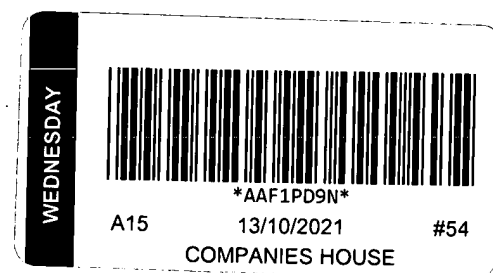


Registered number: 02409911

## LIVE NATION (MUSIC) UK LIMITED

### ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020



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**LIVE NATION (MUSIC) UK LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	Melvin J Benn Stuart R Douglas Niall A Dunphy Selina H Emeny Lynn Lavelle
<b>Company secretary</b>	Selina H Emeny
<b>Registered number</b>	02409911
<b>Registered office</b>	30 St. John Street London EC1M 4AY
<b>Independent auditor</b>	Ernst & Young LLP 1 More London Place London SE1 2AF
<b>Bankers</b>	HSBC Bank Plc 8 Canada Square London E14 5HQ

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## LIVE NATION (MUSIC) UK LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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#### Introduction

The directors present their strategic report for the year ended 31 December 2020.

#### Business review

The principal activity of the company continues to be that of the promotion of music concerts and other entertainment events.

On 11 March 2020, the World Health Organization (WHO) classified the outbreak COVID-19 as an international pandemic. On 23 March 2020, the UK Government announced the beginning of a lockdown in response to the pandemic which has since forced the company to postpone its' live music festivals. The show numbers reduced and the number of admits dropped significantly, as a result the company's turnover has decreased by 83.0% over the prior year to £47,105,263 (2019 - £276,358,743).

The loss for the year, after taxation, amounts to £25,077,511 (2019 - £14,563,868). The company was profitable during 2020 due to the recognition of other operating income of £9,927,598, refer to note 5 for further details.

The statement of financial position shows the company's financial position at the year end. Net liabilities have increased by 47.2% to £78,778,384 (2019 - £53,523,352).

#### 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. Generally, the principal risks that the company faces are operational risk, competition, regulatory and legislative impacts, recruitment and retention of staff and maintenance of reputation, as well as financial risk.

The company forms part of a larger group 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](http://www.livenation.com)).

Currently, the principal risk to the company is the impact of the COVID-19 pandemic, which as at the date of this report is continuing to prevent

#### Financial key performance indicators

Key performance indicators used by Live Nation (Music) UK Limited are number of shows and number of admits and the results during the year are as follows:

	2020	2019
	£	£
Number of shows	612	2,900
Number of admits	894,019	5,873,109

#### Directors' statement of compliance with duty to promote the success of the Company

The following statement describes how the directors have had regard to the matters set out in section 172(1)(a) to (f) when performing their duty under section 172 of the Companies Act 2006.

As part of the Board's decision-making process the Directors consider the potential impact of decisions on relevant stakeholders whilst also having regard to a number of broader factors, including the impact of the

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**LIVE NATION (MUSIC) UK LIMITED**

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**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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Company's operations on the community and environment, responsible business practices and the likely consequences of decisions in the long term. Through open and transparent dialogue with our key stakeholders, we have been able to develop a clear understanding of their needs, assess their perspectives and monitor their impact on our strategic ambition and culture.

The Board recognises that the Company must adopt effective long-term strategies if the business is to continue to grow and respond to challenges in the short and medium term.

Key decisions and matters that are of strategic importance to the Company are appropriately informed by section 172 factors. The table below sets out our key stakeholders and provides examples of how we have engaged with them in the year and the impact of that engagement.

STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020

Stakeholder Group	Why and how we engage	Impact of engagement
<p><b>Shareholders</b></p> <p>Our shareholders are vital to the future success of our business, providing funds which aid business growth and the generation of returns.</p> <p>Our ultimate shareholders consist of public listed entities and individual investors.</p>	<p>Performance metrics and updates are provided by the Board to our parent company and individual investors, with subsidiary performance advanced up the group.</p>	<p>Good communication between the Board and employees has ensured that, where appropriate, the workforce is kept abreast of strategic matters, particularly as it has applied to the COVID-19 pandemic.</p> <p>Value is generated for shareholders by supporting to deliver on the business plan.</p>
<p><b>Employees</b></p> <p>Our business invests in people. Through continual investment in our workforce our people can develop their careers while contributing positively to our brand and initiatives.</p>	<p>We engage with our workforce during the year in a variety of ways, including:</p> <ul style="list-style-type: none"> <li>- information on matters of strategic importance are delivered by the Directors directly to the workforce via a combination of email updates and presentations;</li> <li>- conducting regular meetings between the Directors and local HR teams;</li> <li>- provision of training opportunities to help employees develop their skill set;</li> <li>- in addition to regular informal discussions with employees, formal feedback is taken via the annual review process each year with a specific focus on employee wellbeing.</li> </ul> <p>During the COVID-19 pandemic we provided support to our employees by offering flexible working arrangements and enabling open discussions on mental health and wellbeing.</p> <p>As a result of the COVID-19 pandemic and its impact on the company, several cost saving initiatives were implemented during the year which impacted employees, including reduced salaries and working weeks, utilisation of the Coronavirus Job Retention Scheme ("CJRS"), and a redundancy programme. Employee engagement and consultation were key priorities throughout each initiative.</p>	<p>Good communication between the Board and employees has ensured that, where appropriate, the workforce is kept abreast of strategic matters.</p> <p>The impact of employee engagement has empowered local HR teams to deal with local office issues which has resulted in efficient resolution of local issues.</p> <p>As a direct response to feedback received during the annual review process flexible working hours are offered to employees. Flexible working patterns have seen improvements reported in the work/life balance of our employees and our workplace culture.</p>

STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020

Stakeholder Group	Why and how we engage	Impact of engagement
<b>Suppliers, artists and fans</b> We operate a number of live music events across the UK. Relationships with suppliers, artists and fans are integral to the successful delivery of our strategic plan. As the demand for live events continues to grow, we remain focused on our core mission of connecting artists with their fans.	We seek to directly engage with our core fanbase and supplier network. <ul style="list-style-type: none"> <li>- In 2020 we were unable to provide live events due to the COVID-19 pandemic, however we continued to connect fans to their favourite artists through a series of live streaming events and via social media.</li> <li>- We maintain relationships with an extensive range of artists, from those beginning their career to established superstars. We operate festivals which are considered a 'must-play' amongst artists and provide numerous opportunities for new artists beginning their careers.</li> <li>- We engage with some of the most well recognised national and global brands, enabling them to connect with our fanbase.</li> </ul> The Board receives regular reports and analysis of metrics and global market trends.	Understanding the needs of our fanbase and maintaining productive relationships with artists and suppliers enables us to achieve our objectives of connecting more fans with live events through promoting more shows and selling more tickets
<b>Community and Environment</b> Our festivals have an important role to play within the communities they operate. Contributing positively to wider society enables us to create stronger communities and have a positive environmental and cultural impact.	For over 25 years we have collected charity donations at our festivals and supported a huge range of local, national and international charities.  We work to reduce the environmental impact of our festivals to ensure we are being responsible global citizens, taking care of the communities where we operate, and doing our part to curb the most harmful impacts of global climate change.  We have signed the Festival Vision: 2025 pledge to work together with other festivals to understand our collective environmental impacts, with the aim of reducing our individual carbon emissions by 50% by 2025.	Much of our customer base already act sustainably at home and expects the same when attending our festivals and events.  Our engagement in the community and environment aligns our focus with that of our customers and suppliers, enabling us to achieve our strategic objectives.

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LIVE NATION (MUSIC) UK LIMITED

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STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020

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

*Lynn Lavelle*

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Lynn Lavelle  
Director  
Date: 6 October 2021

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**LIVE NATION (MUSIC) UK LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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The Directors present their report and the financial statements for the year ended 31 December 2020.

**Results and dividends**

The loss for the year, after taxation, amounted to £25,077,511 (2019 - loss £14,563,868).

No dividends were paid during the year (2019 - £nil).

**Directors**

The Directors who served during the year were:

Melvin J Benn  
Stuart R Douglas  
Niall A Dunphy  
Selina H Emeny  
Lynn Lavelle

**Going concern**

As a result of COVID-19, the directors have paid exceptionally close attention to cashflow projections and have reviewed a range of scenarios. The assumptions modelled are based on the estimated impact of COVID-19 restrictions and regulations, along with our proposed responses over the period to December 2022. We have modelled different timings for re-opening of live music events and taken account of measures we will need to take to allow customers to return safely.

The company is in a net liability position with a positive cash balance. The company's forecasts project that it will continue to remain in a favourable liquidity position. In addition, the company's ultimate parent undertaking, Live Nation Entertainment, Inc., has committed to provide continuing financial support, if required, to enable the company to meet its obligations as and when they fall due for the duration of management's going concern assessment period.

Based on the above, the directors consider it appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements.

**Greenhouse gas emissions, energy consumption and energy efficiency action**

The Company will seek to minimise adverse impacts on the environment from its activities, whilst continuing to address health, safety and economic issues. The Company has complied with all applicable legislation and regulations.

The Company's greenhouse gas emissions and energy consumption for the year are shown below:

**Scope 1 Emissions (Direct)**



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**LIVE NATION (MUSIC) UK LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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Energy Type	Definition	Total Volume (kWh)	Calculated Emissions (Tonnes of CO2e)
Gas	Emissions from combustion of gas	1,613,468	297
Transport	Emissions from combustion of fuel for transport purposes	-	-
<b>Total</b>		<b>1,613,468</b>	<b>297</b>

**Scope 2 Emissions (In-direct)**

Energy Type	Definition	Total Volume (kWh)	Calculated Emissions (Tonnes of CO2e)
Electricity	Emissions from purchased electricity	1,288,483	300
<b>Total</b>		<b>1,288,483</b>	<b>300</b>

