

# LIVE NATION ENTERPRISE LIMITED

Report and Financial Statements

31 December 2006

Registered No. 2556041

TUESDAY



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COMPANIES HOUSE

# Live Nation Enterprise Limited

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## COMPANY INFORMATION

### **DIRECTORS**

S Douglas  
P Latham  
A Ridgeway

### **SECRETARY**

S Emeny

### **AUDITORS**

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

### **BANKERS**

Barclays Bank PLC  
Barclays Corporate Services  
Media Banking Centre  
27 Soho Square  
London  
W1D 3QR

### **REGISTERED OFFICE**

35-36 Grosvenor Street  
London  
W1K 4QX

# Live Nation Enterprise Limited

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## DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 December 2006.

## RESULTS AND DIVIDENDS

The loss for the year after taxation was £425,656 (2005 - profit of £6,848,873).

The directors do not recommend that a dividend be declared (2005 - £nil).

## PRINCIPAL ACTIVITY, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

*The principal activity of the company is that of a holding company. The company previously operated within the music industry.*

The company changed its name on 10 January 2006 to Live Nation Enterprise Limited.

On 31 December 2005 the company sold its subsidiary undertakings, Solo Agency Limited, Solo Concerts Limited, Solo Presents Limited and Solo Promoters Limited for £1,500.

## DIRECTORS AND THEIR INTERESTS

The directors who served during the year ended 31 December 2006, and changes since are as follows:

S Douglas	(appointed 12 July 2006)
P Latham	
C Pernow	(resigned 10 September 2007)
A Ridgeway	(appointed 10 September 2007)

None of the directors had any interests in the share capital of the company at any time during the year or at 31 December 2006.

## STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

At the date of approving this report, so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware. The director confirms that he has taken all necessary steps, as directors, to make himself aware of any relevant audit information and to establish that the company's auditors are aware of this information.

## AUDITORS

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board

  
S Douglas

Date 29/10/07

# Live Nation Enterprise Limited

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## STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# Live Nation Enterprise Limited

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## **INDEPENDENT AUDITORS' REPORT** **to the members of Live Nation Enterprise Limited**

We have audited the company's financial statements for the year ended 31 December 2006 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 11. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

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

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

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

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

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

### **Basis of audit opinion**

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

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

### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

Ernst & Young LLP  
Registered Auditor  
London

# Live Nation Enterprise Limited

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2006

	Notes	2006 £	2005 £
Dividend income		-	6,831,898
Administrative costs		(2,055)	-
<b>OPERATING (LOSS) / PROFIT</b>		<b>(2,055)</b>	<b>6,831,898</b>
Exceptional administrative cost	4	(695,659)	-
<b>OPERATING (LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		<b>(697,714)</b>	<b>6,831,898</b>
Interest received		272,058	16,975
<b>(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(425,656)</b>	<b>6,848,873</b>
Tax on profit on ordinary activities	5	-	-
<b>(LOSS) / PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>(425,656)</b>	<b>6,848,873</b>
Profit brought forward		7,124,632	275,759
<b>PROFIT CARRIED FORWARD</b>	9	<b>6,698,976</b>	<b>7,124,632</b>

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2006

There are no gains or losses in the year other than the profit for the year of £68,829 (2005 - profit of £6,848,873).

# Live Nation Enterprise Limited

## BALANCE SHEET AS AT 31 DECEMBER 2006

	Notes	2006 £	2005 £
<b>CURRENT ASSETS</b>			
Debtors	6	6,702,289	7,197,352
<b>CREDITORS: amounts falling due within one year</b>	7	(2,313)	(71,720)
<b>NET CURRENT ASSETS</b>		<u>6,699,976</u>	<u>7,125,632</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>6,699,976</u>	<u>7,125,632</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8,9	1,000	1,000
Profit and loss account	9	<u>6,698,976</u>	<u>7,124,632</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>	9	<u>6,699,976</u>	<u>7,125,632</u>

Signed on behalf of the Board



S Douglas

Date

24/12/06

# Live Nation Enterprise Limited

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## NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2006

### 1 ACCOUNTING POLICIES

#### **Basis of preparation**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention.

#### **Investments**

Fixed asset investments are stated at cost less provision for impairment in value.

#### **Deferred taxation**

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

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

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

#### **Statement of cash flows**

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

#### **Group financial statements**

The company is entitled to the exemption under section 248 of the Companies Act 1985 from the obligation to prepare group financial statements.

### 2 OPERATING PROFIT

The 2006 audit costs of £1,500 were borne by another group company, Live Nation (Music) UK Limited. (2005 - £2,500)

### 3 DIRECTORS' EMOLUMENTS AND STAFF COSTS

Directors' emoluments have been borne by various other companies within the group. All directors are also directors or officers of a number of companies within the Live Nation Inc group. The directors' services to the company do not occupy a significant amount of their time. As such the directors do not consider that they have received any remuneration for their incidental services to the company for the years ended 31 December 2006 and 31 December 2005.

### 4 EXCEPTIONAL ITEMS

The exceptional item in 2006 related to the write off of a bad debt and provision for future loss on disposal of subsidiaries.



# Live Nation Enterprise Limited

## NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2006

### 5 TAX ON PROFIT ON ORDINARY ACTIVITIES

#### a) Analysis of tax charge in the year

	2006 £	2005 £
Current Tax:		
UK corporation tax on profits for the year	-	-
Adjustments in respect of previous years	-	-
	<u>-</u>	<u>-</u>
Total tax charge	<u>-</u>	<u>-</u>

#### b) Factors affecting the current tax charge for the year

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

	2006 £	2005 £
(Loss) / profit on ordinary activities before tax	(425,656)	6,848,873
(Loss) / profit on ordinary activities multiplied by the standard rate of Corporation Tax in the UK of 30%	(127,697)	2,054,662
Effects of:		
Expenses not deductible for tax purposes / (income not taxable)	152,650	(2,050,319)
Group relief (utilised)	(24,953)	(4,343)
	<u>-</u>	<u>-</u>
Current tax charge for the year	<u>-</u>	<u>-</u>

### 6 DEBTORS

	2006 £	2005 £
Amounts owed by group undertakings	6,701,929	7,148,872
Other debtors	-	48,480
Other taxation and social security	360	-
	<u>6,702,289</u>	<u>7,197,352</u>

### 7 CREDITORS: amounts falling due within one year

	2006 £	2005 £
Amounts owed to group undertakings	2,313	71,720
	<u>2,313</u>	<u>71,720</u>

# Live Nation Enterprise Limited

## NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2006

### 8 SHARE CAPITAL

	Authorised		Allotted, called up and fully paid	
	2006	2005	2006	2005
	£	£	£	£
Ordinary shares of £1 each	1,000	1,000	1,000	1,000

### 9 RESERVES

	Share capital	Profit and loss account	Total
	£	£	£
At 1 January 2006	1,000	7,124,632	7,125,632
Profit for the year	-	-425,656	-425,656
At 31 December 2006	1,000	6,698,976	6,699,976

### 10 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions conferred by FRS 8 (Related Party Disclosures) allowing it not to disclose details of transactions with other group undertakings.

### 11 ULTIMATE PARENT UNDERTAKING

The company's immediate parent undertaking is Live Nation UK Holdings Limited (incorporated in the United Kingdom).

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

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