

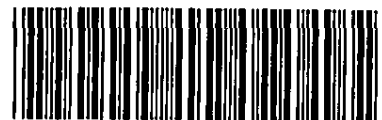
GRICIND LIMITED

Report and Financial Statements

31 December 2007

Registered No 1227150

TUESDAY



LIYQZ2E6

LD4

19/08/2008

95

COMPANIES HOUSE

Gricind Limited

COMPANY INFORMATION

DIRECTORS

B Dickens
S Douglas
P Latham
R MacSween
A Ridgeway

SECRETARY

S Emeny

AUDITORS

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

BANKERS

Barclays Bank PLC
London Corporate Banking
50 Pall Mall
PO Box 15162
London SW1 1QB

SOLICITORS

Russells
Regency House
1/4 Warrick Street
London
W1R 5WB

REGISTERED OFFICE

2nd Floor, Regent Arcade House
19 - 25 Argyll Street, London
W1F 7TS

Gricind Limited

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 December 2007

RESULTS AND DIVIDENDS

The profit after taxation for the year ended 31 December 2007 was £435,867 (2006 - profit of £297,360)

PRINCIPAL ACTIVITY, REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The principal activity of the company is to act as an agent for performing artists

The directors recommend the payment of a dividend £4,220,060 (2006 -£nil)

As shown in the company's profit and loss account on page 6, the company's turnover has increased by 1% over the prior year and operating profit has decreased by 98% resulting in a profit of £3,075 over the same period

The balance sheet on page 7 of the financial statements shows the company's financial position at the year end. Net assets have decreased by 67% to £1,940,708. Amounts owed by / to its parent company, group and fellow subsidiary undertakings are shown in notes 10 and 12 to the financial statements

Key performance indicators used by the Live Nation Inc group are cost of sales margins, spend per head, number of shows, limits and percentage capacity

Systems and procedures are in place to identify, assess and mitigate major business risks that could impact the company. Monitoring exposure to risk and uncertainty is an integral part of the company's structured management processes. The principal risks that the company faces are operational risk, competition, regulatory and legislative impacts, recruitment and retention of staff and maintenance of reputation

DIRECTORS AND THEIR INTERESTS

The directors who served during the year and as at 31 December 2007, and the changes since, are as follows -

B Dickins
S Douglas
P Latham
R MacSween
C Pernow (Resigned 10 September 2007)
A Ridgeway (Appointed 10 September 2007)

None of the directors had any interests in the share capital of the company at any time during the year or at 31 December 2007

ELECTIVE RESOLUTIONS

The company has passed resolutions under sections 252, 366A and 386 of the Companies Act 1985 dispensing with the requirements to lay financial statements and reports before the Company in general meetings, hold Annual General Meetings and appoint auditors each year

DISCLOSURE OF INFORMATION TO AUDITORS

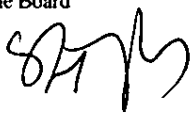
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its reports, of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information

AUDITORS

Ernst & Young LLP will be reappointed as the Company's auditor in accordance with the elective resolution passed by the Company under section 386 of the Companies Act 1985

On behalf of the Board

S Douglas
Date


15/6/08

Gricind Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

Gricind Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRICIND LIMITED

We have audited the company's financial statements for the year ended 31 December 2007 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet, and the related notes 1 to 19. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors

The directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor

London

Date 15/2/08

Gricind Limited

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	2007 £	2006 £
TURNOVER	2	5,557,997	5,480,864
Operating expenses		(5,861,438)	(5,561,606)
		<u>(303,441)</u>	<u>(80,742)</u>
Other operating income		306,516	276,596
OPERATING PROFIT	3	3,075	195,854
Interest receivable	6	376,629	275,158
Bank interest payable		(985)	(1,039)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>378,719</u>	<u>469,973</u>
Tax on profit on ordinary activities	7	57,148	(172,613)
RETAINED PROFIT FOR THE FINANCIAL YEAR	16	<u>435,867</u>	<u>297,360</u>

All the company's operations are continuing

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2007

There are no gains or losses in the year other than the profit for the year of £331,564 (2006 - profit of £297,360)

Gricind Limited

BALANCE SHEET AS AT 31 DECEMBER 2007

	Notes	2007 £	2006 £
FIXED ASSETS			
Tangible fixed assets	8	87,494	142,418
Investments	9	10,000	10,000
		<u>97,494</u>	<u>152,418</u>
CURRENT ASSETS			
Debtors	10	3,419,875	6,312,844
Cash at bank	11	3,849,776	3,621,171
		<u>7,269,651</u>	<u>9,934,015</u>
CREDITORS: amounts falling due within one year	12	<u>(5,426,437)</u>	<u>(4,361,532)</u>
NET CURRENT ASSETS		<u>1,843,214</u>	<u>5,572,483</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,940,708</u>	<u>5,724,901</u>
CAPITAL AND RESERVES			
Called up share capital	15,16	1,000	1,000
Profit and loss account	16	1,939,708	5,723,900
		<u>1,940,708</u>	<u>5,724,900</u>
EQUITY SHAREHOLDERS' FUNDS	16	<u>1,940,708</u>	<u>5,724,900</u>

Signed on behalf of the Board on


S Douglas

Date

15/8/08

Gricind Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2007

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. Accounting policies for all material transactions have been applied consistently unless otherwise stated, and are set out below.