**Scope 3 Emissions (In-direct)**

Energy Type	Definition	Total Volume (kWh)	Calculated Emissions (Tonnes of CO2e)
Employee Owned Cars	Emissions from business travel in rental cars or employee-owned vehicles where the company is responsible for purchasing the fuel (mandatory)	35,912	9
<b>Total</b>		<b>35,912</b>	<b>9</b>

**Out of Scope**

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**LIVE NATION (MUSIC) UK LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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	Total Volume (kwh)	Calculated Emissions (Tonnes of CO2)
<b>Energy Type</b>		
Transport (e.g. cars)	-	0.37
<b>Total</b>	-	-
<b>Intensity Ratio</b>		
	Turnover	Intensity Ratio (tCO2e / Turnover £m)
<b>Intensity Measurement</b>	(£m)	
Tonnes of CO2e per total £m sales revenue	47.11	12.86

The company has chosen to use tonnes of CO2e per £ Turnover for its Intensity Ratio. As this is the first year of reporting, there are no comparisons of change from previous years.

The company has taken guidance from the UK Government Environmental Reporting Guidelines (March 2019), the GHG Reporting Protocol - Corporate Standard, and from the UK Government GHG Conversion Factors for Company Reporting document for calculating carbon emissions. Energy usage information (gas and electricity) has been obtained directly from their energy suppliers and HH/AMR data, where available, for those supplies with HH/AMR meters. Estimated data for Guildhall Southampton was based off of usage for O2 Academy Bournemouth. Transport mileage and/or fuel usage data was provided for their employee owned vehicles. CO2e emissions were calculated using the appropriate emission factors from the UK Government GHG conversion information and retained within the company's Data File for reference where required.

Energy efficient action carried out includes turning off electronics when not in use, setting thermostats to 18-21°C, use of energy efficient rated appliances and a lights off policy.

**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**

Under section 487(2) of the Companies Act 2006, Ernst & Young LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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LIVE NATION (MUSIC) UK LIMITED

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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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

*Lynn Lavelle*

.....  
Lynn Lavelle  
Director  
Date: 6 October 2021

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## LIVE NATION (MUSIC) UK LIMITED

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### DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

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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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

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 to 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIVE NATION (MUSIC) UK LIMITED

### Opinion

We have audited the financial statements of Live Nation (Music) UK Limited ("the Company") for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, and the related notes 1 to 26, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2020 and of its loss 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.

### Emphasis of matter

We draw attention to note 2.4 of the financial statements, which describes the financial and operational disruption the Company is facing as a result of COVID-19, which is impacting the Company due to the rescheduling and cancellation of events as a result of capacity restrictions. Our opinion is not modified in respect of this matter.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period to 31 December 2022.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions

can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our Auditor's Report thereon. The Directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions 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 the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the 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 or Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

### **Responsibilities of Directors**

As explained more fully in the Directors' responsibilities statement set out on page 10, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the

preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

#### ***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

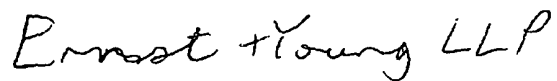
Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006) and the relevant direct tax compliance regulation in the United Kingdom (Corporation Tax Act 2010). In addition, the Company has to comply with laws and regulations relating to its operations, including furlough scheme rules, health and safety, Employment Law and GDPR.
- We understood how the Company is complying with those frameworks by making enquiries of management, internal audit and those responsible for legal and compliance policies and procedures. We corroborated our enquiries through our review of board minutes, internal control testing and substantive testing. We also reviewed correspondence with relevant authorities.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and by assuming revenue to be a fraud risk.
- We have assumed that management override could occur through manual journal entries to move revenue and/or expenses between periods via deferred revenue, accrued expenses and/or provisions. We incorporated data analytics into our testing of manual journals where our procedures are designed to provide reasonable assurance that the financial statements are free from error or fraud.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations identified above. Our procedures involved: enquiries of Group management and those charged with governance, legal counsel, tax management and internal audit; review of board minutes; journal entry testing; testing of furlough claims in line with guidance from HMRC; and focused testing, including as referred to above.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our Auditor's Report.

### **Use of our report**

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.

A handwritten signature in black ink that reads "Ernst + Young LLP". The signature is written in a cursive, flowing style.

Louise Pennell (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London

Date: 6/10/2021



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**LIVE NATION (MUSIC) UK LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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	Note	2020 £	2019 £
Turnover	4	47,105,263	276,358,743
Cost of sales		(39,321,134)	(244,702,026)
<b>Gross profit</b>		<b>7,784,129</b>	<b>31,656,717</b>
Administrative expenses		(40,772,157)	(46,261,308)
Other operating income	5	9,927,598	-
<b>Operating loss</b>	6	<b>(23,060,430)</b>	<b>(14,604,591)</b>
Interest receivable and similar income	8	89,024	534,777
Interest payable and expenses	9	(1,427,096)	(1,127,903)
<b>Loss before tax</b>		<b>(24,398,502)</b>	<b>(15,197,717)</b>
Tax on loss	10	(679,009)	633,849
<b>Loss for the financial year</b>		<b>(25,077,511)</b>	<b>(14,563,868)</b>

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of comprehensive income.

The notes on pages 18 to 39 form part of these financial statements.

