

Registered number: 05142633

ELECTRICLAND LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022



ELECTRICLAND LIMITED

COMPANY INFORMATION

Directors	Stuart R Douglas Selina H Emeny James M Hands
Company secretary	Selina H Emeny
Registered number	05142633
Registered office	211 Stockwell Road London SW9 9SL
Independent auditor	Ernst & Young LLP 1 More London Place London SE1 2AF
Bankers	HSBC Bank Plc Global Banking and Markets 8 Canada Square London E14 5HQ

ELECTRICLAND LIMITED

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ELECTRICLAND LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Business review

Electricland Limited continued to be the financing company for the Academy Music Holdings Limited group during the year.

The statement of financial position shows the company's financial position at the year end. Net liabilities have increased to £10,141,661 (2021 - 7,258,575)

Electricland Limited is listed as a borrower and guarantor under its wider Group (being Academy Music Holdings Limited and its subsidiaries, the "Group") facilities agreement. The facilities are reflected in the financial statements of Electricland Limited and the consolidated financial statements of Academy Music Holdings Limited.

These facilities were repaid in full in December 2022 funded through loans from group undertakings repayable on demand with interest charged at LIBOR + 3%.

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.

On 15 December 2022 there was an incident at one of the group venues, the O2 Academy Brixton, a venue operated by the company's subsidiary Academy Music Group Limited, which sadly resulted in serious injuries including two fatalities. The venue is currently closed pending a review of the Premises Licence.

Principal risks and uncertainties

The principal risks and uncertainties the company faces are interest rate risk relating to the company's long term debt and the ability of the company to make loan repayments as they fall due.

Post balance sheet events

Subsequent to the year-end, the groups external loan notes, which were due to mature in August 2023 have been refinanced and are now due to mature in August 2028. The other commercial terms of these loans remain unchanged.

ELECTRICLAND LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Section 172 of the Companies Act 2006

In compliance with section 172 of the Companies Act 2006, the directors recognise the importance of engagement with all stakeholders and the impact this has on the company's long-term success. The group has built and maintained relationships with all stakeholders. The directors recognise the importance of these relationships and take active steps to develop and strengthen them through engagement. These relationships are monitored at board level. The following stakeholder groups, according to section 172(1) Companies Act 2006 were identified as relevant to the company.

Decision making

The Board recognises the importance of good governance in the success of the company. The Board determines the strategic objectives and strategies of the company to best support the delivery of long-term value providing overall strategic direction. The company has robust systems of financial controls and risk management, and the Board takes decisions that affect the success of the company in the long term after a disciplined review. The Board undertakes its decisions by ensuring safety, efficiency, smart technology adoption and sustainability.

Shareholders

The Board consistently engages with the ultimate shareholders to ensure that all key decisions and actions that are taken are aligned with the goals and objectives of the shareholders.

Community, environment, customers, suppliers, employees and other stakeholders

The company is a financing entity for Academy Music Holdings Limited and therefore has limited other direct stakeholders. The consolidated financial statements of Academy Music Holdings Limited include further disclosures in respect of stakeholder engagement of the group.

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

James Hands

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James M Hands
Director
Date: 6 September 2023

ELECTRICLAND LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

The Directors present their report and the financial statements for the year ended 31 December 2022.

Principal activity

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

Dividends

The loss for the year, after taxation, amounted to £2,883,086 (2021 - loss £1,906,772).

No dividend was proposed or paid for 2022 (2021 - £nil).

Directors

The Directors who served during the year were:

Stuart R Douglas
Selina H Emeny
James M Hands

Going concern

The Directors have paid exceptionally close attention to the cashflow projections over the period to 30 September 2024, including the groups ability to make external loan repayments as they fall due.

As mentioned in the Strategic Report and note 20, the external loan notes have been refinanced subsequent to the year-end, with their maturity extended to August 2028. As described in the Strategic Report, there are ongoing investigations in relation to the incident at the O2 Academy Brixton, a venue operated by the company's subsidiary Academy Music Group Limited. We do not expect any outflows, other than legal costs, in relation to the incident during the going concern assessment period. Given the company is primarily a financing company for the group the directors have concluded it is appropriate to obtain letters of support from the immediate parent undertaking, Academy Music Holdings Limited, confirming that, if required, they will provide continuing financial support to enable the company to meet its obligations as they fall due for the going concern assessment period.

