

LIVE NATION FACILITATION LIMITED

Report and Financial Statements

31 December 2006

Registered No. 04732276

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COMPANIES HOUSE

Live Nation Facilitation Limited

COMPANY INFORMATION

DIRECTORS

S Douglas
P Latham
A Ridgeway

SECRETARY

S Emeny

AUDITORS

Ernst & Young I.L.P
1 More London Place
London
SE1 2AF

BANKERS

Barclays Bank PLC
Piccadilly Corporate Banking Centre
50 Pall Mall
London
SW1Y 5AX

REGISTERED OFFICE

35-36 Grosvenor Street
London
W1K 4QX

Live Nation Facilitation Limited

DIRECTORS' REPORT

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

RESULTS AND DIVIDENDS

The profit after tax for the year ending 31 December 2006 was £1,153,562 (2005 - £1,337,463).

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

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the company during the year continued to be that of providing a range of venue and ticketing benefits.

As shown in the company's profit and loss account on page 5, the company's turnover has decreased by 5% over the prior year and operating profit has decreased by 11% over the same period.

The balance sheet on page 6 of the financial statements shows the company's financial position at the year end. Net assets have increased by 42% to £6,585,772. Amounts owed by / to its parent company, group and fellow subsidiary undertakings are shown in notes 7 and 8 to the financial statements.

Key performance indicators used by the Live Nation Inc group are operating margins, free cash flow and capital expenditure.

Systems and procedures are in place to identify, assess and mitigate major business risks that could impact the company. Monitoring exposure to risk and uncertainty is an integral part of the company's structured management processes. The principal risks that the company faces are operational risk, contract pricing, competition, regulatory and legislative impacts, recruitment and retention of staff and maintenance of reputation.

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

DIRECTORS AND THEIR INTEREST

The directors who served during the year ending 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)

No director had any interest 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 ACCOUNTS

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.

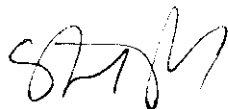
Live Nation Facilitation Limited

DIRECTORS' REPORT

AUDITORS

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

On behalf of the Board



S Douglas

Date 

Live Nation Facilitation Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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 Facilitation Limited

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LIVE NATION FACILITATION 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 14. 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
- June 2006

Live Nation Facilitation Limited

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2006

	Notes	2006 £	2005 £
TURNOVER	2	2,330,938	2,459,196
Cost of sales		(355,830)	(241,452)
		<u>1,975,108</u>	<u>2,217,744</u>
GROSS PROFIT			
Administrative costs		(1,841)	(15,366)
		<u>1,973,267</u>	<u>2,202,378</u>
OPERATING PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3		
Tax on profit on ordinary activities	5	(819,705)	(864,915)
		<u>1,153,562</u>	<u>1,337,463</u>
PROFIT FOR THE FINANCIAL YEAR	12		

All the company's operations are continuing.

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

There were no other gains or losses in the year other than the profit of £1,973,267 (2005 profit of £1,337,463).

Live Nation Facilitation Limited

BALANCE SHEET AS AT 31 DECEMBER 2006

	Notes	2006 £	2005 £
FIXED ASSETS			
Tangible assets	6	33,511	53,480
CURRENT ASSETS			
Debtors	7	9,039,367	6,726,712
Cash at bank		559,584	800,022
		<u>9,598,951</u>	<u>7,526,734</u>
CREDITORS: amounts falling due within one year	8	(3,866,395)	(2,967,709)
NET CURRENT ASSETS		<u>5,732,556</u>	<u>4,559,025</u>
NET ASSETS		<u>5,766,067</u>	<u>4,612,505</u>
CAPITAL AND RESERVES			
Called up share capital	11,12	100	100
Profit and loss account	12	5,765,967	4,612,405
EQUITY SHAREHOLDERS' FUNDS		<u>5,766,067</u>	<u>4,612,505</u>

Signed on behalf of the Board on



S Douglas

Date 21/01/07

Live Nation Facilitation Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2006

1 ACCOUNTING POLICIES

Accounting convention

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

Depreciation

Fixed assets are depreciated over the life of the contract:

Fixtures, fittings and equipment - 5 years on a straight line basis

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.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are retranslated at the rates of exchange ruling at the balance sheet date. All exchange differences are dealt with through the profit and loss account.

Pensions

The group operates defined contribution pension schemes for all employees upon meeting defined criteria. The pension cost charge represents contributions payable by the company in respect of the accounting period. All assets of the schemes are held separately from the company.

