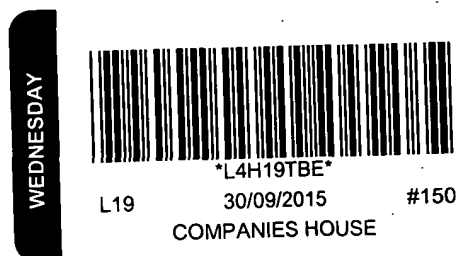


**UNIVERSAL SRG (W.A.R) LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL**  
**STATEMENTS**  
**(FORMERLY SANCTUARY (W.A.R.) LIMITED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**



# **UNIVERSAL SRG (W.A.R) LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

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### **THE BOARD OF DIRECTORS**

SN Baker  
RJ Morris

### **COMPANY SECRETARY**

A Abioye

### **REGISTERED OFFICE**

364-366 Kensington High Street  
London  
W15 8NS

### **AUDITOR**

Ernst & Young LLP  
Statutory Auditor  
1 More London Place  
London  
SE1 2AF

# **UNIVERSAL SRG (W.A.R) LIMITED**

## **STRATEGIC REPORT**

**YEAR ENDED 31 DECEMBER 2014**

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The directors present their strategic report for the company for the period ended 31 December 2014.

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

The principal activity of the company during the year was that of music publishing.

The result and position of the company as at and for the year ended 31 December 2014 are set out in the profit and loss account and balance sheet on pages 7 and 8 respectively. The result and position of the company were in line with directors' expectations.

### **RESULTS AND DIVIDENDS**

The company's profit on ordinary activities after taxation for the year was £88,000 (2013: £63,000) and the retained profit for the year has been transferred to reserves.

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

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks and uncertainties facing the company are broadly grouped as competitive, legislative and financial instrument risk.

- **Competitive Risks** - These are driven by a changing market environment and the competition from other major and independent publishing companies; competition from alternative entertainment products; the threat of a devalued product due to piracy and the illegal use of music; and uncertainty as to whether the growth of the digital market can replace the decline in the physical market.
- **Legislative Risks** - There currently appear to be no significant legislative risks for the company.
- **Financial Instrument Risk** - The company holds a number of intercompany balances, which are subject to interest charges. Interest rates may be subject to fluctuations.

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



R J Morris  
Director

30 September 2015

# UNIVERSAL SRG (W.A.R) LIMITED

## DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2014

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The directors present their report and the financial statements of the company for the year ended 31 December 2014.

### DIRECTORS

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

SN Baker  
RJ Morris

### 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.

### DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the directors' report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# UNIVERSAL SRG (W.A.R) LIMITED

## DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2014

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### AUDITOR

Ernst & Young LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

In so far as each of the directors at the date of approving this report are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

By order of the board



R J Morris  
Director

30 September 2015

Company Registration Number: 05221402

# **UNIVERSAL SRG (W.A.R) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSAL SRG (W.A.R) LIMITED**

**YEAR ENDED 31 DECEMBER 2014**

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We have audited the financial statements of Universal SRG (W.A.R) Limited for the year ended 31 December 2014, which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 and 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# UNIVERSAL SRG (W.A.R) LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNIVERSAL SRG (W.A.R) LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2014

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### MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



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

30 September 2015

Company Registration Number: 05221402

**UNIVERSAL SRG (W.A.R) LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2014**

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	Note	2014 £'000	2013 £'000
<b>TURNOVER</b>	<b>2</b>	681	615
Cost of sales		(568)	(529)
<b>GROSS PROFIT</b>		113	86
<b>OPERATING PROFIT</b>		113	86
Interest receivable and similar income	<b>5</b>	16	13
Interest payable and similar charges	<b>6</b>	(17)	(17)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		112	82
Tax on profit on ordinary activities	<b>7</b>	(24)	(19)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		88	63

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

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

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

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



# UNIVERSAL SRG (W.A.R) LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2014

	Note	2014 £'000	2013 £'000
<b>CURRENT ASSETS</b>			
Debtors	8	3,699	3,491
<b>CREDITORS: Amounts falling due within one year</b>	9	(3,209)	(3,089)
<b>NET CURRENT ASSETS</b>		<u>490</u>	<u>402</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>490</u>	<u>402</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	10	—	—
Profit and loss account	11	<u>490</u>	<u>402</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>	11	<u>490</u>	<u>402</u>

These accounts were approved by the board of directors and authorised for issue on 30 September 2015 and are signed on their behalf by:



RJ Morris

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

# UNIVERSAL SRG (W.A.R) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 DECEMBER 2014

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#### 1. ACCOUNTING POLICIES

##### **Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

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 about its group.

The financial statements have been prepared on a going concern basis.

