

Registered number: 03805556

LIVE NATION LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**



LIVE NATION LIMITED

COMPANY INFORMATION

Directors	Stuart R Douglas Niall A Dunphy Selina H Emeny Lynn Lavelle Alan B Ridgeway
Company secretary	Selina H Emeny
Registered number	03805556
Registered office	30 St. John Street London EC1M 4AY
Independent auditor	Ernst & Young LLP 1 More London Place London SE1 2AF
Bankers	HSBC Bank Plc 8 Canada Square London E14 5HQ

LIVE NATION LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

Business review

The principal activity of the company is that of a holding company.

The profit after tax for the financial year ended 31 December 2019 was £6,011,073 (2018 - £4,933,209). The increase primarily relates to higher dividend receipts from subsidiaries.

As shown in the company's income statement, the company recorded an operating loss of £4,214,245 (2018 - profit of £28,425). This primarily relates to the impairment of the company's investments in subsidiaries.

The statement of financial position shows the company's financial position at the year-end. Net assets have increased from £89,038,091 to £95,049,164.

No dividends were paid during the year (2018 - £1,531,021).

Principal risks and uncertainties

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

In 2020, the principal risk to the company will be the COVID-19 pandemic, which as at the date of this report is continuing to prevent the company's fellow group entities from trading. Further detail is provided in the Directors' Report.

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



.....
Lynn Lavelle
Director
Date: 23 October 2020

LIVE NATION LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

The Directors present their report and the financial statements for the year ended 31 December 2019.

Directors

The Directors who served during the year were:

Stuart R Douglas
Niall A Dunphy
Selina H Emeny
Lynn Lavelle (appointed 24 April 2019)
Alan B Ridgeway

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 potential impact of COVID-19 restrictions and regulations, along with our proposed responses over the period to December 2021. 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 asset position. In addition, the company's ultimate parent has committed to provide continuing financial support, if required, to enable the company to meet its obligations as and when they fall due for a period of at least twelve months from the date the directors approve these financial statements.

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

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.

LIVE NATION LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Post balance sheet events

On 17 January 2020 the company disposed of its investment in Live Nation Merchandise Limited for a consideration of £374,591.

On 11 March 2020, the World Health Organization (WHO) classified the outbreak of the coronavirus (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's subsidiaries to postpone their concert promotions.

The company's performance is dependent on its subsidiaries ability to maintain its concert promotions and events and to host live events via its music venues. The unprecedented and rapid spread of COVID-19 and the related Government intervention has put a temporary restriction on this. However, across the group, we are taking a number of measures to reduce the impact, including negotiating payment terms with suppliers, introducing a hiring freeze and a short term salary reduction program and undergoing a restructuring programme, and utilising government support where possible, including the Coronavirus Job Retention Scheme and deferral of VAT and business rate payments.

The ongoing and potential impact of COVID-19 on the 2020 financial results and cashflows is being closely monitored and detailed risk assessments and revised projections for the business are continually being updated. Our top priority remains the health and safety of our staff and customers.

The events described above are not expected to have an impact on the 2019 balance sheet.

Auditor

The auditor, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



.....
Lynn Lavelle
Director
Date: 23 October 2020

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

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 LIMITED

Opinion

We have audited the financial statements of Live Nation Limited (the 'Company') for the year ended 31 December 2019, which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position and the related notes, 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 Financial Reporting Standard 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 state of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter

We draw attention to notes 2.4 and 19 of the financial statements, which describe the financial and operational disruption the Company is facing as a result of COVID-19, which is impacting the Groups ability to hold live events across its portfolio of venues. 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 United Kingdom, including the Financial Reporting Council'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIVE NATION LIMITED (CONTINUED)

knowledge obtained in 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 or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report 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 the 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 on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIVE NATION LIMITED (CONTINUED)

Use of our report

This report is made solely to the Company's members 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 for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Louise Pennell (Senior Statutory Auditor)
Ernst & Young LLP
1 More London Place
London
SE1 2AF

23 October 2020

LIVE NATION LIMITED**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £	2018 £
Administrative expenses		(4,214,245)	28,425
Operating (loss)/profit	4	(4,214,245)	28,425
Income from fixed assets investments		10,402,374	6,818,206
Interest receivable and similar income	6	2,421,733	2,330,636
Interest payable and expenses	7	(2,598,789)	(4,244,058)
Profit before tax		6,011,073	4,933,209
Tax on profit	8	-	-
Profit after tax		6,011,073	4,933,209
Retained earnings at the beginning of the year		29,940,656	26,538,468
		29,940,656	26,538,468
Profit for the year		6,011,073	4,933,209
Dividends declared and paid		-	(1,531,021)
Retained earnings at the end of the year		35,951,729	29,940,656

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of income and retained earnings.

