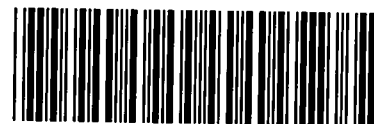


Financial Statements

Showsec International Limited

For the Year Ended 31 December 2016

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COMPANIES HOUSE

Registered number: 02187286

Company Information

Directors

M Harding
S Battersby
M Logan
G van Duijkeren

Company secretary

G van Duijkeren

Registered number

02187286

Registered office

Regent House
16 West Walk
Leicester
LE1 7NA

Independent auditor

Grant Thornton UK LLP
Chartered Accountants & Senior Statutory Auditor
Regent House
80 Regent Road
Leicester
LE1 7NH

Bankers

HSBC Bank PLC
60 Queen Victoria Street
London
EC4N 4TR

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Strategic Report

For the Year Ended 31 December 2016

Principal activity

The principal activity of the company is the provision of security and crowd management services for high profile and public events such as music concerts and sporting events.

Business review

Turnover reduced by 0.04% to £24,455,864 (2015: £24,466,736) while profit before tax increased by 29% to £915,426 (2014: £711,439).

The slight decrease in turnover is due to further reductions in demand for Showsec's services at major events operated by its parent company. These cuts have been almost entirely offset by growth from new customers, increased work from stadium shows, improved tariffs and more work from existing customers.

Profit in the year increased significantly, because Showsec was able to supply more of its services using staff from its own workforce, thereby reducing the use of subcontractors compared to 2015. In addition, tight controls were maintained around travel costs and other direct costs.

The Board of Directors is confident in the company's ability to achieve further success through phased growth. Showsec continues to be recognised as the leading organisation in event security.

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.

Of these, the largest risk facing Showsec is the potential impact of the shortage of SIA workers in the UK. The SIA estimates that there could be a 20% reduction in the number of licence renewals over the next three years limiting future opportunities for growth. Showsec is working to help develop possible solutions to this problem, in the interests of itself, the SIA, and the government. A reduction in supply of licence holders could lead to a significant increase in wages, and a more measured approach by Showsec regarding which contracts it can maintain, especially at times of peak demand.

During 2016 the parent company imposed an unexpected and significant increase in insurance liability per claim. This resulted in a change to the business model, with Showsec rescinding overall responsibility for large scale events and discharging the management and use of subcontractors.

Strategic Report

For the Year Ended 31 December 2016

Key performance indicators

Financial KPIs:

Profit before tax: £915,426 (2015: £711,439)

Gross profit: 25.2% (2015: 21.4%)

While Showsec maintains strong controls over administrative expenses, gross profit is recognised as the most significant driver of the company's profitability. Detailed gross profit reports are analysed by management on a project-by-project basis, compared to forecasts and budgets, and decisions affecting gross profit across the company (for example changes to casual wage rates) are taken by the board of directors.

Operational KPIs:

Staff given SIA training: 119 (2015: 69)

Use of subcontractors, measured as subcontracting cost as % of turnover: 7.7% (2015: 11.6%)

Shifts booked electronically: 20.3% (2015: 16.2%)

Each department within Showsec has its own KPIs which are reported to the board of directors on a monthly basis, and reviewed at each board meeting. The KPIs listed above are considered the most important as they are intended to address the availability of casual workers, and also the key risk of the potential shortage of SIA workers in the UK. Showsec is providing SIA training to increasing numbers of its own workers to increase supply. Also, Showsec analyses its own use of subcontractors and tailors its recruitment strategy to try to minimise this in future. A further initiative is the development of the electronic booking of workers as this is more efficient and a more flexible solution for casual workers, which is intended to lead to greater levels of staff retention.

This report was approved by the board on 28 February 2017 and signed on its behalf.



M Harding
Director

Directors' Report

For the Year Ended 31 December 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

Results and dividends

The profit for the year, after taxation, amounted to £790,378 (2015: £573,719).

Dividends of £473,719 (2015: £700,000) were paid during the year.

Directors

The directors who served during the year were:

M Harding
S Battersby
M Logan
G van Duijkeren

Political contributions

The company made no political contributions during the year (2015: £NIL).

Financial Risk Management

The company is managed on a group basis and the principal risks and uncertainties facing it are therefore integrated with those facing the Live Nation group as a whole. Accordingly, the nature of risk and its management are further detailed in the annual review and accounts of Live Nation Entertainment, Inc., which are available from the Live Nation website (www.livenation.com).

Going concern

The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company will be able to operate within the level of its current facilities.

The directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Future developments

During 2017 Showsec aims to diversify its product offering to both new and existing customers, and to complete a review of its IT systems with the intention of streamlining and improving these systems.

2017 will see the implementation of new communication software in the Resourcing Department following on from the upgrade in IT hardware in 2016.

Employee involvement

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.

Directors' Report (continued)

For the Year Ended 31 December 2016

Disabled employees

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 endeavours to ensure continued employment. The company also ensures it provides appropriate training, career development and promotion opportunities for disabled persons employed by the company.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

Directors' Report (continued)

For the Year Ended 31 December 2016

Disclosure of information to auditor

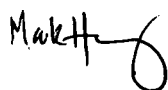
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 28 February 2017 and signed on its behalf.



M Harding
Director

Independent Auditor's Report to the Members of Showsec International Limited

We have audited the financial statements of Showsec International Limited for the year ended 31 December 2016, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is the applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 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 Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2016 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.

Independent Auditor's Report to the Members of Showsec International Limited (continued)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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 those financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report under the Companies Act 2006

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and the Directors' report.

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.



Thomas Copson (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
Leicester

28 February 2017

Statement of Comprehensive Income

For the Year Ended 31 December 2016

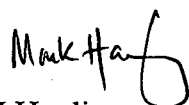
	Note	2016 £	2015 £
Turnover	4	24,455,864	24,466,736
Cost of sales		(18,285,170)	(19,241,840)
Gross profit		6,170,694	5,224,896
Administrative expenses		(5,255,940)	(4,513,457)
Operating profit	5	914,754	711,439
Interest receivable and similar income	8	672	-
Profit before tax		915,426	711,439
Tax on profit	9	(125,048)	(137,720)
Total comprehensive income for the year		790,378	573,719

Statement of Financial Position

As at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	11	130,756	117,715
		<u>130,756</u>	<u>117,715</u>
Current assets			
Debtors: amounts falling due after more than one year	12	18,236	81,908
Debtors: amounts falling due within one year	12	3,489,256	3,515,015
Cash at bank and in hand	13	1,417,144	1,152,640
		<u>4,924,636</u>	<u>4,749,563</u>
Creditors: amounts falling due within one year	14	(3,391,613)	(3,520,158)
Net current assets		<u>1,533,023</u>	<u>1,229,405</u>
Total assets less current liabilities		<u>1,663,779</u>	<u>1,347,120</u>
Net assets		<u><u>1,663,779</u></u>	<u><u>1,347,120</u></u>
Capital and reserves			
Called up share capital	16	106	106
Share premium account	17	196,203	196,203
Profit and loss account	17	1,467,470	1,150,811
		<u>1,663,779</u>	<u>1,347,120</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 February 2017.



M Harding
Director

The notes on pages 12 to 23 form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 31 December 2016

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2016	106	196,203	1,150,811	1,347,120
Comprehensive income for the year				
Profit for the year	-	-	790,378	790,378
Total comprehensive income for the year	-	-	790,378	790,378
Dividends: Equity capital	-	-	(473,719)	(473,719)
Total transactions with owners	-	-	(473,719)	(473,719)
At 31 December 2016	106	196,203	1,467,470	1,663,779

Statement of Changes in Equity

For the Year Ended 31 December 2015

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2015	106	196,203	1,277,092	1,473,401
Comprehensive income for the year				
Profit for the year	-	-	573,719	573,719
Total comprehensive income for the year	-	-	573,719	573,719
Dividends: Equity capital	-	-	(700,000)	(700,000)
Total transactions with owners	-	-	(700,000)	(700,000)
At 31 December 2015	106	196,203	1,150,811	1,347,120

The notes on pages 12 to 23 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2016

1. General information

Showsec International Limited is a company limited by shares. It was incorporated in England and its registered office is Regent House, 16 West Walk, Leicester, LE1 7NA. The principal activity of the company is the provision of security and crowd management services for high profile and public events such as music concerts and sporting events.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A.

2.3 Revenue

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised.

Rendering of services

Turnover from the supply of services is recognised on delivery of those services. Where turnover represents the value of services provided under contracts it is phased equally over the duration of the contract at the value of the consideration date.

Where a contract has only been partially completed at the balance sheet date turnover represents the value of the service provided to date based on a proportion of the total contract value. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year or after more than one year.

Notes to the Financial Statements

For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Equipment and F&F	: 2 - 4 years
-------------------	---------------

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.7 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Notes to the Financial Statements

For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.8 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and loss account.

2.9 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.10 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.11 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.12 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

Notes to the Financial Statements

For the Year Ended 31 December 2016

2. Accounting policies (continued)

2.13 Current and deferred taxation

Taxation expense for the year comprises current and deferred tax recognised in the year. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred tax assets and liabilities are not discounted.

