

DAILYMOTION LTD

COMPANY REGISTRATION NUMBER 06677140

**DAILYMOTION LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

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FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

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DAILYMOTION LTD

OFFICERS AND PROFESSIONAL ADVISERS

THE BOARD OF DIRECTORS

Maxime SAADA

REGISTERED OFFICE

Wilberforce House Station Road - London NW4 4QE UK

COMPANY SECRETARY

FRENGER INTERNATIONAL LTD Wilberforce House, Station Road
London, United Kingdom, NW4 4QE

AUDITOR

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

BANKER

HSBC, PO Box, IEZ 196 Oxford Street, London W1D 1NT

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2015

The director presents his report and the financial statements of the company for the year ended 31 December 2015.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the group is that of a video sharing website. Dailymotion Ltd is in charge of looking for content partners and negotiating with them to develop the Dailymotion website in the United Kingdom.

The key financial and other performance indicators during the year were as follows:

	2015 £	2014 £	Change %
Turnover	208	799,383	-97.97%
Loss after tax	(1,702,251)	(1,474,129)	+15.47%
Equity shareholders' deficit	(5,062,186)	(3,248,398)	+55.84%

The result and position of the company as at and for the year ended 31 December 2015 are set out in the statement of comprehensive income, statement of changes in equity and statement of financial position on pages 8 to 10. The result and position of the company were in line with directors' expectations.

RESULTS AND DIVIDENDS

The company's loss after taxation for the period was £ 1,568,322 (2014 - £ 1,474,129). No dividend has been paid in the year (2014 - nil). The retained loss for the period has been transferred to reserves.

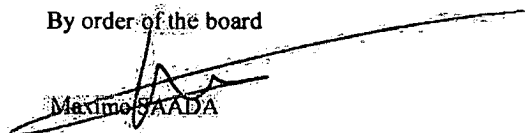
PRINCIPAL RISKS AND UNCERTAINTIES

The company faces the impact of interest rate fluctuations from amounts receivable and payable on loans with other group undertakings;

FUTURE DEVELOPMENTS

The financial statements have been prepared on the going concern basis as the company has received confirmation from Vivendi SA, the company's ultimate 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 liabilities at 31 December 2015.

By order of the board



Maximo SAADA

10 MAY 2017

DAILYMOTION LTD

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2015

The directors present their report and the financial statements of the company for the year ended 31 December 2015.

DIRECTORS

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

Cédric Michel TOURNAY - resigned January 12th, 2016.

Maxime SAADA - appointed January 12th 2016

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 the potential financial consequences resulting from claims made against the directors for any actual or 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 political donations in either year.

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2015

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 judgments 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.

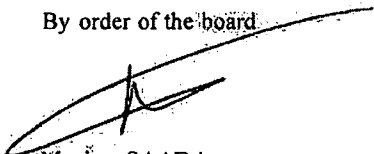
AUDITOR

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



Maxime SAADA
Director

10 MAY 2017

Company Registration Number: 06677140

DAILYMOTION LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DAILYMOTION LTD YEAR ENDED 31 DECEMBER 2015

We were engaged to audit the financial statements for the period ended 31 December 2015 which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes 1 to 17. 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), including Financial Reporting Standard 102 'Reduced Disclosure Framework'.

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 auditors' 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 Statement of Directors' Responsibilities set out on page 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. Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

BASIS OF AUDIT OPINION

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 Annual Report and Accounts 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.

BASIS FOR DISCLAIMER OF OPINION ON FINANCIAL STATEMENTS

The audit evidence available to us was limited. The financial statements for the year ended 31 December 2014 are unaudited and the directors of the company do not have complete accounting records for the period prior to the change in ownership on 30 June 2015 because of the departure of key personnel and changes in the company's accounting systems during October 2015. Therefore we have not been able to perform the procedures required by International Standard on Auditing (ISA) 510, "Initial Audit Engagements—Opening Balances" regarding any of the opening balances as at 31 December 2014. Since opening balances affect the determination of the results of operations, we are unable to determine whether adjustments to the results of operations and opening retained earnings might be necessary for either of the year ended 31 December 2014 or the year ended 31 December 2015. Our opinion on the current year's financial statements is also modified because of the possible effect of this matter on the comparability of the current year's figures and the corresponding figures.

In addition, the directors of the company are unable to provide information on journal entries recorded in the period prior to changes in the company's accounting systems were implemented. Therefore we have not been able to perform the procedures required by International Standard on Auditing (ISA) 240, "The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements" regarding journal entry testing. We are therefore unable to determine whether adjustments to the results of operations might be necessary for the year ended 31 December 2015.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DAILYMOTION LTD
(continued)

YEAR ENDED 31 DECEMBER 2015

DISCLAIMER OF OPINION ON THE STATEMENT OF COMPREHENSIVE INCOME AND QUALIFIED OPINION ON THE STATEMENT OF FINANCIAL POSITION

Because of the significance of the matter described in the basis for disclaimer paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion with respect to the statement of comprehensive income. Accordingly, we do not express an opinion on the statement of comprehensive income.

