

**COMPANY REGISTRATION NUMBER 00284340**

**UNIVERSAL SRG GROUP LIMITED (FORMERLY  
THE SANCTUARY GROUP LIMITED)**

**DIRECTORS' REPORT AND FINANCIAL  
STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**TUESDAY**



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**COMPANIES HOUSE**

# **UNIVERSAL SRG GROUP LIMITED (FORMERLY THE SANCTUARY GROUP LIMITED)**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2013**

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# **UNIVERSAL SRG GROUP LIMITED (FORMERLY THE SANCTUARY GROUP LIMITED)**

## **OFFICERS AND PROFESSIONAL ADVISERS**

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### **THE BOARD OF DIRECTORS**

RM Constant  
A Brown  
BJ Muir

### **COMPANY SECRETARY**

A Abioye

### **REGISTERED OFFICE**

364-366 Kensington High Street  
London  
W14 8NS

# UNIVERSAL SRG GROUP LIMITED (FORMERLY THE SANCTUARY GROUP LIMITED)

## STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2013

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The directors present their strategic report for the company for the year ended 31 December 2013

### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the period continued to be that of a holding company for investments and the provision of services to members of the group

The directors do not anticipate any change in this for the foreseeable future

On the 1st May 2013 the company changed its name from The Sanctuary Group Limited to Universal SRG Group Limited

### RESULTS AND DIVIDENDS

During the year to 31 December 2013, the company made a profit before tax of £6,730,338 (2012 - £9,415,182)

The directors do not recommend the payment of a dividend (2012 - £nil)

### PRINCIPAL RISKS AND UNCERTAINTIES

The company is faced with similar risks and uncertainties as other companies operating in the recorded music business, broadly

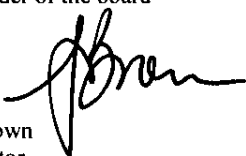
- competition from alternative entertainment products,
- price pressure from the increased presence of supermarkets in the music market and their threat to survival of independent music retailers,
- the threat of a devalued product due to piracy and the illegal use of music,
- uncertainty as to whether the growth of the digital market can replace the decline in the physical market, and
- interest rate fluctuations

All risks and uncertainties are regularly monitored by the Board of Directors of the company

### FUTURE DEVELOPMENTS

Notwithstanding the risks and uncertainties outlined below, the directors do not anticipate any significant change in the activities and results of the company in the foreseeable future

By order of the board



A Brown  
Director

01 AUG 2014

# UNIVERSAL SRG GROUP LIMITED (FORMERLY THE SANCTUARY GROUP LIMITED)

## DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2013

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The directors present their report and the unaudited financial statements of the company for the year ended 31 December 2013

### DIRECTORS

The directors who served the company during the year and subsequently were as follows

RM Constant  
A Brown  
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

### DONATIONS

The company made no political or charitable donations in either year

By order of the board



A Abioye  
Company Secretary

01 AUG 2014

# UNIVERSAL SRG GROUP LIMITED (FORMERLY THE SANCTUARY GROUP LIMITED)

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 £	2012 £
<b>TURNOVER</b>		—	—
Administrative expenses		(676,186)	(23,511)
<b>OPERATING LOSS</b>	<b>2</b>	(676,186)	(23,511)
(Profit)/loss on participating interests		8,597,621	—
		<u>7,921,435</u>	<u>(23,511)</u>
Income from shares in group undertakings	<b>4</b>	620,364	10,623,034
Interest receivable and similar income	<b>5</b>	275,038	239,629
Amounts written off investments	<b>6</b>	(1,679,158)	—
Interest payable and similar charges	<b>7</b>	(407,341)	(1,423,970)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>6,730,338</u>	<u>9,415,182</u>
Tax on profit on ordinary activities	<b>8</b>	349,285	170,125
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u>7,079,623</u>	<u>9,585,307</u>

