

GRICIND LIMITED

Report and Financial Statements

31 December 2010

Registered No 1227150

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COMPANIES HOUSE

Gricind Limited

COMPANY INFORMATION

DIRECTORS

B Dickins
S Douglas
P Latham
R McSween
A Ridgeway

SECRETARY

S Emeny

AUDITORS

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

BANKERS

HSBC Bank plc
City Corporate Banking Centre
First Floor
60 Queen Victoria Street
London
EC4N 4TR

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 2010

PRINCIPAL ACTIVITY

The principal activity of the company continues to be that of acting as an agent for performing artists

FUTURE DEVELOPMENTS

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

RESULTS AND DIVIDENDS

The profit after tax for the year ended 31 December 2010 was £649,974 (2009 - £395,542) A dividend of £nil was paid during the year (2009 – £1,800,000)

As shown in the company's profit and loss account on page 6, the company's turnover has increased by 40% over the prior year to £9,536,178 and the operating profit has increased by 378% to £612,880 over the prior year

The balance sheet on page 7 of the financial statements shows the company's financial position at the year end Net assets have increased by 96% to £1,328,319

On 25 January 2010, the ultimate parent company Live Nation Entertainment, Inc completed its merger with Ticketmaster and changed its name to Live Nation Entertainment, Inc

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

PRINCIPAL RISKS AND UNCERTAINTIES

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 2010 were as follows

B Dickins
S Douglas
P Latham
R MacSween
A Ridgeway

None of the directors had any interests in the share capital of the company at any time during the year or at 31 December 2010

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF DISABLED PERSONS

The employees of the company are systematically provided with information on matters which concern them as employees Employees or their representation are regularly consulted when decisions are taken which are likely to affect their interests The directors continue to provide information to employees in order to achieve employee awareness of financial and economic factors affecting the company The company maintains a policy of giving fair consideration to applications for employment made by disabled persons having regard to their particular aptitudes and abilities In the event of an employee becoming disabled, the company uses its best endeavors to ensure continued employment

Gricind Limited

DIRECTORS' REPORT (CONTINUED)

POLICY OF PAYMENT TO CREDITORS

Whenever possible the company agrees terms of payment with individual suppliers at the point of first placing orders with the supplier. Significant amendments to established terms are discussed with suppliers before the amendments take place. The company always endeavors to abide by agreed terms.


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

In accordance with section 485 of the Companies Act 2006, an ordinary resolution is to be proposed for reappointment of Ernst & Young LLP as auditors of the company.

On behalf of the Board



\ S Douglas
Director
Date

7/6/11

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 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 the 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 UK 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 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.

Gricind Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRICIND LIMITED

We have audited the financial statements of Gricind Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 18. 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 auditors

As explained more fully in the Directors' Responsibilities Statement 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 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.

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 2010 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.


Philippa Jane Green (Senior Statutory Auditor)
for and behalf of Ernst and Young LLP, Statutory Auditor
London
Date 8/6/2011

Gricind Limited

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2010

	Notes	2010 £	Restated 2009 £
TURNOVER	2	9,536,178	6,818,518
Cost of sales		(4,303,565)	(2,730,200)
GROSS PROFIT		5,232,613	4,088,318
Administrative costs		(4,661,612)	(4,311,118)
Other operating income		41,879	351,018
OPERATING PROFIT	3	612,880	128,218
Interest receivable and similar income	5	7,323	53,793
Interest payable and similar charges	6	(10)	(313)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		620,192	181,698
Tax on profit on ordinary activities	7	29,782	213,844
PROFIT FOR THE FINANCIAL YEAR	15	649,974	395,542

All the company's operations are continuing

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2010

There are no recognised gains or losses other than as stated in the profit and loss account

Gricind Limited

BALANCE SHEET AS AT 31 DECEMBER 2010

	Notes	2010 £	Restated 2009 £
FIXED ASSETS			
Tangible fixed assets	8	73,379	70,366
Investments	9	-	-
		<u>73,379</u>	<u>70,366</u>
CURRENT ASSETS			
Debtors	10		
amounts falling due within one year		742,912	2,571,536
amounts falling due after one year		-	394,800
		<u>742,912</u>	<u>2,966,336</u>
Cash at bank and in hand	11	7,430,999	4,017,394
		<u>8,173,911</u>	<u>6,983,730</u>
CREDITORS: amounts falling due within one year	12	(6,918,971)	(6,375,751)
		<u>1,254,940</u>	<u>607,979</u>
NET CURRENT ASSETS			
		<u>1,328,319</u>	<u>678,345</u>
NET ASSETS			
		<u>1,328,319</u>	<u>678,345</u>
CAPITAL AND RESERVES			
Called up share capital	14, 15	1,000	1,000
Profit and loss account	15	1,327,319	677,345
		<u>1,328,319</u>	<u>678,345</u>
EQUITY SHAREHOLDERS' FUNDS	15	<u>1,328,319</u>	<u>678,345</u>

Signed on behalf of the Board



S Douglas
Director

Date

7/6/11

Registered No 1227150

Gricind Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2010

1 ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with the Companies Act 2006 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.