In our opinion, except for the possible effects on the corresponding figures described above, the Statement of financial position gives a true and fair view of the state of the company as at 31 December 2015.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

Notwithstanding our disclaimer of an opinion on the financial statements, in our opinion the information given in the Strategic Report and Directors' Report for the period for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Arising from the limitation of our work referred to above:


- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

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:

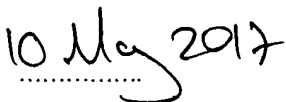
- returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made.

OTHER MATTER

The corresponding figures for the year ended 31 December 2014 are unaudited.



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



Company Registration Number: 06677140

DAILYMOTION LTD

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 £	2014 £ (unaudited & restated)
TURNOVER		208	799,383
Administrative expenses		<u>(1,920,304)</u>	<u>(2,273,616)</u>
OPERATING LOSS	4	(1,920,096)	(1,474,233)
Interest payable and similar charges	6	(16,520)	(11,312)
Other financial income	7	234,367	207,628
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(1,702,251)</u>	<u>(1,277,917)</u>
Tax on (loss)/profit on ordinary activities	8	-	-
LOSS FOR THE FINANCIAL YEAR		(1,702,251)	(1,277,917)
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		<u>(1,702,251)</u>	<u>(1,277,917)</u>

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 loss on ordinary activities before taxation and the loss for the financial year stated above and their historical cost equivalents.

DAILYMOTION LTD

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

	Note	2015 £	2014 £ (unaudited & restated)
FIXED ASSETS	9	48,972	33,768
CURRENT ASSETS			
Debtors	10	113,752	155,470
Cash at bank		53,611	128,978
		<u>167,363</u>	<u>284,448</u>
CREDITORS: Amounts falling due within one year	11	<u>(5,278,520)</u>	<u>(3,566,613)</u>
NET CURRENT LIABILITIES		<u>(5,111,157)</u>	<u>(3,282,165)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(5,062,186)</u>	<u>(3,248,398)</u>
CAPITAL AND RESERVES			
Share capital	12	<u>1</u>	<u>1</u>
Profit and loss account		<u>(5,062,187)</u>	<u>(3,248,399)</u>
EQUITY SHAREHOLDERS' FUNDS		<u>(5,062,186)</u>	<u>(3,248,398)</u>

These accounts were approved by the board of directors and authorized for issue on and are signed on their behalf by:


Maxime SAADA
Director

10 MAY 2017

Company Registration Number: 06677140

DAILYMOTION LTD

STATEMENT OF CHANGES IN EQUITY

AS AT 31 DECEMBER 2015

	Share capital £	Reevaluation Reserve £	Profit & Loss Account £	Total shareholders Funds £
Restated balance brought forward at 1 January 2014 (unaudited)	1	-	(1,970,481)	(1,970,480)
Loss for the financial year	-	-	(1,277,017)	(1,277,917)
Restated balance brought forward at 1 January 2015 (unaudited)	1	-	(3,248,399)	(3,248,398)
Loss for the financial year	-	-	(1,702,251)	(1,702,251)
Balance carried forward at 31 December 2015	<u>1</u>	<u>=</u>	<u>(5,062,187)</u>	<u>(5,062,186)</u>

* see 14. EXPLANATION OF TRANSITION TO FRS 102 FROM OLD UK GAAP

DAILYMOTION LTD

NOTES TO THE FINANCIAL STATEMENTS

1. STATUTORY INFORMATION

DAILYMOTION LTD is a company limited by shares and incorporated and domiciled in the UK. The registered office is Wilberforce House Station Road - London NW4 4QE UK.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with the FRS 102 as it applies at 31 December 2015. The company transitioned from previously UK GAAP to FRS 102 as at 1 January 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 16.

3. ACCOUNTING POLICIES

Basis of preparation

The financial statements for the year ended 31 December 2015 are the first financial statements that comply with FRS 102. The presentation currency of these financial statements is sterling.

As part of the FRS102 conversion exercise management have made no measurement and recognition adjustments except for the fact that they have taken the opportunity to correct a prior period entry regarding an fx revaluation reserve detailed in note 14

FRS 102 grants certain first-time adoption exemptions from the full requirements of FRS 102. The following exemptions have been taken in these financial statements:

Qualifying exemptions (FRS102)

- The company's ultimate parent undertaking, Vivendi SA includes the company in its consolidated financial statements. The consolidated financial statements of Vivendi SA are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from 42 Avenue de Friedland, 75380 Paris, Cedex 08, France. In these financial statements, the company is considered to be a qualifying entity and has applied the exemptions available under FRS 102 in respect of the following disclosures:
- Reconciliation of the numbers of shares outstanding from the beginning to end of the period.
- Cash Flow Statement and related notes
- Related party disclosures; and
- Key Management Personal compensation.

