

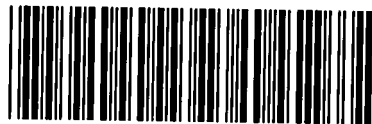
ELECTRICLAND LIMITED

Report and Financial Statements

31 December 2016

Registered No. 05142633

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COMPANIES HOUSE

Electricland Limited

COMPANY INFORMATION

DIRECTORS

J M Hands
S R Douglas
P R Latham

SECRETARY

S H Emeny

AUDITOR

Grant Thornton UK LLP
Grant Thornton House
Melton Street
London
NW1 2EP

BANKERS

HSBC Bank plc
Global Banking & Markets
8 Canada Square
London
E14 5HQ

REGISTERED OFFICE

211 Stockwell Road
London
SW9 9SL

Electricland Limited

STRATEGIC REPORT

for the year ended 31 December 2016

REVIEW OF THE BUSINESS

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

The loss for the financial year for the year ended 31 December 2016 was £2,191,039 (2015 - profit of £10,392,700). The company received a dividend during the year of £nil (2015 - £13,644,505).

The statement of financial position on page 7 shows the company's financial position at the year end. Net liabilities have increased by 21% to £12,796,343.

In November 2015, the company underwent a refinancing of its bank loans. The old facility which was due to expire in February 2016 was replaced by a new 5 year £35,000,000 facility comprising of a £25,000,000 loan note instrument repayable in quarterly £1,000,000 instalments with a final £5,000,000 instalment in November 2020 and a £10,000,000 revolving credit facility. During the year ended 31 December 2016, £4,456,631 was repaid leaving a balance on the loan note instrument of £19,543,369. £6,000,000 of the revolving facility was drawn down at 31 December 2016.

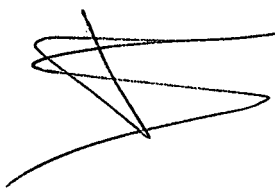
Interest on these instruments is charged at normal commercial rates as agreed with the lenders from time to time. The bank loans are secured by a fixed and floating charge over the assets of the company and its subsidiary undertakings.

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties of the company and the systems and procedures in place to identify, assess and mitigate them are integrated into those of the group.

By order of the Board



J M Hands

Director

Date

21/4/2017

Electricland Limited

DIRECTORS' REPORT

The directors who served throughout the year ended 31 December 2016 were as follows:

P R Latham
S R Douglas
J M Hands

FUTURE DEVELOPMENTS

Notwithstanding the risk and uncertainties outlined below, the directors do not anticipate any significant change in the activities and results of the company in the foreseeable future.

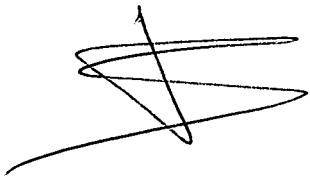
FINANCIAL RISK MANAGEMENT

Details of the directors' objectives and policies in relation to liquidity risk, the company's main area of risk, can be found in note 18 on page 14.

AUDITOR

A resolution to re-appoint Grant Thornton UK LLP as the company's auditor will be proposed in accordance with section 485 of the Companies Act 2006.

By order of the Board



J M Hands
Director
Date

21/4/2017

Electricland Limited

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, 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 with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. 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 and profit or loss of the company for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies 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; 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of the directors is aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Electricland Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELECTRICLAND LIMITED

We have audited the financial statements of Electricland Limited for the year ended 31 December 2016 which comprise the Statement of Income and Retained Earnings, Statement of Financial Position and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its 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.

Opinion on other matters prescribed by the Companies Act 2006

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

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


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

In the light of the knowledge and understanding of the group and parent company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and Directors' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Nicholas Page (Senior Statutory Auditor)

for and on behalf of Grant Thornton UK LLP, Statutory Auditor, Chartered Accountants
London

Date: 21/4/17

Electricland Limited

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	2015 £
Administrative expense		(427)	(316)
OPERATING LOSS	4	(427)	(316)
Income from fixed asset investments		-	13,644,505
Interest receivable on group undertaking loans		38,668	68,992
Interest payable and similar charges	6	(2,229,280)	(3,235,915)
(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAX		(2,191,039)	10,477,266
Tax charge on (loss) / profit on ordinary activities	7	-	(84,566)
(LOSS) / PROFIT FOR THE FINANCIAL YEAR		(2,191,039)	10,392,700
Retained loss at 1 January		(11,105,304)	(21,498,004)
RETAINED LOSS AT 31 DECEMBER		(13,296,343)	(11,105,304)

All the company's operations are continuing.