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review on page 2.

The company has net assets, is profit making and has a considerable cash balance. The company's forecasts project that it will continue to trade profitably and be in a strong liquidity position.

Based on the above the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Group financial statements

The company is exempt from preparing Group financial statements under Section 401 of the Companies Act 2006 as it is a wholly owned subsidiary undertaking. Accordingly, these financial statements present information about the company and not its Group.

Investments

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

Revenue recognition

Turnover

Turnover, which is stated net of value added tax, represents amounts receivable for goods and services. Turnover is attributable to the company's principal activity, and is all generated in the UK.

Interest income

Revenue is recognised as interest accrues using the interest rate determined by the loan agreement or the prevailing interest rate.

Income from fixed asset investments

Revenue is recognised when the company's right to receive payment is established.

Statement of cash flows

In accordance with FRS 1 (revised) the company has not prepared a statement of cash flows as its ultimate parent undertaking, Live Nation Entertainment Inc, produces publicly available consolidated financial statements.

Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation.

Fixed assets are depreciated so as to write them off over their anticipated useful lives on a straight line basis as follows:

Leasehold property	- over the term of the lease
Equipment and fixtures and fittings	- 3 - 7 years

Gricind Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2010

1 ACCOUNTING POLICIES (CONTINUED)

Leased assets

All leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight line basis over the lease term

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 exchange differences are taken to the profit and loss account.

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.

Restatement of balance sheet

There was a casting error in the balance sheet in the 2009 statutory accounts. This has been corrected in the 2010 statutory accounts.

Restatement of profit and loss account

In 2009 all expenses were classified as operating expenses. This has now been split between operating expenses and administrative expenses.

2 TURNOVER

Turnover, which excludes value added tax, represents amounts due from the company's principal business, that of agent to performing artists. All turnover is derived in the United Kingdom.

Gricind Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2010

3 OPERATING PROFIT

This is stated after charging / (crediting)

	2010	2009
	£	£
Depreciation	22,724	37,609
Auditors remuneration - audit services	19,150	19,883
Currency exchange loss / (gain)	213,383	(76,390)
Operating lease rentals – land and buildings	190,000	190,442

4 STAFF COSTS

	2010	2009
	£	£
Wages and salaries	6,103,619	4,615,295
Social security costs	761,529	573,004
	6,865,148	5,188,299

The average monthly number of employees that served during the year was 27 administrative (2009 - 27 administrative)

Directors' emoluments included in the staff costs above are

	2010	2009
	£	£
Emoluments, including benefits in kind	3,322,332	2,865,512
Social security costs	423,796	365,323
	3,746,128	3,230,835

Highest paid director

	2010	2009
	£	£
Emoluments, including benefits in kind	2,311,413	1,836,690
Social security costs	295,130	234,365
	2,606,543	2,071,055

Two directors received remuneration from the company during the year ended 31 December 2010 (2009 - two directors)

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	2010	2009
	£	£
Bank interest receivable	2,757	1,340
Interest receivable on group undertaking loans	4,566	52,453
	7,323	53,793

Gricind Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2010

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2010	2009
	£	£
Bank interest payable	10	313
	<u>10</u>	<u>313</u>

7 TAX ON PROFIT ON ORDINARY ACTIVITIES

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

	2010	2009
	£	£
Current Tax		
UK Corporation Tax on profits of the year	25,913	8,765
Adjustments in respect of previous years	(10)	(182,439)
Foreign tax	18,946	8,765
Double tax relief	(18,946)	(8,765)
Total current tax (note 7(b))	<u>25,903</u>	<u>(173,674)</u>
Deferred Tax		
Origination and reversal of timing differences	(54,395)	(40,170)
Changes in tax rates and laws	1,453	-
Adjustments to the estimated recoverable amounts of deferred tax assets arising in previous periods	(2,743)	-
Total deferred tax	<u>(55,685)</u>	<u>(40,170)</u>
Total tax (credit) / charge	<u>(29,782)</u>	<u>(213,844)</u>

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

The difference between the total current tax (credit) shown above and the amount calculated by applying the standard rate of UK Corporation Tax of 28% (2009 - 28%) to the profit before tax is as follows

	2010	2009
	£	£
Profit on ordinary activities before taxation	<u>620,192</u>	<u>181,698</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 - 28%)	173,654	50,875
Effects of		
Expenses not deductible for tax purposes and imputed income / (income not taxable and corresponding adjustments)	49,473	52,314
Depreciation in excess of capital allowances / (capital allowances in excess of depreciation)	949	(882)
Group relief (utilised)	(253,106)	(134,595)
Adjustments to tax charge in respect of previous years	(10)	(182,439)
Short term timing differences	54,943	41,053
Current tax charge / (credit) for the year (note 7(a))	<u>25,903</u>	<u>(173,674)</u>

Gricind Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2010

8 TANGIBLE FIXED ASSETS

	Leasehold property £	Equipment and fixtures and fittings £	Total £
Cost			
At 1 January 2010	253,141	182,054	435,195
Additions	-	25,737	25,737
At 31 December 2010	253,141	207,791	460,932
Depreciation			
At 1 January 2010	223,544	141,285	364,829
Charge for the year	3,289	19,435	22,724
At 31 December 2010	226,833	160,720	387,553
Net book value			
At 31 December 2010	26,308	47,071	73,379
At 31 December 2009	29,597	40,769	70,366