The notes on pages 10 to 21 form part of these financial statements.

LIVE NATION LIMITED
REGISTERED NUMBER: 03805556

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Investments	10	102,331,387	106,537,080
		<u>102,331,387</u>	<u>106,537,080</u>
Other non current assets			
Debtors: amounts falling due after more than one year	11	15,647,261	16,749,461
		<u>15,647,261</u>	<u>16,749,461</u>
Current assets			
Debtors: amounts falling due within one year	11	47,823,284	37,103,763
Cash at bank and in hand	12	105,643	105,643
		<u>47,928,927</u>	<u>37,209,406</u>
Creditors: amounts falling due within one year	13	(9,590,255)	(10,136,090)
Net current assets		<u>38,338,672</u>	<u>27,073,316</u>
Total assets less current liabilities		<u>140,670,059</u>	<u>133,610,396</u>
Creditors: amounts falling due after more than one year	14	(61,268,156)	(61,321,766)
Net assets		<u><u>95,049,164</u></u>	<u><u>89,038,091</u></u>
Capital and reserves			
Called up share capital	15	3	3
Share premium account	16	59,097,432	59,097,432
Profit and loss account	16	35,951,729	29,940,656
		<u><u>95,049,164</u></u>	<u><u>89,038,091</u></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: 23 October 2020

The notes on pages 10 to 21 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. General information

Live Nation 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 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 2019 and these financial statements may be obtained from 9348 Civic Center Drive, Beverly Hills, California, 90210, 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 immediate 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

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 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 potential impact of COVID-19 restrictions and regulations, along with our proposed responses over the period to December 2021. 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 asset position. In addition, the company's ultimate parent has committed to provide continuing financial support, if required, to enable the company to meet its obligations as and when they fall due for a period of at least twelve months from the date the directors approve these financial statements.

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

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 Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.6 Interest income

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.7 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.

2.8 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.

2.9 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 Income and Retained Earnings for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.10 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.

2.11 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.12 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.

2.13 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 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 Income and Retained Earnings.

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.

2.14 Dividends

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

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:

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.

4. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2019 £	2018 £
Exchange differences	8,551	(28,468)
Impairment expense	4,205,693	-
	<u>4,214,244</u>	<u>(28,468)</u>

The 2019 audit costs of £20,000 were borne by another group company, Live Nation (Music) UK Limited (2018 - £18,242).

5. Directors and employees

The directors are also directors or officers of a number of companies within the Live Nation Entertainment, Inc. group. Directors' emoluments have been borne by another group entity, Live Nation (Music) UK Limited, and other companies within the 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 2019 and 31 December 2018.

6. Interest receivable

	2019 £	2018 £
Interest receivable on group undertaking loans	2,421,733	2,330,609
Bank deposit interest receivable	-	27
	<u>2,421,733</u>	<u>2,330,636</u>

LIVE NATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

7. Interest payable and similar expenses

	2019 £	2018 £
Interest payable on group undertaking loans	2,598,789	4,244,058
	<u>2,598,789</u>	<u>4,244,058</u>

8. Taxation

	2019 £	2018 £
Current tax		
Current tax on profits for the year	-	-
Total tax charge	<u>-</u>	<u>-</u>

Factors affecting the total tax charge for the year

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK Corporation tax of 19% (2018 - 19%) to the profit before tax is as follows:

	2019 £	2018 £
Profit on ordinary activities before tax	<u>6,011,073</u>	<u>4,933,210</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	1,142,104	937,310
Effects of:		
Expenses not deductible for tax purposes and imputed income/(Income not taxable and corresponding adjustments)	786,816	(582,252)
Change in unrecognised deferred tax assets	42,528	675,313
Difference in tax rates	5,003	79,449
Dividend income not taxable	(1,976,451)	(1,295,459)
Group relief surrendered not paid for	-	185,639
Total tax charge for the year	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

8. Taxation (continued)

The corporation tax rate was due to reduce to 17% with effect from 1 April 2020, however, at the Budget in March 2020 it was announced that the rate of corporation tax will remain at 19%. As substantive enactment of the 19% corporation tax rate is after the balance sheet date, the deferred tax balances provided in these financial statements (if applicable) reflect the enacted rate of 17%.