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

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents

The notes on pages 7 to 13 form part of these financial statements

# **UNIVERSAL SRG GROUP LIMITED (FORMERLY THE SANCTUARY GROUP LIMITED)**

## **STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

**FOR THE YEAR ENDED 31 DECEMBER 2013**

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	<b>2013 £</b>	<b>2012 £</b>
Profit for the financial year attributable to the shareholders	7,079,623	9,585,307
Unrealised loss on revaluation of Investments brought forward	<u>(11,822)</u>	<u>(7,652)</u>
Total gains and losses recognised since the last financial statements	<u>7,067,801</u>	<u>9,577,655</u>

**The notes on pages 7 to 13 form part of these financial statements**

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# UNIVERSAL SRG GROUP LIMITED (FORMERLY THE SANCTUARY GROUP LIMITED)

## BALANCE SHEET

AS AT 31 DECEMBER 2013

	Note	2013 £	2012 £
<b>FIXED ASSETS</b>			
Tangible assets	9	–	–
Investments	10	12,683,946	43,179,926
		<u>12,683,946</u>	<u>43,179,926</u>
<b>CURRENT ASSETS</b>			
Debtors	11	67,419,650	28,221,592
<b>CREDITORS: Amounts falling due within one year</b>	12	<u>82,427,773</u>	<u>80,793,496</u>
<b>NET CURRENT LIABILITIES</b>		<u>(15,008,123)</u>	<u>(52,571,904)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(2,324,177)</u>	<u>(9,391,978)</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	15	50,798,750	50,798,750
Share premium account	16	224,665,105	224,665,105
Revaluation reserve	16	(48,864)	(37,042)
Profit and loss account	16	<u>(277,739,168)</u>	<u>(284,818,791)</u>
<b>DEFICIT</b>	16	<u>(2,324,177)</u>	<u>(9,391,978)</u>

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

Directors' responsibilities

- The members have not required the company to obtain an audit of its accounts for the 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 01 AUG 2014

On behalf of the Board of Directors

  
A Brown

Company Registration Number 00284340

The notes on pages 7 to 13 form part of these financial statements

# UNIVERSAL SRG GROUP LIMITED (FORMERLY THE SANCTUARY GROUP LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

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### 1 ACCOUNTING POLICIES

#### **Basis of preparation**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and in accordance with applicable accounting standards

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, 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 year, not less than a year from the date of approval of these financial statements. Having regards to this intention, the directors believe it is appropriate to prepare these financial statements on a going concern basis, notwithstanding the deficit on net current liabilities at 31 December 2013

The company is exempt by virtue of s 400 of Companies Act 2006, from the requirement to prepare group accounts if it is itself a wholly owned subsidiary undertaking and its immediate parent undertaking is established under the law of an EEA State. These financial statements present information about the company as an individual undertaking and not about its group

As the company is a wholly owned subsidiary of Vivendi SA, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group

#### **Cash flow statement**

Under FRS 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that the ultimate parent undertaking includes the company in its own published consolidated financial statements

#### **Fixed assets**

All fixed assets are initially recorded at cost

#### **Depreciation**

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

Office Equipment                      -     3 years straight line

#### **Pension costs**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account

# UNIVERSAL SRG GROUP LIMITED (FORMERLY THE SANCTUARY GROUP LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

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### 1 ACCOUNTING POLICIES *(continued)*

#### Taxation

The credit for taxation is based on the profit 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 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.

#### Valuation of fixed asset investments

The investments are valued in accordance with the Companies Act 2006 alternative accounting rules at their market valuation at the balance sheet date. Unrealised revaluation gains and losses are taken to the revaluation reserve. On disposal, unrealised revaluation gains/losses deemed realised are transferred to the profit and loss account. Provision for any impairment considered permanent is made in the profit and loss account. Investments denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date, and gains or losses on translation are included within reserves.