As the consolidated financial statements of Vivendi SA include the equivalent disclosures, the company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 *Share Base Payments*; and
- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instruments Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

Other Qualifying exemptions

As the ultimate parent undertaking prepares publicly available consolidated accounts and is incorporated within the European Union the company has taken advantage of the exemption under section 400 of the Companies Act 2006 from preparing consolidated accounts. As such, these financial statements give information about the company as an individual undertaking and not about its group.

DAILYMOTION LTD

Notes to the financial statements

3. ACCOUNTING POLICIES (continued)

Measurement convention

The financial statements are prepared on the historical cost basis.

Going concern

The financial statements have been prepared on the going concern basis as the company has received confirmation from Vivendi SA, the company's ultimate 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 liabilities at 31 December 2015.

Revenue

Turnover represents, the invoiced value of services provided, excluding VAT. Turnover is attributable to one activity: the recharge of legal costs incurred to DailyMotion S.A. regarding the execution of contracts signed between DailyMotion S.A. and clients in the United Kingdom. Income is credited to the statement of comprehensive income in the period to which it relates.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the statement of financial position date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

3. ACCOUNTING POLICIES (continued)

Foreign currencies

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the foreign exchange rate ruling at the balance sheet date. All differences are taken to the profit and loss account.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income.

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Fixed assets

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

- Office Equipment: over 3 to 5 years
- Fixtures and fittings : over 5 to 7 years

Interest-bearing loans borrowings classified as basic financial instruments

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

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

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayment on demand.

DAILYMOTION LTD

Notes to the financial statements

4. OPERATING LOSS

	2015 £	2014 £ (unaudited)
Operating Loss	1,920,096	1,474,233
Operating loss is stated after charging:		
Auditor's remuneration - audit of the financial statements	9,711	4,605

5. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to 8 employees (2014: 9). The aggregate payroll costs of the above were:

	2015 £	2014 £ (unaudited)
Wages and salaries	535,856	504,645
Social Security costs	86,803	48,358
Other pensions costs	<u>17,952</u>	<u>13,697</u>
Total	640,611	566,700

The directors were also directors of fellow group undertakings and the amounts they received for their services to Dailymotion Ltd for the year ended 31 December 2015 were not recharged on the basis that they are negligible.

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2015 £	2014 £ (unaudited)
Interest payable to group undertakings	16,520	11,312

7. FINANCIAL INCOME

	2015 £	2014 £ (unaudited)
Currency Gain and other interest receivable or similar income	234,367	11,416

DAILYMOTION LTD

NOTES TO THE FINANCIAL STATEMENTS

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

Dailymotion Ltd is not part of any UK Tax Group. Tax on Loss on ordinary activities has been nil as at December 31, 2015.

a. Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 20.25% (2014 – 21.5%).

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.

	2015 £	2014 £ (unaudited)
Loss on ordinary activities before taxation	<u>(1,702,251)</u>	<u>(1,474,129)</u>
Loss on ordinary activities at the standard rate of UK Corporation tax of 20.25% (2014: 21.5%)	(344,706)	(298,511)
Losses not recognised	344,706	298,511
Movement in timing differences	<u>-</u>	<u>-</u>
Current tax credit for the financial year	<u>-</u>	<u>-</u>

In 2015, Dailymotion Ltd has tax losses arising the UK of £1,702,251 (2014 –£1,474,129) that are available indefinitely for offset against future taxable profits of the company. Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits in this entity which has been loss-making for some time and is not expected to be profitable in the near future

DAILYMOTION LTD

Notes to the financial statements

9. FIXED ASSETS

	Office equipment £	Fixtures and Fittings	Total £
<i>Cost or valuation</i>			
At January 1, 2015 (unaudited)	12,977	35,214	48,191
Additions	-	24,933	24,933
Disposals	-	-	-
At December 31, 2015	12,977	60,147	73,124
<i>Depreciation and impairment</i>			
At January 1, 2015 (unaudited)	(7,925)	(6,498)	(14,423)
Depreciation	(2,544)	(7,183)	(9,727)
Impairment loss	-	-	-
Disposal	-	-	-
At December 31, 2015	(10,469)	(13,681)	(24,150)
Carrying Value at December 31, 2015	2,508	46,465	48,972
Carrying Value at December 31, 2014	5,052	28,716	33,768