The directors have reviewed whether the immediate parent undertaking, Academy Music Holdings Limited, have the ability to provide support for the going concern assessment period. Based on enquiry and review of supporting information the directors have concluded Academy Music Holdings Limited have sufficient resources available to provide this support.

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

Environmental matters

Large UK companies are required to report under the Streamlined Energy and Carbon Reporting (SECR) requirements except where exempt due to emissions being below 40,000 kWh per year. The company's UK emissions falling within the disclosure requirement of the scheme fall below this exemption threshold and therefore no such disclosure is made.

ELECTRICLAND LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

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

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

James Hands

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James M Hands
Director
Date: 6 September 2023

ELECTRICLAND LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

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;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company financial position and financial performance;
- 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 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.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report and directors report that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELECTRICLAND LIMITED

Opinion

We have audited the financial statements of Electricland Limited (the 'company') for the year ended 31 December 2022 which comprise the Statement of Income and Retained Earnings, Statement of Financial Position and the related notes 1 to 21, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2022 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.

Basis for opinion

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

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period to 30 September 2024.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

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

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006) and the relevant direct and indirect tax compliance regulation in the United Kingdom (Corporation Tax Act 2010).
- We understood how the company is complying with those frameworks by making enquiries of management, internal audit and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes, internal control testing and substantive testing. We also reviewed correspondence with relevant authorities.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override.
- We have assumed that management override could occur through manual journal entries to move expenses between periods via accrued expenses and/or provisions. We incorporated data analytics into our testing of manual journals where our procedures are designed to provide reasonable assurance that the financial statements are free from material error or fraud.

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

- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved: enquiries of Group management and those charged with governance, legal counsel, tax management and internal audit; reading of board minutes and correspondence with external specialists; journal entry testing; and focused testing, including as referred to above and involving internal specialists as appropriate.

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

Use of our report

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

Ernst + Young LLP

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

Date: 06 September 2023

ELECTRICLAND LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Administrative expenses		(39)	(27)
Operating loss		<u>(39)</u>	<u>(27)</u>
Interest receivable	6	178	216,709
Interest payable	7	(3,751,116)	(2,838,826)
Loss before tax		<u>(3,750,977)</u>	<u>(2,622,144)</u>
Tax on loss	8	867,891	715,372
Loss after tax		<u><u>(2,883,086)</u></u>	<u><u>(1,906,772)</u></u>
 Retained earnings at the beginning of the year		 (7,758,575)	 (5,851,803)
		<u>(7,758,575)</u>	<u>(5,851,803)</u>
Loss for the year		(2,883,086)	(1,906,772)
Retained earnings at the end of the year		<u><u>(10,641,661)</u></u>	<u><u>(7,758,575)</u></u>

There were no recognised gains and losses for 2022 or 2021 other than those included in the statement of income and retained earnings.

The notes on pages 11 to 21 form part of these financial statements.

ELECTRICLAND LIMITED
REGISTERED NUMBER: 05142633

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	9	27,608,056	27,608,056
		<u>27,608,056</u>	<u>27,608,056</u>
Current assets			
Debtors: amounts falling due within one year	10	1,594,422	7,545,511
Cash at bank and in hand	11	56,257	1,003,263
		<u>1,650,679</u>	<u>8,548,774</u>
Creditors: amounts falling due within one year	12	(39,400,396)	(9,525,933)
Net current liabilities		<u>(37,749,717)</u>	<u>(977,159)</u>
Total assets less current liabilities		<u>(10,141,661)</u>	<u>26,630,897</u>
Creditors: amounts falling due after more than one year	13	-	(33,889,472)
Net liabilities		<u><u>(10,141,661)</u></u>	<u><u>(7,258,575)</u></u>
Capital and reserves			
Called up share capital	16	500,000	500,000
Profit and loss account	17	(10,641,661)	(7,758,575)
		<u><u>(10,141,661)</u></u>	<u><u>(7,258,575)</u></u>

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

James Hands

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James M Hands
Director
Date: 6 September 2023

The notes on pages 11 to 21 form part of these financial statements.

ELECTRICLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General 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. 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 financial statements are presented in Sterling (£).

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 Academy Music Holdings Limited as at 31 December 2022 and these financial statements may be obtained from 211 Stockwell Road, London, SW9 9SL.