### 2 OPERATING LOSS

Operating loss is stated after charging

	2013 £	2012 £
Depreciation of owned fixed assets	—	<u>14,527</u>

Amounts due to other group undertakings waived during the year were £301,184 (2012 - £11,891)

### 3 PARTICULARS OF EMPLOYEES

The directors were also directors of fellow group undertakings and did not receive any remuneration for their services to this company. The company had no employees during the year other than the directors (2012 - nil)

### 4 INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2013 £	2012 £
Dividend income	<u>620,364</u>	<u>10,623,034</u>

# UNIVERSAL SRG GROUP LIMITED (FORMERLY THE SANCTUARY GROUP LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

### 5 INTEREST RECEIVABLE AND SIMILAR INCOME

	2013 £	2012 £
Interest receivable from group undertakings	<u>275,038</u>	<u>239,629</u>

### 6 AMOUNTS WRITTEN OFF INVESTMENTS

	2013 £	2012 £
Amount written off investments	<u>1,679,158</u>	<u>-</u>

### 7 INTEREST PAYABLE AND SIMILAR CHARGES

	2013 £	2012 £
Interest on other loans	-	128,237
Interest payable to group undertakings	<u>407,341</u>	<u>1,295,733</u>
	<u>407,341</u>	<u>1,423,970</u>

### 8 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

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

	2013 £	2012 £
Current tax		
UK Corporation tax on profit/loss for the year	-	-
Over/under provision in prior year	2,202	90,822
Group relief payable for losses surrendered from other group undertakings	<u>(351,487)</u>	<u>(260,947)</u>
Total current tax	<u>(349,285)</u>	<u>(170,125)</u>

# UNIVERSAL SRG GROUP LIMITED (FORMERLY THE SANCTUARY GROUP LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 DECEMBER 2013

#### 8 TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES *(continued)*

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

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 23.25% (2012 - 24.50%)

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

	2013 £	2012 £
Profit on ordinary activities before taxation	<u>6,730,338</u>	<u>9,415,182</u>
Profit on ordinary activities at the standard rate of UK Corporation tax of 23.25% (2012 - 24.50%)	1,564,804	2,306,719
Expenses not deductible for tax purposes	(1,623,286)	(2,602,643)
Adjustments to tax charge in respect of previous periods	2,202	90,822
Impact of temporary differences	<u>(293,005)</u>	<u>34,977</u>
Current tax credit for the financial year	<u>(349,285)</u>	<u>(170,125)</u>

##### (c) Factors that may affect future tax charges

The company has total unutilised tax losses carried forward estimated at £4,402,155 (2012 - £4,405,061), which may reduce future tax charges

#### 9 TANGIBLE FIXED ASSETS

	Office Equipment £
<b>COST OR VALUATION</b>	
At 1 January 2013 and 31 December 2013	<u>214,533</u>
<b>DEPRECIATION</b>	
At 1 January 2013 and 31 December 2013	<u>214,533</u>
<b>NET BOOK VALUE</b>	
At 31 December 2013	<u>—</u>
At 31 December 2012	<u>—</u>

# UNIVERSAL SRG GROUP LIMITED (FORMERLY THE SANCTUARY GROUP LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

### 10 INVESTMENTS

	Shares in Subsidiary Undertakings £	Listed Investments £	Total £
<b>COST OR VALUATION</b>			
At 1 January 2013	261,267,315	596,850	261,864,165
Disposals	(124,201,099)	-	(124,201,099)
Revaluations	-	(11,822)	(11,822)
At 31 December 2013	<u>137,066,216</u>	<u>585,028</u>	<u>137,651,244</u>
<b>PROVISION FOR IMPAIRMENT</b>			
At 1 January 2013	218,101,646	582,593	218,684,239
Written off in prior years written back	(93,716,941)	-	(93,716,941)
At 31 December 2013	<u>124,384,705</u>	<u>582,593</u>	<u>124,967,298</u>
<b>NET BOOK VALUE</b>			
At 31 December 2013	<u>12,681,511</u>	<u>2,435</u>	<u>12,683,946</u>
At 31 December 2012	<u>43,165,669</u>	<u>14,257</u>	<u>43,179,926</u>

The listed investments are shown at market value at 31 December 2013. The market value at 31 December 2012 was £14,257.