Statement of cash flows

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

2 TURNOVER

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

3 OPERATING PROFIT

This is stated after charging:	2006	2005
	£	£
Depreciation	19,969	12,054

The 2006 audit costs of £10,000 were borne by another group company, Live Nation (Music) UK Limited. (2005 - £10,000)

Live Nation Facilitation Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2006

4 DIRECTORS AND EMPLOYEES

The average monthly number employed by the company during the year was:

	2006 no.	2005 no.
Production	2	2
Staff costs were:		
	2006 £	2005 £
Wages and salaries	104,560	91,660
Social security costs	11,463	10,439
Pension costs	575	-
	116,598	102,099

Directors' emoluments in the years ended 2006 and 2005 have been borne by various other companies within the Group. The directors are also directors 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 December 2005.

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	723,857	642,678
Adjustments in respect of previous years	95,808	222,237
Total current tax	819,665	864,915
Deferred tax:		
Origination and reversal of timing differences	40	-
Prior year adjustment	-	-
Total deferred tax	40	-
Total tax charge	819,705	-

Live Nation Facilitation Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2006

TAX ON PROFIT ON ORDINARY ACTIVITIES CONTINUED

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 £
Profit on ordinary activities before tax:	1,973,267	2,202,378
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30%	591,980	660,713
Effects of:		
Imputed income/ (corresponding adjustments)	132,489	(4,023)
Depreciation in excess of capital allowances/ (Capital allowances in excess of depreciation)	913	(273)
Adjustments to tax charge in respect of previous periods	95,808	222,237
Short term timing differences	(1,525)	(13,739)
Current tax charge for the year	819,665	864,915

The 2005 and 2006 adjustment to the tax charge in respect of previous periods principally relate to the amount of group relief available for utilisation.

6 TANGIBLE FIXED ASSETS

	Fixtures, fitting and equipment £
Cost:	
At 1 January 2006	81,464
At 31 December 2006	81,464
Depreciation:	
At 1 January 2006	27,984
Charge for the year	19,969
At 31 December 2006	47,953
Net book value:	
At 31 December 2006	33,511
At 31 December 2005	53,480

Live Nation Facilitation Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2006

7 DEBTORS

	2006	2005
	£	£
Amounts owed by parent undertakings	9,039,367	6,504,597
Other debtors	-	222,115
	<u>9,039,367</u>	<u>6,726,712</u>

8 CREDITORS: amounts falling due within one year

	2006	2005
	£	£
Amounts owed to group undertakings	66,439	64,605
Other creditors	-	156,229
Accruals and deferred income	1,430,183	1,196,767
Corporation tax	2,369,773	1,550,108
	<u>3,866,395</u>	<u>2,967,709</u>

9 DEFERRED TAX

Details of the liability for deferred taxation are given below:

	2006	2005
	£	£
Deferred tax at 1 January	-	-
Profit and loss account charge	40	-
	<u>40</u>	<u>-</u>
Deferred tax at 31 December	<u>40</u>	<u>-</u>

Details of the liability for deferred taxation are given below:

	2006	2005
	£	£
Excess of capital allowance over depreciation	40	953
Short term timing differences	-	(953)
	<u>40</u>	<u>-</u>

Live Nation Facilitation Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2006

DEFERRED TAX CONTINUED

Details of the deferred tax asset not provided in the financial statements are given below:

	2006 £	2005 £
Short term timing differences	-	(572)
Deferred tax not provided at 30%	-	(572)

10 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 (note 8), are £nil (2005 - £nil).

11 SHARE CAPITAL

	2006 £	2005 £
<i>Authorised</i>		
Equity ordinary shares of £1 each	100	100
<i>Allotted, called up and fully paid</i>		
Equity ordinary shares of £1 each	100	100

12 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Share capital £	Profit and loss account £	Total £
At 1 January 2006	100	4,612,405	4,612,505
Profit for the year	-	1,153,562	1,153,562
At 31 December 2006	100	5,765,967	5,766,067

13 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.

Live Nation Facilitation Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2006

14 PARENT UNDERTAKINGS

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

In the directors opinion, the company's ultimate parent company and controlling party is Live Nation Inc., which is incorporated in the United States of America. This is the smallest group of companies for which group financial statements are prepared. Copies of the group financial statements for Live Nation Inc., for the year ended 31 December 2006, which incorporates the results of the company, are available from 9348 Civic Centre Drive, Beverly Hills, California, 90210, United States of America.