**LIVE NATION (MUSIC) UK LIMITED**  
**REGISTERED NUMBER: 02409911**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	11	268,411	184,552
Tangible assets	12	20,352,914	10,163,622
Investments	13	15,380,967	15,380,967
		<u>36,002,292</u>	<u>25,729,141</u>
Debtors: amounts falling due after more than one year	14	10,119,682	12,504,250
		<u>10,119,682</u>	<u>12,504,250</u>
<b>Current assets</b>			
Stocks		72,553	146,358
Debtors: amounts falling due within one year	14	27,746,566	41,542,973
Cash at bank and in hand	15	30,034,549	63,735,722
		<u>57,853,668</u>	<u>105,425,053</u>
Creditors: amounts falling due within one year	16	(177,963,852)	(197,017,130)
<b>Net current liabilities</b>		<u>(120,110,184)</u>	<u>(91,592,077)</u>
<b>Total assets less current liabilities</b>		<u>(73,988,210)</u>	<u>(53,358,686)</u>
Creditors: amounts falling due after more than one year	17	(4,790,174)	(164,666)
<b>Net liabilities</b>		<u>(78,778,384)</u>	<u>(53,523,352)</u>
<b>Capital and reserves</b>			
Called up share capital	19	101	101
Share premium account	20	11,306,845	11,306,845
Profit and loss account	20	(90,085,330)	(64,830,298)
		<u>(78,778,384)</u>	<u>(53,523,352)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

*Lynn Lavelle*

.....  
Lynn Lavelle  
Director  
Date: 6 October 2021

**LIVE NATION (MUSIC) UK LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
<b>At 1 January 2019</b>	101	11,306,845	(47,599,089)	(36,292,143)
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(14,563,868)	(14,563,868)
Payment for shares granted to employees (refer note 21)	-	-	(3,802,041)	(3,802,041)
Reserve credit for share-based payments (refer note 21)	-	-	1,134,700	1,134,700
<b>At 1 January 2020</b>	101	11,306,845	(64,830,298)	(53,523,352)
Loss for the year	-	-	(25,077,511)	(25,077,511)
Payment for shares granted to employees (refer note 21)	-	-	(4,777,654)	(4,777,654)
Reserve credit for share-based payments (refer note 21)	-	-	4,600,133	4,600,133
<b>At 31 December 2020</b>	101	11,306,845	(90,085,330)	(78,778,384)

The notes on pages 18 to 39 form part of these financial statements.

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## LIVE NATION (MUSIC) UK LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1. General information

Live Nation (Music) UK Limited is a private limited company incorporated in the United Kingdom. The registered office is 30 St. John Street, London, EC1M 4AY.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies 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 judgement 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 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 11.42, 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;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Live Nation Entertainment Inc. as at 31 December 2020 and these financial statements may be obtained from 9348 Civic Centre Drive, Beverly Hills, 90210, California, United States of America.

##### 2.3 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its ultimate parent undertaking established under the law of a non-EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006.

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## LIVE NATION (MUSIC) UK LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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## 2. Accounting policies (continued)

### 2.4 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 Strategic Report and Directors' Report.

As a result of COVID-19, the directors have paid exceptionally close attention to cashflow projections and have reviewed a range of scenarios. The assumptions modelled are based on the estimated impact of COVID-19 restrictions and regulations, along with our proposed responses over the period to December 2022. We have modelled different timings for re-opening of live music events and taken account of measures we will need to take to allow customers to return safely.

The company is in a net liability position with a positive cash balance. The company's forecasts project that it will continue to remain in a favourable liquidity position. In addition, the company's ultimate parent undertaking, Live Nation Entertainment, Inc., has committed to provide continuing financial support, if required, to enable the company to meet its obligations as and when they fall due for the duration of management's going concern assessment period.

Based on the above, the directors consider it appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements.

### 2.5 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. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

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 profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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2. Accounting policies (continued)

2.6 Revenue recognition

Turnover

Turnover is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Turnover 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.

Sale of goods

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, the amount of turnover can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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 due.

Where a contract has only been partially completed at the statement of financial position 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.

Our Sponsorship & Advertising segment employs a sales force that creates and maintains relationships with sponsors through a combination of strategic, international, national and local opportunities that allow businesses to reach customers through our concerts, venue, artist relationship and ticketing assets, including advertising on our websites. Revenue collected from sponsorships and other revenue, which is not related to any single event, is classified as deferred revenue and generally recognized over the operating season or the term of the contract.

2.7 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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**2. Accounting policies (continued)**

**2.8 Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

**2.9 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

**2.10 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.11 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.12 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 profit or loss 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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2. Accounting policies (continued)

2.13 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of Financial Position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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2. Accounting policies (continued)

2.15 Intangible assets

**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life.

**Other intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.16 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:

Freehold property	- 50 years
Leasehold property	- over the term of the lease
Fixtures and fittings	- 7 years
Equipment	- 6 years
Computer equipment	- 3-5 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 profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. Accounting policies (continued)**

**2.17 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Statement of Financial Position date. Gains and losses on remeasurement are recognised in profit or loss for the period.

**2.18 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**2.19 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.