9. Dividends

	2019 £	2018 £
Paid during the year	-	1,531,021
	<u>-</u>	<u>1,531,021</u>

10. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 January 2019	106,537,080
Impairment	(4,205,693)
At 31 December 2019	<u>102,331,387</u>

The company assesses at each reporting date whether there is an indication that an investment may be impaired. If any such indications exists, the company makes an estimate of the asset's recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

LIVE NATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

10. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Holding
Midland Concert Promotions Group Limited	(1)	Holding company	100.0%
Live Nation Merchandise Limited	(1)	Merchandising	100.0%
Apollo Leisure Group Limited	(1)	Holding company	100.0%
Live Nation Japan GK	(8)	Music promotions	100.0%
Live Nation (Music) UK Limited*	(1)	Music promotions	100.0%
the17 Limited*	(9)	Music promotions marketing	100.0%
De-Lux Merchandise Company Limited*	(1)	Dormant	100.0%
Live Nation Ireland Holdings Limited*	(2)	Holding company	100.0%
Amphitheatre Ireland Limited*	(2)	Theatre management	100.0%
LN-Gaiety Holdings Limited*	(1)	Holding company	50.1%
Festival Republic Dublin Limited*	(2)	Holding company	50.1%
EP Republic Limited*	(2)	Music festival organiser	50.1%
Festival Republic Limited*	(1)	Music festival organiser	50.1%
Finlaw 279 Limited*	(1)	Dormant	50.1%
Reading Festival Limited*	(1)	Dormant	50.1%
Adventure Sports Events Limited*	(1)	Non-trading	25.1%
Windfield Promotions Limited*	(1)	Non-trading	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	39.2%
Bar None Management Limited*	(4)	Dormant	40.1%
Gafrus Limited*	(1)	Holding company	50.1%
Maztecrose Holdings Limited*	(5)	Holding company	25%
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%
Lollihop Limited*	(1)	Dormant	27.5%
Mean Fiddler Spain SL*	(7)	Dormant	40.0%
King Tuts Recordings Limited*	(5)	Dormant	39.2%
FRHUG Festival GmbH & Co. KG*	(6)	Music festival organiser	25.05%
FRHUG Verwaltungs-GmbH*	(6)	Music festival organiser	25.05%
MAMA & Company Limited*	(1)	Holding company	40.1%
MAMA & Company Services Limited*	(1)	Service company	40.1%
MAMA Festivals Limited*	(1)	Music festival organiser	40.1%
MAMA New Music Limited*	(1)	Management of concert venues and theatres	40.1%
Pollination Music Limited*	(1)	Dormant	30.6%
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%

LIVE NATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

10. Fixed asset investments (continued)

Subsidiary undertakings (continued)

Name	Registered office	Principal activity	Holding
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	50.1%
Nova Batida Festivals Limited**	(1)	Music festival organiser	25.5%
Rewind Festival Limited**	(1)	Music festival organiser	50.1%

*Companies where the share capital is held indirectly.

