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Amsterdam, 21 July 2017

Ernst & Young Accountants LLP

signed by C.J.M. Kruijt