Tangible fixed assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value based on prices prevailing at the date of acquisition or revaluation, of each asset evenly over its expected useful life as follows:

Fixtures, fittings and equipment	- straight line over 3 to 7 years
Leasehold property	- over the duration of the lease

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Investments held as fixed assets

Investments held as fixed assets are stated at cost less amounts written off. Provisions are made for permanent diminutions in value.

Deferred taxation

In accordance with FRS 19 (Deferred Tax), full provision is made for deferred tax arising from timing differences between the differing treatment of certain items for taxation and accounting purposes. The provision is calculated at the rates of taxation at which it is estimated the liability will arise and is not discounted.

No provision is made in respect of timing differences arising from the sale or revaluation of fixed assets unless there is a commitment to the disposal of the assets at the balance sheet date. No provision is made for the tax which would become payable on the distribution of retained profits by foreign subsidiaries, associates or joint ventures, unless there is an intention to distribute such retained earnings giving rise to a charge.

Provision on timing differences arising when an asset is continuously revalued to fair value is only made where changes in fair value are recognised in the profit and loss account. Deferred tax assets are recognised only to the extent that the directors consider there to be suitable taxable profits from which the underlying timing differences can be deducted.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Leasing commitments

Rentals payable under operating leases are charged in the profit and loss account on a straight-line basis over the lease term.

Pensions

The company operates a defined contribution scheme where pension contributions are charged against profits in the accounting period in which they arise.

Gricind Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2007

ACCOUNTING POLICIES CONTINUED

Statement of cash flows

The directors have taken advantage of the exemption available under FRS 1 (revised), and have not reported a statement of cash flows. A cash flow statement is available in the financial statements of the ultimate parent undertaking.

2 TURNOVER

Turnover, which is stated net of value added tax, represents the amounts derived from the provision of goods and services which fall within the company's ordinary activity of acting as agents for performing artists. All turnover arises in the United Kingdom.

3 OPERATING PROFIT

This is stated after charging

	2007	2006
	£	£
Depreciation of fixed assets	57,241	57,204
Operating lease charge - land and buildings	140,562	140,562
Operating lease charge - motor vehicle	-	22,980
Exchange (gains) / losses	17,526	44,644
Auditors remuneration - audit services	10,000	10,000
Directors' emoluments (note 5)	2,255,463	1,971,679
Staff costs (note 4)	4,135,686	3,960,684

4 STAFF COSTS

Staff costs (including directors) were as follows

	2007	2006
	£	£
Wages and salaries	3,499,103	2,989,861
Social security costs	429,916	384,157
Pensions	206,667	586,666
	4,135,686	3,960,684

The monthly average number of employees during the year was as follows

	No	No
Administration staff	26	22

5 DIRECTORS' EMOLUMENTS

	2007	2006
	£	£
Emoluments including benefits in kind	1,817,494	1,230,456
Social security costs	231,302	154,557
Amounts paid to company pensions scheme	206,667	586,666
	2,255,463	1,971,679

Gricind Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2007

DIRECTORS' EMOLUMENTS CONTINUED

The amounts in respect of the highest paid director are as follows

	2007	2006
	£	£
Emoluments	1,318,167	921,457
Social security costs	168,057	115,005
Amounts paid to company pensions scheme	103,333	293,333
	<u>1,589,557</u>	<u>1,329,795</u>

6 INTEREST RECEIVABLE

	2007	2006
	£	£
Interest received on loan to group undertaking	334,596	222,944
Bank interest received	42,033	52,214
	<u>376,629</u>	<u>275,158</u>

7 TAX ON PROFIT ON ORDINARY ACTIVITIES

a) Analysis of tax charge in the year

	2007	2006
	£	£
Current Tax		
UK Corporation Tax on profits for the year	-	196,954
Adjustments in respect of previous years	2,548	2,397
Foreign tax	4,588	-
Double tax relief	(4,588)	-
	<u>2,548</u>	<u>199,351</u>
Total tax charge		
Deferred Tax		
Origination and reversal of timing differences	(55,137)	(26,738)
Changes in tax rates and laws	1,337	-
Adjustments to the estimated recoverable amounts of deferred tax assets arising in previous periods	(5,896)	-
	<u>(59,696)</u>	<u>(26,738)</u>
Total deferred tax		
	<u>(57,148)</u>	<u>172,613</u>
Total tax(credit) / charge		

Gricind Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2007

TAX ON PROFIT ON ORDINARY ACTIVITIES CONTINUED

b) Factors affecting the current tax (credit) / charge for the year

The difference between the total current tax (credit) / charge shown above and the amount calculated by applying the standard rate of UK Corporation Tax of 30% to the profit before tax is as follows

