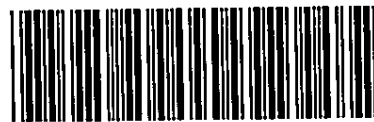


COMPANY REGISTRATION NUMBER 4631083

**JAYDONE LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL**  
**STATEMENTS**

**PERIOD FROM 1 APRIL 2013 TO 31 DECEMBER 2013**

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# **JAYDONE LIMITED**

## **FINANCIAL STATEMENTS**

**PERIOD FROM 1 APRIL 2013 TO 31 DECEMBER 2013**

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# **JAYDONE 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

# **JAYDONE LIMITED**

## **STRATEGIC REPORT**

**PERIOD FROM 1 APRIL 2013 TO 31 DECEMBER 2013**

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The directors present their strategic report for the company for the period ended 31 December 2013. During the period the company changed its accounting reference date from 31 March to 31 December.

### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The principal activity of the Company during the year was the sales and distribution of all forms of recorded music and merchandise. These activities are unlikely to change in the foreseeable future.

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

### **RESULTS AND DIVIDENDS**

The company's loss for the period was £619,000 (March 2013 - profit of £107,000). The retained loss for the year has been transferred to reserves.

The directors do not recommend the payment of a dividend for the period (March 2013 - £nil).

### **PRINCIPAL RISKS AND UNCERTAINTIES**

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

- competition from other major and independent record companies that market and distribute recorded music and video,
- competition from alternative entertainment products,
- price pressure from the increased presence of supermarkets in the music markets 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.

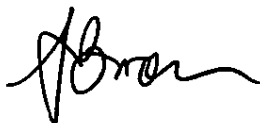
All risks and uncertainties are regularly monitored by the Board of Directors of the company.

### **FUTURE DEVELOPMENTS**

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

By order of the board

A Brown  
Director



03 SEP 2014

# **JAYDONE LIMITED**

## **DIRECTORS' REPORT**

**PERIOD FROM 1 APRIL 2013 TO 31 DECEMBER 2013**

---

The directors present their report and the unaudited financial statements of the company for the period from 1 April 2013 to 31 December 2013

### **DIRECTORS**

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

A Brown  
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

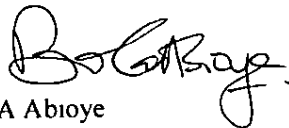
### **POLICY ON THE PAYMENT OF CREDITORS**

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 4631083

03 SEP 2014

# JAYDONE LIMITED

## PROFIT AND LOSS ACCOUNT

PERIOD FROM 1 APRIL 2013 TO 31 DECEMBER 2013

	Note	Period To 31 December 2013 £'000	Year Ended 31 March 2013 £'000
<b>TURNOVER</b>	<b>2</b>	414	92
Cost of sales		(832)	16
<b>GROSS (LOSS)/PROFIT</b>		(418)	108
Distribution costs		(197)	(1)
Administrative expenses		(1)	—
<b>OPERATING (LOSS)/PROFIT</b>		(616)	107
Interest payable and similar charges	<b>5</b>	(3)	—
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(619)	107
Tax on (loss)/profit on ordinary activities	<b>6</b>	—	—
<b>(LOSS)/PROFIT FOR THE FINANCIAL PERIOD</b>		(619)	107

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

The company has no recognised gains or losses other than the results for the period as set out above

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

The notes on pages 6 to 11 form part of these financial statements.

# JAYDONE LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2013

		31 December 13 £'000	31 March 13 £'000
	Note		
<b>CURRENT ASSETS</b>			
Stocks	7	5	–
Debtors	8	200	3
		205	3
<b>CREDITORS: Amounts falling due within one year</b>	9	(1,465)	(644)
<b>NET CURRENT LIABILITIES</b>		(1,260)	(641)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		(1,260)	(641)
<b>CAPITAL AND RESERVES</b>			
Share capital	10	–	–
Profit and loss account	11	(1,260)	(641)
<b>DEFICIT</b>	11	(1,260)	(641)

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

### Directors' responsibilities

- The members have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476, and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime

Approved by the Board for issue on 03 SEP 2014

On behalf of the Board of Directors



A Brown

Director

The notes on pages 6 to 11 form part of these financial statements

# JAYDONE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 APRIL 2013 TO 31 DECEMBER 2013

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### 1. ACCOUNTING POLICIES

#### **Basis of preparation**

The financial statements have been prepared under the historical cost convention

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

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

#### **Revenue recognition**

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

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

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowances for obsolete and slow moving items.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.



# JAYDONE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 APRIL 2013 TO 31 DECEMBER 2013

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### 1 ACCOUNTING POLICIES *(continued)*

#### **Taxation**

The charge/credit for taxation is based on the profit/loss for the period and takes into account taxation deferred because of the timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date the will result in an obligation to pay more tax in the future or a right to pay less tax in the future

Timing differences are differences between the company's taxable profit and loss and its results as stated in the financial statements No deferred tax is recognised on permanent differences

Deferred tax is measured at the average tax rates that are expected to apply in the period in which the timing differences are expected to reverse, based on tax rates and law that have been enacted or substantively enacted by the balance sheet date Deferred tax is measured on a non-discounted basis Deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