** Companies acquired during the year

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

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

(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) Pfuelfstraße. 5, Berlin 10997, Germany

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

(8) Terra Asios Aoyama 8th floor, 5-51-6 Jingumae Shibuya-ku, Tokyo 150-0001, Japan

(9) 2 & a half Devonshire Square, London, EC2M 4YH

11. Debtors

	2019 £	2018 £
Due after more than one year		
Amounts owed by group undertakings	15,647,261	16,749,461
	<u>15,647,261</u>	<u>16,749,461</u>
Due within one year		
Amounts owed by group undertakings	47,823,284	37,103,763
	<u>47,823,284</u>	<u>37,103,763</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

11. Debtors (continued)

Included within amounts owed by group undertakings falling due within one year is £49,104,299 (2018 - £36,661,993) of interest bearing loans. Of these interest bearing loans £36,380,878 (2018 - £23,385,638) has interest charged at 3 month GBP LIBOR plus 3%, £2,800,000 (2018 - £2,800,000) has interest charged at a fixed rate of 6%, £9,593,374 (2018 - £10,135,674) has interest charged at 3 month EUR LIBOR plus 3% and £330,047 (2018 - £340,681) has interest charged at a fixed rate of 1.75%. The remaining amounts are non-interest bearing. All amounts owed by group undertakings are unsecured and repayable on demand.

Included within amounts owed by group undertakings falling due in more than one year is £12,847,261 (2018 - £16,749,461) of interest bearing loans. Interest is charged at a fixed rate of 6%. All amounts owed by group undertakings due in more than one year are unsecured and repayable by 2021.

12. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	105,643	105,643
	<u>105,643</u>	<u>105,643</u>

13. Creditors: Amounts falling due within one year

	2019 £	2018 £
Amounts owed to group undertakings	9,590,255	10,136,090
	<u>9,590,255</u>	<u>10,136,090</u>

Included within amounts owed to group undertakings falling due in less than one year is £9,590,255 (2018 - £10,136,090) of interest bearing loans. Interest is charged at 3 month EUR LIBOR plus 3%. All amounts owed to group undertakings are unsecured and repayable on demand.

14. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Amounts owed to group undertakings	61,268,156	61,321,766
	<u>61,268,156</u>	<u>61,321,766</u>

Included within owed to group undertakings falling due after more than one year is £61,268,156 (2018 - £61,321,766) of interest bearing loans. Interest is charged at a fixed rate of 6.5%. All amounts owed to group undertakings are unsecured and repayable on demand.

LIVE NATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

15. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
3 (2018 - 3) Ordinary A shares of £1.00 each	3	3

16. 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.

17. Contingent liabilities and capital commitments

The company had no capital commitments and contingent liabilities at 31 December 2019 and 31 December 2018.

18. 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.

All related party transactions are within the normal course of business and at arm's length.

During the year, Live Nation Limited had the following related party transactions and balances with entities not 100% owned by the ultimate parent undertaking:

	Amounts due from subsidiary £
Loans - 2019	
Interest income	1,084,869
Loan amounts receivable as at 31 December 2019	15,647,261
	<hr/>
	16,732,130
Loans - 2018	
Interest income	1,415,980
Loan amounts receivable as at 31 December 2018	19,549,461
	<hr/>
	19,549,461

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

19. Post balance sheet events

On 17 January 2020 the company disposed of its investment in Live Nation Merchandise Limited for a consideration of £374,591.

On 11 March 2020, the World Health Organization (WHO) classified the outbreak of the coronavirus (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's subsidiaries to postpone their concert promotions.

The company's performance is dependent on its subsidiaries ability to maintain its concert promotions and events and to host live events via its music venues. The unprecedented and rapid spread of COVID-19 and the related Government intervention has put a temporary restriction on this. However, across the group, we are taking a number of measures to reduce the impact, including negotiating payment terms with suppliers, introducing a hiring freeze and a short term salary reduction program and undergoing a restructuring programme, and utilising government support where possible, including the Coronavirus Job Retention Scheme and deferral of VAT and business rate payments.

The ongoing and potential impact of COVID-19 on the 2020 financial results and cashflows is being closely monitored and detailed risk assessments and revised projections for the business are continually being updated. Our top priority remains the health and safety of our staff and customers.

The events described above are not expected to have an impact on the 2019 balance sheet.

20. Controlling party

The company's immediate parent undertaking is Live Nation International Holdings BV, a company incorporated in the Netherlands.

In the directors' opinion, the company's ultimate parent undertaking and controlling party is Live Nation Entertainment, Inc. which is incorporated in the United States of America. Copies of the group financial statements for Live Nation Entertainment, Inc. are available from 9348 Civic Center Drive, Beverly Hills, California, 90210, United States of America. These are the largest and smallest group of undertakings for which group accounts have been drawn up.