	2007 £	2006 £
Profit on ordinary activities before taxation	378,719	469,972
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30%	113,616	140,992
Effects of		
Expenses not deductible for tax purposes and imputed income	66,437	53,088
Depreciation in excess of capital allowances/ (Capital allowances in excess of depreciation)	591	(1,826)
Group relief (utilised)	(238,091)	-
Adjustments to tax charge in respect of previous years	2,548	2,397
Short term timing differences	57,447	4,700
Current tax charge for the year	2,548	199,351

(c) Factors that may effect future tax charges

On 21 March 2007 the UK Chancellor of the Exchequer announced a number of corporate tax reforms effective from 1 April 2008. The following changes to corporation tax will have an impact on the company

Corporation tax reduced from 30% to 28%

Tax amortisation on plant and machinery capital additions will be reduced from 25% to 20% per annum,

The full impact of these changes has yet to be ascertained but it is likely that the company will have a lower UK effective tax rate on future taxable profits

Gracind Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2007

8 TANGIBLE FIXED ASSETS

	Leasehold property £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 January 2007	221,177	236,721	457,898
Additions	-	2,317	2,317
At 31 December 2007	221,177	239,038	460,215
Depreciation			
At 1 January 2007	141,123	174,357	315,480
Provided during the year	34,610	22,631	57,241
At 31 December 2007	175,733	196,988	372,721
Net book value			
At 31 December 2007	45,444	42,050	87,494
At 31 December 2006	80,054	62,364	142,418

9 INVESTMENTS

	2007 £	2006 £
Shares in subsidiary undertaking at cost	10,000	10,000

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows

<i>Name of company (all incorporated in England and Wales)</i>	<i>Nature of business</i>	<i>Class of share</i>	<i>Holding</i>
Subsidiary undertakings			
International Talent Booking Limited	Concert promotions	Ordinary shares	100%

Gricind Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2007

10 DEBTORS

	2007	2006
	£	£
Trade debtors	20,139	41,205
Amounts due from subsidiary undertakings	340,516	313,671
Amounts owed from group companies	2,000,000	5,004,370
Other debtors	33,825	17,745
Deferred tax	86,434	26,738
Prepayments and accrued income	938,961	909,115
	<u>3,419,875</u>	<u>6,312,844</u>

11 CASH

Included in cash is £2,550,303 (2006 - £1,848,061) of cash received from promoters for shows taking place in the future. The majority of this cash will be paid to the appropriate artists on performance of the shows.

12 CREDITORS: amounts falling due within one year

	2007	2006
	£	£
Trade creditors	2,623,958	1,807,777
Amounts owed to group undertakings	525,550	85,641
Other taxation and social security costs	818,712	717,381
Corporation tax	613,992	1,040,961
Accruals	844,225	709,772
	<u>5,426,437</u>	<u>4,361,532</u>

13 DEFERRED TAXATION

	2007	2006
	£	£
Deferred Taxation	(86,434)	(26,738)

Deferred Taxation

Deferred taxation provided is as follows

	2007	2006
	£	£
Balance brought forward at the beginning of the year	(26,738)	-
Profit and loss account (credit)	(61,033)	(26,738)
Changes in tax rates and laws	1,337	-
Deferred tax (asset) at 31 December	<u>(86,434)</u>	<u>(26,738)</u>

Details of the deferred taxation asset are given below

	2007	2006
	£	£
(Deferred) capital allowances	(8,764)	(8,427)
Short term timing differences	(77,670)	(18,311)
Deferred tax provided at 30%	<u>(86,434)</u>	<u>(26,738)</u>

Gricind Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2007

14 PENSION COMMITMENTS

The company operates a defined contribution pension scheme for its directors and employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The unpaid contributions outstanding at the year end, included in accruals (note 12), are £ nil (2006 - nil)

15 SHARE CAPITAL

	<i>Authorised</i>		<i>Allotted, called up and fully paid</i>	
	2007	2006	2007	2006
	£	£	£	£
Ordinary shares of £1 each	1,000	1,000	1,000	1,000

16 RESERVES

	Share capital	Profit and loss account	Total
	£	£	£
At 1 January 2006	1,000	5,723,901	5,724,901
Profit for the year	-	435,867	435,867
Dividend paid	-	(4,220,060)	(4,220,060)
At 31 December 2007	1,000	1,939,708	1,940,708

17 OTHER FINANCIAL COMMITMENTS

At 31 December 2007 the company had annual commitments under a non-cancellable operating lease as set out below

	2007	2006
	£	£
Operating lease which expires		
Between two and five years	66,377	140,562

18 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption under FRS 8 not to disclose transactions with group undertakings as a subsidiary which is at least 90% owned by the ultimate parent undertaking

Gricind Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2007

19 ULTIMATE PARENT UNDERTAKING

The company's immediate parent undertaking is Live Nation UK Holdings, a company incorporated in the United Kingdom

The company's ultimate parent undertaking and controlling party is Live Nation Inc , a company incorporated in the United States of America This is the smallest group of companies for which group financial statements are prepared

Copies of the consolidated financial statements of Live Nation Inc are available from 9348 Civic Centre Drive, Beverly Hills, California, 90210, United States of America