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 a larger group by a parent undertaking established under the law of any part of the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.4 Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report and Directors' Report.

The Directors have paid exceptionally close attention to the cashflow projections over the period to 30 September 2024, including the groups ability to make external loan repayments as they fall due.

As mentioned in the Strategic Report and note 20, the external loan notes have been refinanced subsequent to the year-end, with their maturity extended to August 2028. As described in the Strategic Report, there are ongoing investigations in relation to the incident at the O2 Academy Brixton, a venue operated by the company's subsidiary Academy Music Group Limited. We do not expect any outflows, other than legal costs, in relation to the incident during the going concern assessment period. Given the company is primarily a financing company for the group the directors have concluded it is appropriate to obtain letters of support from the immediate parent undertaking, Academy Music Holdings Limited, confirming that, if required, they will provide continuing financial support to enable the company to meet its obligations as they fall due for the going concern assessment period.

The directors have reviewed whether the immediate parent undertaking, Academy Music Holdings Limited, have the ability to provide support for the going concern assessment period. Based on enquiry and review of supporting information the directors have concluded Academy Music Holdings Limited have sufficient resources available to provide this support.

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

2.5 Interest rate benchmark reform

The wider group with which the entity sits is in the progress of undertaking a review of interest rate benchmarks applied to inter-group debtors and creditors. The review is expected to be completed and new benchmark agreements in place by the end of 2023. It is not expected that there will be any material impact on the entities financial statements.

2.6 Interest income

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

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.8 Current and deferred taxation

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

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting 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 are recognised initially at fair value which is normally transaction price. Subsequently, they are recognised at cost less impairment unless a reliable measure of fair value becomes available.

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.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

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.

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. The impairment review is not sensitive to management estimates as there is significant headroom. Management have considered the impact of climate change considerations and have not identified any significant adjustments to future cashflow forecasts.

ELECTRICLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

4. Auditor's remuneration

	2022 £	2021 £
Fees payable to the Company's auditor and its associates for the audit of the Company's financial statements	8,700	8,000

The auditor's remuneration is borne by Academy Music Group Limited, a wholly owned subsidiary.

5. Employees

Directors' emoluments have been borne by Live Nation (Music) Limited and Academy Music Group Limited. 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 2022 and 31 December 2021.

The company had no employees for the years ended 31 December 2022 and 31 December 2021.

6. Interest receivable

	2022 £	2021 £
Interest receivable on group undertaking loans	178	216,709
	<u>178</u>	<u>216,709</u>

7. Interest payable

	2022 £	2021 £
Bank interest payable	157,293	486,403
Interest payable on loan notes	1,546,654	1,055,985
Loans from group undertakings	1,991,169	1,248,438
Amortisation of loan issue expense	56,000	48,000
	<u>3,751,116</u>	<u>2,838,826</u>

ELECTRICLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

8. Taxation

	2022 £	2021 £
Current Tax		
Amounts receivable from group company in respect of group relief	(939,082)	(715,372)
Amounts receivable from group company in respect of group relief in previous years	71,191	-
Total current tax	<u>(867,891)</u>	<u>(715,372)</u>
Total tax credit	<u>(867,891)</u>	<u>(715,372)</u>

Factors affecting tax credit for the year

The difference between the total tax credit shown above and the amount calculated by applying the standard rate of UK Corporation tax of 19% (2021 - 19%) to the loss before tax is as follows:

	2022 £	2021 £
Loss on ordinary activities before tax	<u>(3,750,977)</u>	<u>(2,622,144)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(712,686)	(498,207)
Effects of:		
Income not taxable and corresponding adjustments	(1,653)	(1,519)
Difference in tax rates	70,972	68,098
Change in unrecognised deferred tax assets	(295,715)	(283,744)
Adjustments to current tax charge in respect of previous years for payment for losses	71,191	-
Total tax credit for the year	<u>(867,891)</u>	<u>(715,372)</u>

ELECTRICLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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8. Taxation (continued)**Factors that may affect future tax charges**

The corporation tax rate for the current year remains the same as prior year at 19%.

The Finance Act 2021 was substantively enacted on 24 May 2021 and has increased the corporation tax rate from 19% to 25% with effect from 1 April 2023.

In the Autumn Statement in November 2022, the government confirmed the increase in corporation tax rate to 25% from 1 April 2023.