**2.20 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.

**2.21 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.

**2.22 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. Accounting policies (continued)**

**2.22 Financial instruments (continued)**

financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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## LIVE NATION (MUSIC) UK LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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

In the preparation of the financial statements management make certain judgements that impact these statements. While these judgements are continually reviewed, the facts and circumstances underlying these judgements may change, resulting in a change to the estimate that could impact the results of the company. In particular:

##### Leases

The minimum lease payments as disclosed in Note 23 are subject to changes in RPI. The calculations are consistent year on year and are reviewed by management.

##### Carrying value of investments and intangibles

Intangible assets are amortised over their useful lives. Useful lives are based on the management's estimates of the period that the assets will generate revenue, which are periodically reviewed for continued appropriateness. Management did a review of Intangible assets during the year and no impairment was deemed necessary.

##### Carrying value of investments

Determining whether investments in subsidiaries are impaired requires an assessment of impairment indicators and, if indicators exist, the estimation of their recoverable amounts. The calculation of recoverable amount requires the entity to estimate the future cash flows expected to arise from the investments and select a suitable discount rate in order to calculate present value.

##### Recoverability of trade debtors

An allowance for bad debt is netted off against trade debtors. The bad debt allowance requires management's best estimate of the recoverability of trade debtors. The recoverability of trade debtors is based on debtor payment trends and knowledge of the business.

#### 4. Turnover

Turnover, which excludes value added tax, represents amounts due from the company's principal business, that of concert promotion. In addition, the company has not carried on substantially different businesses or significantly different markets that would require disclosure under SI 2008 (paragraph 68) of the Companies Act 2006.

All turnover arose within the United Kingdom.

#### 5. Other operating income

	2020 £	2019 £
Government grants receivable	2,275,422	-
Insurance claims receivable	7,652,176	-
	<u>9,927,598</u>	<u>-</u>

Government grant income recognised in 2020 relates to grants received from the Coronavirus Job Retention Scheme.

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**LIVE NATION (MUSIC) UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**6. Operating loss**

The operating loss is stated after charging:

	2020 £	2019 £
Depreciation	732,868	488,070
Exchange differences	(739,355)	(963,254)
Other operating lease rentals	6,114,670	3,331,729
Amortisation	138,147	1,221,253
Auditor's remuneration - audit services	140,986	151,865

Included within auditors' remuneration are audit fees of £60,899 (2019 - £68,000) payable on behalf of other group undertakings.

**7. Employees**

Staff costs were as follows:

	2020 £	2019 £
Wages and salaries	25,142,537	28,945,805
Social security costs	2,815,855	3,798,607
Cost of defined contribution scheme	1,155,139	1,216,053
	<u>29,113,531</u>	<u>33,960,465</u>

Included in the above are share based payments of £4,811,686 (2019 - £1,134,700).

The average monthly number of employees, including the Directors, during the year was as follows:

	2020 No.	2019 No.
Production	53	53
Distribution and sales	142	117
Administration	161	154
	<u>356</u>	<u>324</u>

Directors' remuneration included in the staff costs above are:

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**LIVE NATION (MUSIC) UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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	2020 £	2019 £
Remuneration, including benefits in kind	1,073,724	1,611,513
Pension contributions under defined contribution schemes	109,519	133,785
	<u>1,183,243</u>	<u>1,745,298</u>

In respect of the highest paid director:

	2020 £	2019 £
Remuneration, including benefits in kind	326,347	603,984
Pension contributions under defined contribution schemes	33,384	50,274
	<u>359,731</u>	<u>654,258</u>

Four directors received remuneration from the company during the year ended 31 December 2020 (2019 - four). Four directors exercised share options during 2020 (2019 - four). Four directors are accruing benefits under Defined Contribution schemes (2019 - four). All directors are also directors or officers of a number of companies within the Live Nation Entertainment Inc. group. Share based payments in relation to directors were £359,672 (2019 - £87,761). Other directors' emoluments have been borne by Festival Republic Limited and other companies.

**8. Interest receivable**

	2020 £	2019 £
Bank interest receivable	89,024	534,777
	<u>89,024</u>	<u>534,777</u>

**9. Interest payable and similar expenses**

	2020 £	2019 £
Bank interest payable	51	-
Loans from group undertakings	1,427,045	1,127,903
	<u>1,427,096</u>	<u>1,127,903</u>

**LIVE NATION (MUSIC) UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**10. Taxation**

	2020 £	2019 £
<b>Corporation tax</b>		
Adjustments in respect of previous periods	(80,797)	(691,084)
<b>Foreign tax</b>		
Foreign tax on income for the year	-	7,011
<b>Total current tax</b>	<u>(80,797)</u>	<u>(684,073)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	768,399	(93,569)
Changes in tax rates and laws	(89,389)	-
Adjustments to the estimated recoverable amounts of deferred tax assets arising in previous years	80,796	143,793
<b>Total deferred tax</b>	<u>759,806</u>	<u>50,224</u>
<b>Total Tax charge/(credit)</b>	<u>679,009</u>	<u>(633,849)</u>