9 FIXED ASSET INVESTMENTS

	Investment in subsidiary £
Cost	
At 1 January 2010	10,000
At 31 December 2010	10,000
Amounts provided	
At 1 January 2010	10,000
At 31 December 2010	10,000
Net book value at 31 December 2010	-
Net book value at 31 December 2009	-

At 31 December 2010 the company held 100% of the issued share capital of the following company

<i>Name of company</i>	<i>Nature of business</i>	<i>Country of incorporation and operation</i>
International Talent Booking Limited	Concert promotions	UK

Gricind Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2010

10 DEBTORS

	2010	2009
	£	£
Trade debtors	2,674	2,977
Amounts owed by group undertakings	88,322	1,966,071
Prepayments and accrued income	519,213	907,130
Deferred taxation	109,937	54,252
Other debtors	22,766	35,906
	<u>742,912</u>	<u>2,966,336</u>

Amounts falling due after more than one year included above are

	2010	2009
	£	£
Prepayments and accrued income	-	394,800
	<u>-</u>	<u>394,800</u>

11 CASH

Included in cash is £2,937,907 (2009 - £2,469,728) 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

	2010	2009
	£	£
Trade creditors	2,943,839	2,463,222
Amounts owed to group undertakings	177,781	859,368
Corporation tax	541,075	590,270
Other taxation and social security	1,621,446	1,506,245
Accruals and deferred income	1,634,830	956,646
	<u>6,918,971</u>	<u>6,375,751</u>

Gricind Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2010

13 DEFERRED TAXATION

	2010 £	2009 £
Deferred tax (asset) at 1 January 2010 / 2009	(54,252)	(14,082)
Profit and loss (credit) / charge	(57,138)	(40,170)
Changes in tax rates and laws	1,453	-
	<u>(109,937)</u>	<u>(54,252)</u>
Deferred tax (asset) at 31 December 2010 / 2009	<u>(109,937)</u>	<u>(54,252)</u>

Details of the provision for deferred taxation asset are given below

	2010 £	2009 £
Excess of capital allowances over depreciation	(14,482)	(11,113)
Short term timing differences	(95,455)	(43,139)
	<u>(109,937)</u>	<u>(54,252)</u>
Provision for deferred tax (asset)	<u>(109,937)</u>	<u>(54,252)</u>

The Finance (No 2) Act 2010, which was substantively enacted on 20 July 2010, included legislation reducing the main rate of corporation tax from 28% to 27% from 1 April 2011 producing a composite rate of 27.25% in respect of deferred tax provided at 31 December 2010

A further reduction in the rate to 26%, with effect from 1 April 2011, was announced in the March 2011 Budget Statement. Substantive enactment of this reduction occurred on 29 March 2011, i.e. this reduction had not been substantively enacted at the balance sheet date and, therefore, is not included in these financial statements

Further reductions to the main rate are proposed to reduce the rate by 1 % per annum to 23 % by 1 April 2014. The changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements

If the reductions 27% to 26% had been enacted at the balance sheet date, the effect of the changes would be to reduce the deferred tax asset provided at 31 December 2010 by approximately £3k. This £3k decrease in the deferred tax asset would decrease profit for the year by £3k

The proposed further reductions of the main rate of corporation tax by 1 per cent per year to 23 per cent by 1 April 2014 are expected to be enacted separately each year. The overall effect of the further changes from 26 per cent to 23 per cent, if these applied to the deferred tax balance at 31 December 2010, would be to reduce the deferred tax asset by approximately £13k (being £5k recognised in 2012, £4k recognised in 2013 and £4k recognised in 2014)

Gricind Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2010

14 SHARE CAPITAL

	2010 Number	2009 Number	2010 £	2009 £
<i>Authorised</i>				
Equity ordinary shares of £1 each	1,000	1,000	1,000	1,000
<i>Alloted, called up and fully paid</i>				
Equity ordinary shares of £1 each	1,000	1,000	1,000	1,000

15 RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

	Share capital £	Profit and loss account £	Total £
At 1 January 2010	1,000	677,345	678,345
Profit for the year	-	649,974	649,974
At 31 December 2010	1,000	1,327,319	1,328,319

16 LEASE COMMITMENTS

The company has annual operating lease commitments as follows

	2010 £	2009 £
	Land & Buildings	Land & Buildings
Operating lease which expires		
Within one year	-	-
Within two to five years	-	-
After five years	200,000	200,000
	200,000	200,000

17 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 100% owned by the ultimate parent undertaking

18 ULTIMATE PARENT UNDERTAKING

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

In the directors' opinion, the company's ultimate parent undertaking and controlling party is Live Nation Entertainment Inc, which is incorporated in the United States of America. Copies of the consolidated financial statements for Live Nation Entertainment Inc are available from 9348 Civic Center Drive, Beverly Hills, California, 90210, United States of America