The deferred taxation balances have been measured using the rates expected to apply in the reporting periods when the timing differences reverse.

9. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2022	27,608,056
At 31 December 2022	<u>27,608,056</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.

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Academy Music Group Limited	England	Management of music venues	Ordinary	100%
ABC3 Limited*	Scotland	Holding company	Ordinary	100%
Tecjet Limited*	Scotland	Venue operator	Ordinary	77.5%

*companies where the share capital is held indirectly

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FOR THE YEAR ENDED 31 DECEMBER 2022**

10. Debtors

	2022 £	2021 £
Amounts owed by Group undertakings	178	6,820,988
Prepayments and accrued income	10,981	9,151
Receivable for group relief	1,583,263	715,372
	<u>1,594,422</u>	<u>7,545,511</u>

Included within amounts owed from Group undertakings falling due within one year is £178 (2021 - £6,820,988) of interest bearing loans. Interest is charged at 3month GBP LIBOR plus 3%. All amounts owed by group undertakings are unsecured.

11. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	56,257	1,003,263
	<u>56,257</u>	<u>1,003,263</u>

12. Creditors: Amounts falling due within one year

	2022 £	2021 £
Bank loans	-	8,952,000
Other loans	28,536,389	-
Amounts owed to Group undertakings	10,864,007	333,667
Accruals and deferred income	-	240,266
	<u>39,400,396</u>	<u>9,525,933</u>

Included within amounts owed to Group undertakings falling due within one year is £10,864,008 (2021 - £333,667) of interest bearing loans. Interest is charged at 3month GBP LIBOR plus 3%. All amounts owed to Group undertakings are unsecured.

ELECTRICLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

	2022 £	2021 £
Bank loans	-	5,681,729
Other loans	-	28,207,743
	<u>-</u>	<u>33,889,472</u>

14. Loans

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

	2022 £	2021 £
Within one year	28,536,389	9,000,000
Between 1-5 years	-	33,897,472
	<u>28,536,389</u>	<u>42,897,472</u>
Unamortised loan issue expenses within one year	-	(48,000)
Unamortised loan issue expenses after more than one year	-	(8,000)
	<u>28,536,389</u>	<u>42,841,472</u>

Bank loans

A five year facility totalling £32,500,000 was entered into March 2018, comprising of a £25,000,000 loan facility instrument repayable in quarterly instalments with a final £5,000,000 instalment in March 2023 and a £7,500,000 revolver credit facility. The quarterly instalments were as follows: Years 1 and 2 - £500,000 per quarter; Years 3 and 4 - £1,250,000 per quarter; Year 5 - £1,500,000 per quarter.

These facilities were repaid in full in December 2022. There were no fees or penalties payable as a result of the early repayment of these loans.

Loan notes

Loan notes of £21,921,454 (2021 - £21,921,454) which are due for repayment in August 2023 and accrued interest of £6,614,935 (2021 - £6,286,289). These loan notes are unsecured and have a fixed interest rate of 11%.

Unamortised loan issue expenses within one year are £nil (2021 - £48,000). Unamortised loan issue expenses after more than one year are £nil (2021 - £8,000).

ELECTRICLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

15. Deferred taxation

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

	2022	2021
	£	£
Losses	-	(202,042)
Deferred tax not provided at 25% (2021 - 25%)	-	(202,042)

16. Share capital

	2022	2021
	£	£
Allotted, called up and fully paid		
500,000 (2021 - 500,000) Ordinary shares of £1.00 each	500,000	500,000

17. Reserves**Other 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.

18. Contingent liabilities and Capital Commitments

From time to time we are subject to various claims, investigations, legal and administrative cases and proceedings by governmental agencies or private parties. Where potential outflows are probable and can be estimated reliably a provision is included in the financial statements. Where the amounts cannot be estimated reliably disclosure is included relating to these contingent liabilities.

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.

The company had no other capital commitments and contingent liabilities at 31 December 2022 and 31 December 2021.

19. 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 in the current or prior year.

ELECTRICLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

20. Post balance sheet events

Subsequent to the year-end, the groups external loan notes, which were due to mature in August 2023 have been refinanced and are now due to mature in August 2028. The other commercial terms of these loans remain unchanged.

21. Controlling party

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 211 Stockwell Road, London SW9 9SL.