**Factors affecting the total tax charge/(credit) for the year**

The difference between the total tax charge/(credit) shown above and the amount calculated by applying the standard rate of UK Corporation of 19% (2019 - 19%) to the loss before tax is as follows:

	2020 £	2019 £
Loss on ordinary activities before tax	<u>(24,398,502)</u>	<u>(15,197,717)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	(4,635,715)	(2,887,566)
<b>Effects of:</b>		
Expenses not deductible for tax purposes and imputed income	1,080,834	2,782,989
Excess foreign taxes suffered	-	7,011
Change in unrecognised deferred tax assets	4,323,280	-
Difference in tax rates	(89,389)	11,009
Adjustments to current tax charge in respect of previous years	(80,797)	(691,085)
Adjustments to deferred tax in respect of previous years	80,796	143,793
<b>Total tax charge/(credit) for the year</b>	<u>679,009</u>	<u>(633,849)</u>

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**LIVE NATION (MUSIC) UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**10. Taxation (continued)****Factors that may affect future tax charges**

The corporation tax rate was due to reduce to 17% with effect from 1 April 2020, however, the Finance Act 2020 maintained the rate of corporation tax at 19%. As such, the deferred tax balances provided in these financial statements (if applicable) are at 19%.

The government announced in the 2021 Budget a proposal to increase the main rate of corporation tax to 25% from 1 April 2023. As this proposal has not been substantively enacted at the balance sheet date, this rate change is not reflected in these financial statements. The overall effect of this change is not material to these accounts.

**11. Intangible assets**

	Development expenditure £	Trademarks £	Goodwill £	Total £
<b>Cost</b>				
At 1 January 2020	-	1,595,000	3,308,514	4,903,514
Additions	254,568	-	-	254,568
At 31 December 2020	254,568	1,595,000	3,308,514	5,158,082
<b>Amortisation</b>				
At 1 January 2020	-	1,595,000	3,123,962	4,718,962
Charge for the year on owned assets	32,562	-	138,147	170,709
At 31 December 2020	32,562	1,595,000	3,262,109	4,889,671
<b>Net book value</b>				
At 31 December 2020	222,006	-	46,405	268,411
At 31 December 2019	-	-	184,552	184,552



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**LIVE NATION (MUSIC) UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**12. Tangible fixed assets**

	Freehold property £	Leasehold property improvement £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 January 2020	3,937,957	9,836,900	6,894,147	3,488,704	24,157,708
Additions	8,486	8,047,794	1,620,839	1,212,479	10,889,598
Disposals	-	(512,713)	(959,863)	(3,220)	(1,475,796)
At 31 December 2020	<u>3,946,443</u>	<u>17,371,981</u>	<u>7,555,123</u>	<u>4,697,963</u>	<u>33,571,510</u>
<b>Depreciation</b>					
At 1 January 2020	1,248,387	3,104,042	6,417,901	3,223,757	13,994,087
Charge for the year on owned assets	88,712	240,525	152,305	218,763	700,305
Disposals	-	(512,713)	(959,863)	(3,220)	(1,475,796)
At 31 December 2020	<u>1,337,099</u>	<u>2,831,854</u>	<u>5,610,343</u>	<u>3,439,300</u>	<u>13,218,596</u>
<b>Net book value</b>					
At 31 December 2020	<u>2,609,344</u>	<u>14,540,127</u>	<u>1,944,780</u>	<u>1,258,663</u>	<u>20,352,914</u>
At 31 December 2019	<u>2,689,570</u>	<u>6,732,858</u>	<u>476,246</u>	<u>264,948</u>	<u>10,163,622</u>

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**LIVE NATION (MUSIC) UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**13. Fixed asset investments**

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 January 2020	18,248,128
At 31 December 2020	<u>18,248,128</u>
<b>Impairment</b>	
At 1 January 2020	2,867,161
At 31 December 2020	<u>2,867,161</u>
<b>Net book value</b>	
At 31 December 2020	<u>15,380,967</u>
At 31 December 2019	<u>15,380,967</u>