There are no other items of comprehensive income other than as stated in the income statement.

The accompanying accounting policies and notes form part of the financial statements.

Electricland Limited

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	Notes	2016 £	2015 £
FIXED ASSETS			
Investments	8	27,608,056	27,608,056
CURRENT ASSETS			
Debtors	9	1,200,957	4,863,230
Cash at bank and in hand		234,427	609,425
		<u>1,435,384</u>	<u>5,472,655</u>
CREDITORS: amounts falling due within one year	10	<u>(7,827,267)</u>	<u>(4,434,777)</u>
NET CURRENT (LIABILITIES) / ASSETS		<u>(6,391,883)</u>	<u>1,037,878</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		21,216,173	28,645,934
CREDITORS: amounts falling due after more than one year	11	<u>(34,012,516)</u>	<u>(39,251,238)</u>
NET LIABILITIES		<u><u>(12,796,343)</u></u>	<u><u>(10,605,304)</u></u>
CAPITAL AND RESERVES			
Called up share capital	13	500,000	500,000
Profit and loss account		<u>(13,296,343)</u>	<u>(11,105,304)</u>
EQUITY SHAREHOLDER'S DEFICIT		<u><u>(12,796,343)</u></u>	<u><u>(10,605,304)</u></u>

Signed on behalf of the Board of Directors:



J M Hands
Director

Date 21/4/2017

Registered No.05142633

The accompanying accounting policies and notes form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2016

1 COMPANY INFORMATION

Electricland Limited is a private company limited by shares incorporated in England and Wales. The registered office is 211 Stockwell Road, London, SW9 9SL.

2 BASIS OF PREPARATION

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

The financial statements are presented in Sterling (£).

Group financial

The company is exempt from preparing Group financial statements under Section 401 of the Companies Act 2006 as it is a wholly owned subsidiary undertaking. Accordingly, these financial statements present information about the company and not its Group.

Disclosure exemptions within FRS 102:

The company has adopted the disclosure exemption within FRS 102 in relation to the requirement to present a statement of cash flows and related notes.

Accounting judgements

The preparation of financial statements in conformity with FRS 102 requires the use of certain accounting judgements by management in the process of applying the company's accounting policies. The areas which may require judgements are the valuation of investments, the recoverability of trade debtors and other debtors and the provision of liabilities.

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 on pages 2 and 3.

In November 2015, the group underwent a refinancing of its external banking facility that was due to expire in 2016. The new 5 year £35,000,000 facility which is to be repaid over the term of the facility up to November 2020 ensures that the group will have sufficient ongoing funding. Management forecasts for the Academy Music Holdings Group, of which Electricland Limited is a member, shows future cash inflows from group operating activities to be sufficient to cover the company's debt servicing requirements.

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.

3 PRINCIPAL ACCOUNTING POLICIES

Revenue recognition

Interest income

Revenue is recognised as interest accrues using the interest rate determined by the loan agreement or the prevailing interest rate.

Income from fixed asset investments

Revenue is recognised when the company's right to receive payment is established.

Investment

Investments are recognised initially at fair value which is normally the transaction price. Subsequently, they are recognised at cost less impairment unless a reliable measure of fair value becomes available.

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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2016

3 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

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.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Derivative financial instruments

The company used interest rate swaps to reduce its exposure to interest rate movements. Derivative financial instruments are recognised as assets and liabilities measured at their fair values at the statement of financial position date. Changes in their fair values are recognised in the income statement.

Taxation

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

Current or deferred tax assets and liabilities are not discounted.

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

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

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

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

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

4 OPERATING LOSS

The operating loss for the year was derived from the company's principal continuing activity which was carried out wholly in the UK.