#### **Foreign currencies**

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

#### **Advances**

Advances to unproven artists are expensed Advances to other artists are written down to the estimated amount that will be recoverable from future royalty payments to the artist Net advances to artists are classified as falling due within one year, although elements may not be recovered until after more than one year Long term advances to artists, where the effect of the time value of money is material, are discounted

#### **Interest-bearing loans and borrowings**

All interest-bearing loans and borrowings are initially recognised at net proceeds Interest bearing debt is increased by the finance cost in respect of the reporting period and reduced by any settlement made Interest is charged and earned on a fixed element of the debt at an arms length rate

Finance costs of debt are allocated over the term of the debt at a constant rate on the carrying amount

# JAYDONE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 APRIL 2013 TO 31 DECEMBER 2013

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

#### Continued support from intermediate parent undertaking

The financial statements have been prepared on the going concern basis as the company has received confirmation from Societe d'Investissements et de Gestion 104 S A S , the company's intermediate parent undertaking, of its intention to continue to provide financial and other support to the extent necessary to enable the company to continue to pay its liabilities as and when they become due for a period not less than one year from the date of approval of these financial statements. Having regard to this intention, the directors believe it is appropriate to prepare these financial statements on a going concern basis, notwithstanding the deficit on net current liabilities at 31 December 2013.

### 2. TURNOVER

Turnover by destination is as follows

	Period To December 2013 £'000	Year Ended March 2013 £'000
United Kingdom	255	57
Rest of Europe	78	17
United States of America	26	6
Rest of World	55	12
	<u>414</u>	<u>92</u>

Turnover by source is exclusively derived in the United Kingdom

### 3. AUDITORS' REMUNERATION

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

### 4. PARTICULARS OF EMPLOYEES

There were no employees serving during the period.

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

### 5. INTEREST PAYABLE AND SIMILAR CHARGES

	Period To 31 December 2013 £'000	Year Ended 31 March 2013 £'000
Interest payable to group undertakings	<u>3</u>	<u>—</u>

# JAYDONE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 APRIL 2013 TO 31 DECEMBER 2013

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### 6. TAX ON PROFIT ON ORDINARY ACTIVITIES

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

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

The tax assessed on the loss on ordinary activities for the year is higher than the average rate of corporation tax in the UK of 23.25% (2012 - 24.5%) The Finance Act 2013 enacted reductions in the UK corporate tax rate to 21% from April 2014 and 20% from April 2015. Deferred tax assets and liabilities are measured at the rate that is expected to apply to the accounting period when the asset is realised or the liability is settled, based on the above rates

	Period To 31 December 2013 £'000	Year Ended 31 March 2013 £'000
(Loss)/profit on ordinary activities before taxation	(619)	107
(Loss)/profit on ordinary activities at the standard rate of UK		
Corporation tax of 23% (2013 - 24%)	(142)	26
Expenses not deductible for tax purposes	-	(10)
Impact of group relief claimed/surrendered for no compensation	142	(16)
Current tax charge for the financial period	-	-

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

The company has total unutilized tax losses carried forward estimated at £244,603 (March 2013 - £244,603), which may reduce future tax charges. No deferred tax asset has been recognised in respect of these losses due to uncertainty as to their future recoverability.

### 7. STOCKS

	31 December 13 £'000	31 March 13 £'000
Finished goods	5	-

The difference between the purchase price or production cost of stock and their replacement cost is not material.

# JAYDONE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 APRIL 2013 TO 31 DECEMBER 2013

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### 8 DEBTORS

	31 December 13 £'000	31 March 13 £'000
Trade debtors	–	1
Amounts owed by group undertakings	192	2
Prepayments and accrued income	8	–
	<u>200</u>	<u>3</u>

Loans to fellow Group undertakings are classified as current as they are repayable on demand. Interest rates on intercompany loans have been agreed between parties on a loan by loan basis.

### 9. CREDITORS: Amounts falling due within one year

	31 December 13 £'000	31 March 13 £'000
Trade creditors	384	1
Amounts owed to group undertakings	645	642
Other creditors	337	–
Accruals and deferred income	99	1
	<u>1,465</u>	<u>644</u>

Loans from fellow Group undertakings are classified as current as they are repayable on demand. Interest rates on intercompany loans have been agreed between parties on a loan by loan basis.

# JAYDONE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 1 APRIL 2013 TO 31 DECEMBER 2013

### 10 SHARE CAPITAL

#### Authorised share capital:

	31 December 13 £'000	31 March 13 £'000
5,010 Class 'A' shares of £0 10 each	1	1
4,990 Class 'B' shares of £0 10 each	-	-
	<u>1</u>	<u>1</u>

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

	31 December 13 No	£'000	31 March 13 No	£'000
Class 'A' shares of £0 10 each	501	-	501	-
Class 'B' shares of £0 10 each	499	-	499	-
	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>-</u>

### 11. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	Profit and loss account £'000
Balance brought forward at 1 April 2012	(748)
Profit for the year	<u>107</u>
Balance brought forward at 1 April 2013	(641)
Loss for the period	<u>(619)</u>
Balance carried forward at 31 December 2013	<u>(1,260)</u>

### 12. ULTIMATE PARENT COMPANY

The immediate parent undertaking is Virgin Records Limited. The ultimate parent undertaking and controlling party is Vivendi SA, a company incorporated in France. The smallest and largest group in which the results of the company will be consolidated will be that headed by Vivendi SA, incorporated in France. Copies of its annual report in English may be obtained from

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Cedex 08  
France