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**LIVE NATION (MUSIC) UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**13. Fixed asset investments (continued)****Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Principal activity</b>	<b>Holding</b>
LN-Gaiety Holdings Limited	(1)	Holding company	50.1%
Festival Republic Dublin Ltd*	(2)	Holding company	50.1%
EP Republic Ltd*	(2)	Music festival organiser	50.1%
Festival Republic Ltd*	(1)	Music festival organiser	50.1%
Finlaw 279 Ltd*	(1)	Dormant	50.1%
Reading Festival Ltd*	(1)	Dormant	50.1%
Adventure Sport Events Ltd*	(1)	Dormant	25.1%
Windfield Promotions Ltd*	(1)	Dormant	25.1%
Academy Music Holdings Limited*	(3)	Management of concert venues and theatres	28.0%
Electricland Limited*	(3)	Holding company	28.0%
Academy Music Group Limited*	(3)	Holding company	28.0%
ABC3 Limited*	(4)	Holding company	28.0%
Tecjet Limited*	(4)	Management of concert venues	21.7%
DF Concerts Limited*	(4)	Music festival organiser	40.1%
Bar None Management Limited*	(4)	Dormant	40.1%
Gafus Limited*	(1)	Holding company	50.1%
Maztecrose Holdings Limited*	(5)	Holding company	25.0%
Maztec Limited*	(5)	Music festival organiser	25.0%
Roseclaim Limited*	(5)	Music festival organiser	25.0%
Berlin Festival GmbH & Co. KG*	(6)	Music festival organiser	25.5%
BF Berlin Festival Verwaltungs GmbH*	(6)	Music festival organiser	25.5%
Lollibop Limited*	(1)	Dormant	27.5%
Mean Fiddler Spain SL*	(7)	Dormant	40.0%
King Tuts Recordings Limited*	(4)	Dormant	39.2%
FRHUG Festival GmbH & Co. KG*	(6)	Holding company	25.1%
FRHUG Verwaltungs-GmbH*	(6)	Music festival organiser	25.1%
MAMA & Company Limited*	(1)	Holding company	40.1%
MAMA & Company Services Limited*	(1)	Non-trading	40.1%
MAMA Festivals Limited*	(1)	Music festival organiser	40.1%
MAMA New Music Limited*	(1)	Dormant	40.1%
GlobalGatheringGroup Limited*	(1)	Dormant	40.1%
Angel Venues Limited*	(1)	Dormant	40.1%
Arena Island Limited	(1)	Dormant	50.1%
Hot Festivals Limited*	(1)	Holding company	25.0%
Park Life Manchester Limited*	(1)	Music festival organiser	25.0%
The Warehouse Project (Manchester) Limited*	(1)	Music festival organiser	25.0%
Ugly Duckling Limited*	(1)	Music festival organiser	25.0%
Cuffe and Taylor Limited*	(1)	Dormant	100.0%
Metropolis Music Limited*	(1)	Music festival organiser	75.0%
Isle of Wight Festival Limited*	(1)	Music festival organiser	35.1%
OnBlackheath Limited*	(1)	Music festival organiser	35.1%
Safe Festivals Group Limited*	(1)	Music festival organiser	40.1%
LN-Gaiety Holdings Ireland Limited*	(2)	Dormant	50.4%
Rewind Festival Limited*	(1)	Music festival organiser	40.1%
Nova Batida Festivals Limited*	(1)	Music festival organiser	25.5%

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**LIVE NATION (MUSIC) UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**13. Fixed asset investments (continued)****Subsidiary undertakings (continued)**

<b>Name</b>	<b>Registered office</b>	<b>Principal activity</b>	<b>Holding</b>
MCD Productions Limited*/**	(8)	Music festival organiser	50.1%
Pollination Music Limited*/***	(1)	Non-trading	30.6%

\* Companies where the share capital is held indirectly

\*\* Companies acquired during the year

\*\*\* Investments dissolved during the year

(1) 30 St. John Street, London, EC1M 4AY

(2) 3 Arena, North Wall Quay, Dublin 1, Ireland

(3) 211 Stockwell Road, London, SW9 9SL

(4) Whitehall House, 33 Yeaman Shore, Dundee, DD1 4BJ

(5) 3rd Floor, Colwyn Chambers, 19 York Street, Manchester, England, M2 3BA

(6) Pfuelstraße. 5, Berlin 10997, Germany

(7) Rda, Sant Pere, 38, 5-1, Barcelona, Spain

(8) 7 Park Rd, Dún Laoghaire, Co. Dublin, Ireland

**14. Debtors**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Due after more than one year</b>		
Prepayments and accrued income	10,119,682	12,504,250
	<u>10,119,682</u>	<u>12,504,250</u>
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Due within one year</b>		
Trade debtors	1,457,816	3,871,936
Amounts owed by group undertakings	10,616,771	13,872,198
Other debtors	2,335,155	882,700
Prepayments and accrued income	13,256,027	22,156,333
Tax receivable for group relief	80,797	-
Deferred taxation	-	759,806
	<u>27,746,566</u>	<u>41,542,973</u>

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**LIVE NATION (MUSIC) UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**14. Debtors (continued)**

All amounts owed by group undertakings are non-interest bearing, unsecured and repayable on demand.

An impairment loss of £106,142 (2019 - £109,552) was recognised against trade debtors.

**15. Cash and cash equivalents**

	2020 £	2019 £
Cash at bank and in hand	30,034,549	63,735,722
	<u>30,034,549</u>	<u>63,735,722</u>

**16. Creditors: Amounts falling due within one year**

	2020 £	2019 £
Trade creditors	1,740,627	3,193,818
Amounts owed to group undertakings	59,784,100	56,593,424
Other taxation and social security	1,900,909	9,652,502
Other creditors	44,168	45,738
Accruals and deferred income	114,494,048	127,531,648
	<u>177,963,852</u>	<u>197,017,130</u>

Included within amounts owed to group undertakings is £38,221,496 (2019 - £36,380,878) of interest bearing loans. Of these interest bearing loans £38,578,698 (2019 - £36,380,878) has interest charged at 3 month GBP LIBOR plus 3%, £3,145,275 (2019 - £nil) has interest charged at 3 month EUR LIBOR plus 3% and £1,867,839 (2019 - £3,564,762) has interest charged at 3 month USD LIBOR plus 3%. The remaining amounts are non-interest bearing. All amounts owed to group undertakings are unsecured and repayable on demand.