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in years different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Many of the amounts included in the financial statements involve the use of judgement and / or estimation. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience, but actual results may differ from the amounts included in the financial statements. Information about such judgements, and estimation is contained in the accounting policies and / or the notes to the financial statements and the key areas are summarised below:

Sources of estimation uncertainty:

- Depreciation rates are based on estimates of the useful lives and residual values of the assets involved
- Bad debt provisions are based on the likely recovery of debtor balances
- Legal claims provisions and other provisions are estimated based upon the available information

Notes to the Financial Statements

For the Year Ended 31 December 2016

4. Turnover

The whole of the turnover is attributable to the principal activity of the entity.

Analysis of turnover by country of destination:

	2016 £	2015 £
United Kingdom	24,455,864	24,448,149
Rest of the world	-	18,587
	<u>24,455,864</u>	<u>24,466,736</u>

5. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	72,336	56,870
Exchange differences	3,316	487
Auditor's remuneration - audit services	18,500	23,000
Operating lease rentals - land and buildings	209,610	208,217
Operating lease rentals - plant & machinery	9,253	17,103
	<u>209,610</u>	<u>208,217</u>

Notes to the Financial Statements

For the Year Ended 31 December 2016

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	17,740,133	17,085,644
Social security costs	849,102	836,719
Cost of defined contribution scheme	187,025	154,054
	<u>18,776,260</u>	<u>18,076,417</u>

The average monthly number of casual workers and employees, including the directors, during the year was as follows:

	2016 No.	2015 No.
Casual workers	2,768	2,495
Administration staff (including directors)	129	133
	<u>2,897</u>	<u>2,628</u>

7. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	363,226	355,255
Company contributions to defined contribution pension schemes	37,283	34,857
	<u>400,509</u>	<u>390,112</u>

The highest paid director received remuneration of £130,156 (2015: £126,572).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £17,234 (2015: £16,350).

Key management personnel costs excluding directors remuneration amounted to £NIL (2015: £NIL).

8. Interest receivable

	2016 £	2015 £
Other interest receivable	672	-
	<u>672</u>	<u>-</u>

Notes to the Financial Statements

For the Year Ended 31 December 2016

9. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	132,869	134,497
Adjustments in respect of previous years	2,174	(18)
	<u>135,043</u>	<u>134,479</u>
Total current tax	<u>135,043</u>	<u>134,479</u>
Deferred tax		
Origination and reversal of timing differences	(7,954)	(240)
Changes to tax rates	-	3,481
Adjustments in respect of previous years	(2,041)	-
Total deferred tax	<u>(9,995)</u>	<u>3,241</u>
Taxation on profit on ordinary activities	<u>125,048</u>	<u>137,720</u>

Factors affecting total tax charge for the year

The tax assessed for the year is lower than (2015: lower than) the standard rate of corporation tax in the UK of 20% (2015: 20.25%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>915,426</u>	<u>711,439</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015: 20.25%)	183,085	144,066
Effects of:		
Income not taxable and corresponding adjustments	(58,590)	(9,809)
Difference in tax rates	(1,621)	3,481
Adjustments to tax charge in respect of previous years	2,174	(18)
Total tax charge for the year	<u>125,048</u>	<u>137,720</u>

Notes to the Financial Statements

For the Year Ended 31 December 2016

9. Taxation (continued)

Tax rate changes

The tax rate for the current year is lower than the prior year due to changes in the UK Corporation tax rate which decreased from 21% to 20% from 1 April 2015.

Further reductions to the UK Corporation tax rates were enacted as part of the Finance Act No 2 (2015) and Finance Act 2016. As such the main rate will fall from 20% to 19% from 1 April 2017 and from 19% to 17% from 1 April 2020.

Deferred tax is continuing to be provided at 19% as it is the rate the deferred tax items are expected to unwind at.

10. Dividends

	2016 £	2015 £
Dividends paid in the year	473,719	700,000
	<u>473,719</u>	<u>700,000</u>

11. Tangible fixed assets

	Equipment and fixtures and fittings £
Cost or valuation	
At 1 January 2016	947,012
Additions	85,377
At 31 December 2016	<u>1,032,389</u>
Depreciation	
At 1 January 2016	829,297
Charge for the year	72,336
At 31 December 2016	<u>901,633</u>
Net book value	
At 31 December 2016	<u>130,756</u>
At 31 December 2015	<u>117,715</u>

Notes to the Financial Statements

For the Year Ended 31 December 2016

12. Debtors

	2016 £	2015 £
Due after more than one year		
Prepayments and accrued income	18,236	81,908
	<u>18,236</u>	<u>81,908</u>
Due within one year		
Trade debtors	2,085,780	2,320,934
Amounts owed by group undertakings	824,457	608,623
Other debtors	4,635	4,635
Prepayments and accrued income	498,017	514,451
Deferred taxation	76,367	66,372
	<u>3,489,256</u>	<u>3,515,015</u>

Trade debtors are stated net of a provision of bad/doubtful debts of £60,810 (2015: £16,908).

13. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	1,417,144	1,152,640
	<u>1,417,144</u>	<u>1,152,640</u>

14. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	237,262	670,678
Amounts owed to group undertakings	47,309	304,833
Corporation tax	90,869	34,319
Taxation and social security	1,051,373	1,140,868
Other creditors	983,049	982,494
Accruals and deferred income	981,751	386,966
	<u>3,391,613</u>	<u>3,520,158</u>

Notes to the Financial Statements

For the Year Ended 31 December 2016

15. Deferred taxation

	2016 £	2015 £
At beginning of year	66,372	69,613
Credited to profit or loss	9,995	240
Changes in tax rates and laws	-	(3,481)
At end of year	76,367	66,372

The deferred tax asset is made up as follows:

	2016 £	2015 £
Depreciation in excess of capital allowances	51,212	55,282
Short term timing differences	22,557	9,406
Pension costs	2,598	1,684
	76,367	66,372

The net decrease of deferred tax asset expected to occur in 2017 is £15,000, relating to existing timing differences on tangible fixed assets and short term timing differences.

16. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
1,063,831 (2015: 1,063,831) Ordinary shares of £0.0001 each	106	106

17. Reserves

Share premium

This represents amounts paid for share capital above PAR.

Profit and loss account

This includes all current and prior periods retained profits and losses.

Notes to the Financial Statements

For the Year Ended 31 December 2016

18. Pension commitments

The company operates a defined contribution 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 and deferred income are £13,673 (2015: £8,862).

19. Commitments under operating leases

At 31 December 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

Land and Buildings

	2016 £	2015 £
Not later than 1 year	120,654	225
Later than 1 year and not later than 5 years	111,644	373,952
	<u>232,298</u>	<u>374,177</u>

Other

	2016 £	2015 £
Not later than 1 year	10,510	5,140
Later than 1 year and not later than 5 years	24,720	9,082
	<u>35,230</u>	<u>14,222</u>

20. Related party transactions

All of the related parties are other undertakings under the common control of Live Nation Entertainment, Inc. The aggregate value of transactions with related parties during the year were as follows:

	2016 £	2015 £
Sales		
Live Nation (Music) UK Limited	2,285,095	2,639,435
The Academy Music Group Limited	3,082,840	2,537,495
DF Concerts Limited	17,386	1,044,029
MAMA Group	-	40,240
Ticketmaster	1,255	8,143
CI Events Limited	374,948	721,054
	<u>5,761,524</u>	<u>6,990,396</u>

Notes to the Financial Statements

For the Year Ended 31 December 2016

20. Related party transactions (continued)

	2016 £	2015 £
Purchases/Management Charges		
The Academy Music Group Limited	16,500	66,000
The Security Company Utrecht Holland Holding BV	56,505	36,000
Live Nation (Music) UK Limited	85,561	51,079
Live Nation Merchandise Limited	4,000	180,659
Live Nation Limited	-	82,178
Ticketmaster	22,876	2,831
MAMA Group	32,954	-
	<u>218,396</u>	<u>418,747</u>
Balances as at 31 December: included in debtors		
Live Nation (Music) UK Limited	95,093	117,613
The Academy Music Group Limited	727,521	433,976
DF Concerts Limited	1,283	16,524
MAMA Group	-	40,240
Ticketmaster	560	270
	<u>824,457</u>	<u>608,623</u>
Balances as at 31 December: included in creditors		
The Academy Music Group Limited	8,421	33,000
The Security Company Utrecht Holland Holding BV	38,888	3,000
Live Nation (Music) UK Limited	-	51,079
Live Nation Merchandise Limited	-	132,745
Live Nation Limited	-	82,178
Ticketmaster	-	2,831
	<u>47,309</u>	<u>304,833</u>

21. Controlling party

The company's immediate parent undertaking is The Security Company Utrecht Holland Holding BV. The company's shares are owned as follows: The Security Company UHH BV (94%), Mark Harding (2%), Mark Logan (2%), Simon Battersby (2%).

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.