The 2016 auditor's remuneration of £1,780 is borne by Academy Music Group Limited, a wholly owned subsidiary (2015 - £1,780).

5 DIRECTORS AND EMPLOYEES

Directors' emoluments have been borne by various other companies within the Group. The directors are also directors or officers of a number of companies within the Live Nation Entertainment, 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 2016 and 31 December 2015.

The company had no employees for the years ended 31 December 2016 and 31 December 2015.

Electricland Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2016

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2016	2015
	£	£
Interest payable on bank borrowing	746,715	1,131,720
Interest payable on loan notes	1,379,578	2,106,053
Interest payable on group undertaking loans	32,987	102
Amortisation of loan issue expenses	70,000	420,872
Changes in fair value of derivative financial instruments	-	(422,832)
	<u>2,229,280</u>	<u>3,235,915</u>

7 TAX ON (LOSS) / PROFIT ON ORDINARY ACTIVITIES

a) Analysis of tax charge in the year

	2016	2015
	£	£
Current tax:		
UK corporation tax on (losses) / profits for the year	-	-
Total current tax	<u>-</u>	<u>-</u>
Deferred tax:		
Origination and reversal of timing differences	-	80,338
Changes in tax rates and laws	-	4,228
Total deferred tax	<u>-</u>	<u>84,566</u>
Total tax charge (note 7 (b))	<u>-</u>	<u>84,566</u>

b) 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 20% (2015 - 20.25%) to the (loss) / profit before tax is as follows:

	2016	2015
	£	£
(Loss) / profit on ordinary activities before taxation	(2,191,039)	10,477,266
(Loss) / profit on ordinary activities multiplied by the standard rate of Corporation Tax in the UK of 20% (2015 - 20.25%)	(438,208)	2,121,288
Effects of:		
(Income not taxable and corresponding adjustments)	(356)	(2,762,906)
Group relief surrendered not paid for	438,564	727,227
Difference in tax rates	-	(1,043)
Total tax charge for the year (note 7(a))	<u>-</u>	<u>84,566</u>

Electricland Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2016

7 TAX ON (LOSS) / PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

c) Tax rate changes

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

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

8 FIXED ASSET INVESTMENTS

	Investments in subsidiaries
Cost	£
At 1 January 2016 and 31 December 2016	27,608,056
	<hr/>
Net book value at 31 December 2015 and 31 December 2016	27,608,056
	<hr/>

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.

The following were subsidiary undertakings of the company:

<i>Name of company</i>	<i>Holding</i>	<i>Class of shares</i>	<i>Nature of business</i>	<i>Country of incorporation and operation</i>
			Management of music venues Holding	
Academy Music Group Limited	100%	Ordinary		England
ABC3 Limited*	100%	Ordinary	company Venue	Scotland
Tecjet Limited*	77.5%	Ordinary	operator Holding	Scotland
MAMA New Music Two Limited*	100%	Ordinary	company	England

*companies where the share capital is held indirectly

9 DEBTORS

	2016	2015
	£	£
Amounts owed from group undertakings	1,165,715	4,840,490
Prepayments	35,242	22,740
	<hr/>	<hr/>
	1,200,957	4,863,230
	<hr/>	<hr/>

Included within amounts owed from group undertakings falling due within one year is £1,165,715 (2015 - £4,840,490) of interest bearing loans. Interest is charged at 3month GBP LIBOR plus 3%. All amounts owed by group undertakings are unsecured.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2016

10 CREDITORS: amounts falling due within one year

	2016	2015
	£	£
Bank loans and overdrafts	3,930,000	3,932,292
Amounts owed to group undertakings	3,659,111	5,746
Accruals	192,850	312,739
Withholding tax payable	45,306	184,000
	<u>7,827,267</u>	<u>4,434,777</u>

Included within amounts owed to group undertakings falling due within one year is £3,659,111 (2015 - £5,746) of interest bearing loans. Interest is charged at 3month GBP LIBOR plus 3%. All amounts owed to group undertakings are unsecured.