**17. Creditors: Amounts falling due after more than one year**

	2020 £	2019 £
Accruals and deferred income	4,790,174	164,666
	<u>4,790,174</u>	<u>164,666</u>

**18. Deferred taxation**

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**LIVE NATION (MUSIC) UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**18. Deferred taxation (continued)**

Deferred taxation provided for at 19% (2019 - 17%) in the financial statements is set out below:

	2020 £	2019 £
At beginning of year	759,806	810,030
Income statement charge	(849,195)	(50,224)
Changes in tax rates and laws	89,389	-
<b>At end of year</b>	<b>-</b>	<b>759,806</b>

The deferred tax asset is made up as follows:

	2020 £	2019 £
Depreciation in excess of capital allowances	-	44,924
Share based payments	-	185,745
Pension costs	-	15,780
Short term timing differences	-	286,850
Losses	-	226,507
<b>Provision for deferred tax asset</b>	<b>-</b>	<b>759,806</b>

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**LIVE NATION (MUSIC) UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**19. Share capital**

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
101 (2019 - 101) Ordinary shares of £1.00 each	101	101

**20. Reserves****Share premium account**

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from the share premium.

**Profit and loss account**

Includes all current and prior periods retained profits and losses.

**21. Share based payments****LNE Inc. share options**

In December 2005, Live Nation Entertainment, Inc. ("LNE Inc."), the ultimate parent undertaking, adopted its 2005 Stock Incentive Plan. The plan authorises LNE Inc. to grant share option awards, director shares, stock appreciation rights, restricted share and deferred share awards, other equity-based awards and performance awards. LNE Inc. has granted restricted share awards and options to purchase its common shares to employees and directors of LNE Inc. and its affiliates under the share incentive plan at no less than the fair market value of the underlying shares on the date of grant. The options are granted for a term not exceeding ten years and the non-vested options may be forfeited in the event the employee or director terminates his or her employment or relationship with LNE Inc. or one of its affiliates. Any options that have vested at the time of termination are forfeited to the extent they are not exercised within the applicable post-employment exercise period provided in their option agreements. These options vest over one to five years. The share incentive plan contains anti-dilutive provisions that require the adjustment of the number of shares of LNE Inc. represented by, and the exercise price of, each option for any share splits or dividends.

**LNE Inc. restricted shares granted**

Certain employees and directors received restricted shares in LNE Inc. during the year. These restricted shares vest evenly over three or four years from date of grant. The fair value of restricted shares is estimated at date of grant by multiplying the number of shares granted by the share price on the date of grant, and the expense is spread evenly over three or four years. Certain employees and directors were also granted restricted stock awards, that vest over three months.

**22. Contingent liabilities and capital commitments**

The company had no capital commitments and contingent liabilities at 31 December 2020 and 31 December 2019.

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**LIVE NATION (MUSIC) UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**23. 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 and deferred income, are £61,565 (2019 - £92,821).

**24. Commitments under operating leases**

At 31 December 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
<b>Land &amp; Buildings</b>		
Not later than 1 year	677,774	1,593,900
Later than 1 year and not later than 5 years	17,734,368	12,937,803
Later than 5 years	417,609,134	506,338,422
	<u>436,021,276</u>	<u>520,870,125</u>
	2020 £	2019 £
<b>Other</b>		
Not later than 1 year	31,859	31,859
Later than 1 year and not later than 5 years	127,436	127,436
Later than 5 years	63,718	95,577
	<u>223,013</u>	<u>254,872</u>

**25. Related party transactions**

The company has taken advantage of the exemption under FRS 102 not to disclose transactions with group undertakings as a subsidiary which is 100% owned by the ultimate parent undertaking.

During the year the company entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into, and trading balances outstanding at 31 December, are as follows:



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**LIVE NATION (MUSIC) UK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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	Sales to related party £	Purchases from related party £	Amounts owed from related party £	Amounts owed to related party £
<b>Entities over which the entity has control</b>				
2020	658,167	(412,735)	178,049	(527,211)
2019	1,923,073	(1,819,680)	860,213	(844,849)
<b>Other related parties</b>				
2020	-	(426,213)	43,352	-
2019	-	(2,131,492)	8,409	(31,757)

**Key management personnel**

All directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the company are considered to be key management personnel. Total remuneration in respect of these individuals is £981,787 (2019 - £2,814,544).

**26. Controlling party**

The company's immediate parent undertaking is Midland Concert Promotions Group Limited, a company incorporated in the United Kingdom.

In the directors' opinions, the group's ultimate parent undertaking and controlling party is Live Nation Entertainment Inc., which is incorporated in the United States of America. The largest and smallest group undertaking for which group financial statements are drawn up is Live Nation Entertainment Inc. Copies of the group financial statements for Live Nation Entertainment Inc. for the year ended 31 December 2020, which incorporates the results of Live Nation (Music) UK Limited, are available from 9348 Civic Centre Drive, Beverly Hills, 90210, California, United States of America.