The company's principal trading subsidiaries at 31 December 2013, except where indicated wholly owned by the company or subsidiaries of the company, and incorporated in England and Wales, were as follows:

Subsidiary Undertaking	Principal Activity
Sanctuary Music Publishing Limited	Music publisher
Trinifold Management Limited	Management of music groups
Trinifold Music Limited	Management of music groups
Twenty-First Artists Management Limited	Management of music groups
Bravado International Group Limited	Merchandising
Bravado Retail & Licensing Limited	Merchandising

During the year, the company disposed of its holding in Sanctuary Records Group Limited.

### 11 DEBTORS

	2013 £	2012 £
Amounts owed by group undertakings	<u>67,419,650</u>	<u>28,221,592</u>

All amounts owed by group undertakings are unsecured and repayable on demand. Interest accrues on these amounts at 1 month LIBOR plus 0.1%.

# UNIVERSAL SRG GROUP LIMITED (FORMERLY THE SANCTUARY GROUP LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

### 12 CREDITORS: Amounts falling due within one year

	2013 £	2012 £
Amounts owed to group undertakings	82,233,817	78,718,939
Other creditors	143,956	2,024,557
Accruals and deferred income	50,000	50,000
	<u>82,427,773</u>	<u>80,793,496</u>

All amounts owed to United Kingdom group undertakings are unsecured and repayable on demand. Interest accrues on these amounts at 1 month LIBOR plus 0.1%.

### 13 CAPITAL COMMITMENTS

The company had no capital commitments at 31 December 2013 or 31 December 2012.

### 14 GUARANTEES

There is a guarantee against the assets of the company dated 07 November 2007 in favour of Galleon Holding plc for £168,861.

### 15 SHARE CAPITAL

#### Authorised share capital:

	2013 £	2012 £
494,986,745 Ordinary shares of £0.02 each	9,899,735	9,899,735
371,099,000 Deferred shares of £0.1249 each	46,350,265	46,350,265
	<u>56,250,000</u>	<u>56,250,000</u>

#### Allotted, called up and fully paid

	2013 No	£	2012 No	£
Ordinary shares of £0.02 each	222,424,267	4,448,485	222,424,267	4,448,485
Deferred shares of £0.1249 each	371,099,000	46,350,265	371,099,000	46,350,265
	<u>593,523,267</u>	<u>50,798,750</u>	<u>593,523,267</u>	<u>50,798,750</u>

The holders of ordinary shares are entitled to dividends as declared from time to time and are entitled to vote per share at meetings of the parent. All ordinary shares rank equally with regard to the company's residual assets.

The holders of the deferred shares are not entitled to payment of any dividend or other distribution or to receive notice or attend or vote at any general meeting of the company. In the event of a return of assets on a winding-up of the company or otherwise, they are entitled to receive the sum of 12.49p in respect of each deferred share held only after such holders of ordinary shares have received £100,000,000 in respect of each ordinary share held by them, respectively, save that in the event of a return of assets by means of purchase by the company of its own shares or a reduction of share capital the holders of the deferred shares shall rank for the aforesaid sum in priority to the holders of the ordinary shares. The deferred shares shall not confer any further rights to participate in the assets of the company.

# UNIVERSAL SRG GROUP LIMITED (FORMERLY THE SANCTUARY GROUP LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

### 16 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Share capital £	Share premium account £	Revaluation reserve £	Profit and loss account £	Total share- holders' funds £
Balance brought forward at 1 January 2012	50,798,750	224,665,105	(29,390)	(294,404,098)	(18,969,633)
Profit for the year	—	—	—	9,585,307	9,585,307
Other gains and losses	—	—	—	—	—
Revaluation of fixed assets	—	—	(7,652)	—	(7,652)
Balance brought forward at 1 January 2013	50,798,750	224,665,105	(37,042)	(284,818,791)	(9,391,978)
Profit for the year	—	—	—	7,079,623	7,079,623
Other gains and losses	—	—	—	—	—
- Revaluation of fixed assets	—	—	(11,822)	—	(11,822)
Balance carried forward at 31 December 2013	<u>50,798,750</u>	<u>224,665,105</u>	<u>(48,864)</u>	<u>(277,739,168)</u>	<u>(2,324,177)</u>

### 17 ULTIMATE PARENT COMPANY

The immediate parent company is Universal Music Holdings Limited, a company incorporated and operating in England. 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