11 CREDITORS: amounts falling due after more than one year

	2016	2015
	£	£
Bank loans	21,345,036	26,731,201
Loan notes	12,667,480	12,520,037
	<u>34,012,516</u>	<u>39,251,238</u>

12 LOANS

Creditors include finance capital which is due for repayments as follows:

	2016	2015
	£	£
Amounts repayable:		
In one year or less	4,000,000	4,001,826
In more than one year but not more than two years	4,000,000	4,000,000
In more than two years but not more than five years	17,543,369	23,000,000
In more than five years	12,667,480	12,520,037
	<u>38,210,849</u>	<u>43,521,863</u>
Unamortised loan issue expenses within one year	(70,000)	(69,534)
Unamortised loan issue expenses after more than one year	(198,333)	(268,799)
	<u>37,942,516</u>	<u>43,183,530</u>

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2016

12 LOANS (CONTINUED)

The loan instruments at the end of the year comprise the following:

Loan notes of £10,637,176 which are due for repayment in August 2021.

In November 2015, the company underwent a refinancing of its bank loans. The old facility which was due to expire in February 2016 was replaced by a new 5 year £35,000,000 facility comprising of a £25,000,000 loan note instrument repayable in quarterly £1,000,000 instalments with a final £5,000,000 instalment in November 2020 and a £10,000,000 revolving credit facility of which £6,000,000 was drawn down at the year end.

Interest payable on these floating rate facilities is periodically based on Libor plus a margin of between 1.15% to 2.75% depending on the financial ratios of Academy Music Holdings Group (of which Electricland Limited is a member) at the time that the interest rates are set.

The bank loans are secured by a fixed and floating charge over the assets of the company and its subsidiary undertakings.

Previously, the company was entered into an interest rate swap arrangement with the counterparties to the old bank loans. During the year ended 31 December 2015, these interest rate swap agreements expired and no new arrangements were entered into.

13 SHARE CAPITAL

	2016 Number	2015 Number	2016 £	2015 £
<i>Allotted, called up and fully paid</i>				
Equity ordinary shares of £1 each	500,000	500,000	500,000	500,000

14 RESERVES

Called up share capital - represents the nominal value of shares that have been issued.

Profit and loss account - includes all current and prior periods retained profits and losses.

15 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 its immediate parent undertaking.

There were no other related party transactions.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2016

16 CONTINGENCIES AND CAPITAL COMMITMENTS

The company is included in a group cross-guarantee for bank overdraft purposes with other group companies. All group members are jointly and severally liable for the bank overdrafts outstanding at 31 December 2016.

The company is included in a group VAT registration and is therefore jointly and severally liable for all the other group companies' unpaid debts in this connection.

There were no other contingent liabilities or capital commitments as at 31 December 2016 or 31 December 2015.

17 FINANCIAL RISK MANAGEMENT

The company has exposure to one main area of risk - liquidity risk.

Liquidity risk

The objective of the company in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The company expects to meet its financial obligations through operating cash flows. In the event that the operating cash flows would not cover all the financial obligations the company has credit facilities available from group companies.

Interest rate risk

Interest rate risk is the risk that the fair value of, or future cash flows associated with, a financial instrument will fluctuate because of changes in market interest rates. The company is exposed to interest rate risk on its floating rate borrowings as these are periodically based on the short-term interbank rate, Libor. The company mitigates this risk using forecasting and financial modelling to assess the impact of any future changes in this rate.

18 IMMEDIATE AND ULTIMATE PARENT UNDERTAKINGS

The company's immediate parent company is Academy Music Holdings Limited, a company incorporated in England and Wales.

The ultimate parent undertaking and ultimate controlling party of this company is Live Nation Entertainment Inc., incorporated in the state of Delaware, United States of America.

The largest group of undertakings for which group accounts have been drawn up is that headed by Live Nation Entertainment Inc. Copies of the consolidated financial statements for Live Nation Entertainment, Inc. are available from 9348 Civic Center Drive, Beverly Hills, California, 90210, United States of America.

The smallest group of undertakings for which group accounts have been drawn up is that headed by Academy Music Holdings Limited, incorporated in England and Wales. Copies of the consolidated financial statements for Academy Music Holdings Limited are available from 2nd Floor, Regent Arcade House, 19-25 Argyll Street, London, W1F 7TS.