10. DEBTORS

	2015 £	2014 £ (unaudited)
Trade debtors	-	15,767
Deposit	77,430	107,430
Other debtors	6,056	5,301
Prepayments and accrued income	30,266	26,972
	<u>113,752</u>	<u>155,470</u>

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

DAILYMOTION LTD

NOTES TO THE FINANCIAL STATEMENTS

11. CREDITORS

Amounts falling due within one year

	2015 £	2014 £ (unaudited)
Trade creditors	51,625	1,991
Amounts owed to group undertakings	5,200,506	3,451,861
Other taxes and social security cost	-	15,106
Other creditors	26,389	97,656
	<u>5,278,520</u>	<u>3,566,613</u>

All amounts owed to fellow group undertakings are classified as current as they are repayable on demand. Interest rates on intercompany loans have been agreed between parties on a loan by loan basis. Included within amounts owed to group undertakings are the following amounts:

- £866,912 (2014 - £9,632) in respect of an intercompany balance with DAILYMOTION SA. Interest accrues on the loan at rate +4%.
- £4,333,594 (2014 - £3,442,229) in respect of intercompany invoices not paid to DAILYMOTION SA.

All other amounts owed to group undertakings are due to non UK group undertakings, are unsecured and repayable on demand.

12. SHARE CAPITAL

Allotted, called up and fully paid:

	2015	2014
	No	No
Ordinary shares of £1 each	<u>1</u>	<u>1</u>

13. ULTIMATE PARENT COMPANY

The immediate parent undertaking is Dailymotion SA a company incorporated in France. 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

DAILYMOTION LTD

Notes to the financial statements

14. EXPLANATION OF TRANSITION TO FRS 102 FROM OLD UK GAAP

As stated in note 2, these are the Company's first financial statements prepared in accordance with FRS 102.

The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ended 31 December 2015 and the comparative information presented in these financial statements for the year ended 31 December 2014.

As part of the FRS102 conversion exercise, management has corrected a prior period entry regarding the revaluation reserve detailed below:

Balance Sheet

		1 January 2014 (unaudited figures)			31 December 2014 (unaudited figures)		
	Note	UK GAAP £	Effects of transition to FRS 102 £	FRS102 £	UK GAAP £	Effects of transition to FRS 102 £	FRS 102 £
Non Current assets							
Debtors – amounts falling due after more than one year		-			-		-
Current assets							
Tangible assets	6	32,110	-	32,110	33,768	-	33,768
Debtors – amounts falling due within one year	6	779,728	-	779,728	155,470	-	155,470
Cash at bank and in hand		138,756	-	138,756	128,978		128,978
Total assets		950,594	-	950,594	318,216	-	318,216
Creditors - amounts falling due within one year	8	(2,921,074)	-	(2,921,074)	(3,566,613)		(3,566,614)
Total assets less current liabilities		(1,970,480)	-	(1,970,480)	(3,248,398)	-	(3,248,398)
Provision for liabilities and charges	9	-	-	-	-	-	-
Net Assets/(Liabilities)		(1,970,480)	-	(1,970,480)	(3,248,398)	-	(3,248,398)
Capital and reserves							
share capital	12	1	-	1	1	-	1
Revaluation reserve		37,454	(37,454)	-	233,666	(233,666)	-
Profit and loss account		(2,007,935)	37,454	(1,970,481)	(3,482,065)	233,666	(3,248,399)
Equity shareholders' Funds/(Deficit)		(1,970,480)	-	(1,970,480)	(3,248,398)	-	(3,248,398)

DAILYMOTION LTD

NOTES TO THE FINANCIAL STATEMENTS

14. EXPLANATION OF TRANSITION TO FRS 102 FROM OLD UK GAAP (continued)

Income statement

	Note	UK Gaap £	2014 Effect of transition to FRS 102 £	FRS 102 £
Turnover		799,383	-	799,383
Administrative charges expenses	2	(2,273,616)		(2,273,616)
Operating (loss)/profit on ordinary activities before taxation	4	(1,474,233)		(1,474,233)
Interest payable and similar charges	6	(11,312)		(11,312)
Other financial income		11,416	196,212	207,628
Profit/(loss) on ordinary activities before taxation		(1,474,129)	196,212	(1,277,917)
Tax credit on (loss)/profit on ordinary activities	5	-		-
Retained (loss)/profit for the financial year		(1,474,129)	196,212	(1,277,917)
Total gain and losses recognised		(1,474,129)	196,212	(1,277,917)

The FRS102 adjustment relates to the correction of the prior treatment of the translation of creditors. Previously management created a revaluation reserve when translating creditors at year end. To correct this management have reclassified the translation reserve at 1 January 2014 of £37,454 and at 31 January 2014 of £233,666. This has resulted in a net charge through the 2015 Statement of Comprehensive Income of 196,212.