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

The company is a wholly owned subsidiary of Vivendi S.A. who control 90% or more of the voting rights and is included in the consolidated financial statements of the group, which are publicly available. Consequently, the company has taken advantage of the exemption in Financial Reporting Standard ("FRS") 1 from preparing a cash flow statement.

The company has also taken advantage of the exemption in FRS 8 from disclosing transactions with other wholly owned subsidiaries within the Vivendi S.A. group.

##### **Revenue recognition**

Turnover represents royalty income, exclusive of value added tax. UK royalty income is credited to the profit and loss account in the period to which it relates, or if it can not be reliably estimated, on a receipts basis.

Overseas royalty income, which is all collected on behalf of the company by other group undertakings, is credited to the profit and loss account in the period overseas sales are reported to the company.

##### **Taxation**

The charge 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.

**UNIVERSAL SRG (W.A.R) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2014**

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

**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 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 within other debtors, although elements may not be recovered until more than one year. Long term advances to artists, where the effect of the time value of money is material, are discounted.

**2. TURNOVER**

Turnover is derived from one continuing activity, music publishing. An analysis of turnover by geographical market is given below:

	<b>2014</b> <b>£'000</b>	<b>2013</b> <b>£'000</b>
United Kingdom	154	44
Europe	132	125
United States of America	293	407
Rest of World	102	39
	<u>681</u>	<u>615</u>

**3. OPERATING PROFIT**

Auditors' remuneration of £1,500 (2013 - £nil) and certain other administrative costs were borne by other fellow group undertakings. No amount was payable to the company's auditors in respect of non-audit services in either period.

**4. PARTICULARS OF EMPLOYEES**

There were no employees during either year.

**5. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2014</b> <b>£'000</b>	<b>2013</b> <b>£'000</b>
Interest receivable from group undertakings	<u>16</u>	<u>13</u>

**6. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2014</b> <b>£'000</b>	<b>2013</b> <b>£'000</b>
Group interest payable	<u>17</u>	<u>17</u>

**UNIVERSAL SRG (W.A.R) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2014**

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**7. TAX ON PROFIT ON ORDINARY ACTIVITIES**

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

	<b>2014</b> <b>£'000</b>	2013 £'000
Current tax:		
UK Corporation tax on profit/loss for the year	-	-
Group relief payable for losses surrendered from other group undertakings	24	19
Total current tax	<u>24</u>	<u>19</u>

**(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 21.50% (2013 - 23.25%).

The Finance Act 2013 enacted reductions in the UK corporate tax rate to 21% from April 2014 and 20% from April 2015. Deferred tax assets and liabilities are measured at the rate that is expected to apply to the accounting period when the asset is realised or the liability is settled, based on the above rates.

	<b>2014</b> <b>£'000</b>	2013 £'000
Profit on ordinary activities before taxation	<u>112</u>	<u>82</u>
Profit on ordinary activities at the standard rate of UK Corporation tax of 21.50% (2013: 23.25%)	<u>24</u>	<u>19</u>
Current tax charge for the financial year	<u>24</u>	<u>19</u>

**8. DEBTORS**

	<b>2014</b> <b>£'000</b>	2013 £'000
Amounts owed by group undertakings	3,341	2,713
Other debtors	358	778
	<u>3,699</u>	<u>3,491</u>

Amounts owed by group undertakings are unsecured and repayable on demand.

**UNIVERSAL SRG (W.A.R) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2014**

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

	<b>2014</b>	2013
	<b>£'000</b>	£'000
Trade creditors	384	280
Amounts owed to group undertakings	2,825	2,809
	<u>3,209</u>	<u>3,089</u>

All amounts owed to group undertakings are unsecured and repayable on demand.

**10. SHARE CAPITAL**

**Authorised share capital:**

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

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

	<b>2014</b>		2013	
	<b>No</b>	<b>£'000</b>	<b>No</b>	<b>£'000</b>
Ordinary-A shares of £1 each	1	-	1	-
Ordinary-B shares of £1 each	1	-	1	-
	<u>2</u>	<u>-</u>	<u>2</u>	<u>-</u>

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

	<b>Profit and loss account £'000</b>
Balance brought forward at 1 January 2013	339
Profit for the year	63
Balance brought forward at 1 January 2014	402
Profit for the year	88
Balance carried forward at 31 December 2014	<u>490</u>

**UNIVERSAL SRG (W.A.R) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2014**

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**12. ULTIMATE PARENT COMPANY**

The immediate parent undertaking is Universal SRG Music Publishing Limited (Formerly Sanctuary Music Publishing Limited). The ultimate parent undertaking and controlling party is Vivendi SA, a company incorporated in France. The smallest and largest group in which the results of the company will be consolidated will be that headed by Vivendi SA, incorporated in France. Copies of its annual report in English may be obtained from:

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