

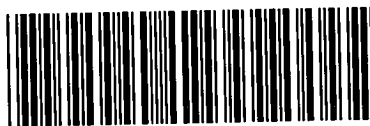
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SAFE FESTIVALS GROUP LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2019

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SAFE FESTIVALS GROUP LIMITED

COMPANY INFORMATION

Directors	Denis J Desmond Stuart R Douglas Lynn Lavelle Selina H Emeny
Company secretary	Selina H Emeny
Registered number	11598107
Registered office	30 St. John Street London EC1M 4AY
Independent auditor	Ernst & Young LLP London SE1 2AF
Bankers	HSBC Bank Plc 8 Canada Square London E14 5HQ

SAFE FESTIVALS GROUP LIMITED

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

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

Safe Festivals Group Limited was incorporated on 1 October 2018 issuing 100 ordinary A shares of £1.00 each. The Directors present their report and financial statements for the 15 month period ended 31 December 2019.

The company has taken advantage of the exemption allowed under S414B of the Companies Act 2006 not to prepare a Strategic Report.

Principal activity

The principal activity of the company is the promotion and organisation of music events.

Results and dividends

The loss for the period, after taxation, amounted to £3,012,130.

As shown in the company's Statement of income and retained earnings, the company's turnover is £3,172,204 with an operating loss of £3,049,566.

As shown on the company's Statement of financial position, the company has net liabilities of £3,012,030 for the period ending 31 December 2019.

Directors

The Directors who served during the period were:

Denis J Desmond (appointed 15 October 2018)
Stuart R Douglas (appointed 15 October 2018)
Lynn Lavelle (appointed 24 April 2019)
Selina H Emeny (appointed 15 October 2018)

Principal risks and uncertainties

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, competition, regulatory and legislative impacts, recruitment and retention of staff and maintenance of reputation, as well as financial risk.

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 from trading. Further detail is provided in the Post Balance Sheet Events paragraph below.

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

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 liability position, as such its intermediary parent undertaking, LN-Gaiety Holdings Limited, 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. Accordingly, 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.

Post balance sheet events

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 to postpone its concert promotions.

The company's performance is dependent on its ability to maintain its promotion and organisation of music events. The unprecedented and rapid spread of COVID-19 and the related Government intervention has put a temporary restriction on this. However, 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.

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 COVID-19 pandemic is not expected to have an impact on the 2019 balance sheet.

SAFE FESTIVALS GROUP LIMITED

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

Auditor

Under section 487(2) of the Companies Act 2006, Ernst & Young LLP will be deemed to have been reappointed as auditors 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.

Lynn Lavelle

.....
Lynn Lavelle
Director
Date: 24 November 2020

SAFE FESTIVALS GROUP LIMITED

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

The Directors are responsible for preparing 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 judgments 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 SAFE FESTIVALS GROUP LIMITED

Opinion

We have audited the financial statements of Safe Festivals Group Limited (the 'Company') for the period 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 loss for the period 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 2.3 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAFE FESTIVALS GROUP LIMITED (CONTINUED)

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 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 Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has 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 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; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAFE FESTIVALS GROUP LIMITED
(CONTINUED)**

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.

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
London
SE1 2AF

25 November 2020

SAFE FESTIVALS GROUP LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE PERIOD ENDED 31 DECEMBER 2019**

	Note	2019 £
Turnover	4	3,172,204
Cost of sales		(5,237,085)
Gross loss		(2,064,881)
Administrative expenses		(984,685)
Operating loss	5	(3,049,566)
Interest receivable and similar income	7	515
Interest payable and expenses	8	(44,907)
Loss before tax		(3,093,958)
Tax on loss	9	81,828
Loss after tax		(3,012,130)
 Loss for the period		 (3,012,130)
Retained earnings at the end of the period		(3,012,130)

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

The notes on pages 10 to 20 form part of these financial statements.

SAFE FESTIVALS GROUP LIMITED
REGISTERED NUMBER: 11598107

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £
Fixed assets		
Intangible assets	10	673,873
		<u>673,873</u>
Current assets		
Debtors: amounts falling due within one year	11	396,911
Cash at bank and in hand	12	782,472
		<u>1,179,383</u>
Creditors: amounts falling due within one year	13	(4,750,729)
Net current liabilities		<u>(3,571,346)</u>
Total assets less current liabilities		<u>(2,897,473)</u>
Provisions for liabilities		
Deferred tax	14	(114,557)
		<u>(114,557)</u>
Net liabilities		<u><u>(3,012,030)</u></u>
Capital and reserves		
Called up share capital	15	100
Profit and loss account	16	(3,012,130)
		<u><u>(3,012,030)</u></u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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: 24 November 2020

The notes on pages 10 to 20 form part of these financial statements.

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

1. General information

Safe Festivals Group 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 judgment 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 LN-Gaiety Holdings Limited as at 31 December 2019 and these financial statements may be obtained from 30 St. John Street, London, EC1M 4AY.

SAFE FESTIVALS GROUP LIMITED

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

2. Accounting policies (continued)

2.3 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 liability position, as such its intermediary parent undertaking, LN-Gaiety Holdings Limited, 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. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2.4 Revenue recognition

Turnover

Turnover, which is stated net of value added tax, represents the fair value of amounts receivable for goods and services. Turnover is attributable to the company's principal activity and is generated in the UK. Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and that it can be measured reliably.

All show based turnover, including ticket sales and bar sales is recognised at the date of the applicable event.

Turnover from a contract to provide services is phased equally over the duration of the contract at the value of the consideration due. Where a contract has only been partially completed at the statement of financial position date, turnover represents the value of the service provided to date based on the proportion of the total contract value. Where payments are received from customers in advance of services provided, the amounts are recorded as Deferred Income.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 October 2017 to continue to be charged over the period to the first market rent review rather than the term of the lease.

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

2. Accounting policies (continued)**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.

2.8 Pensions**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.9 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 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.

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

2. Accounting policies (continued)

2.10 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Festival rights	-	3	years
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2.11 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.

2.12 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.

2.13 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.

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

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

3. Judgments 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:

Useful lives and impairment of intangible assets

Intangible assets are amortised over their useful lives. Useful lives are based on the management's estimates of the period that the assets will generate revenue, which are periodically reviewed for continued appropriateness. Management did a review of Intangible assets during the year and no impairment was deemed necessary.

4. Turnover

Turnover, which excludes value added tax, represents the fair value of amounts due from the company's principal business, that of concert promotion.

All turnover arose within the United Kingdom.

5. Operating loss

The operating loss is stated after charging:

	2019 £
Auditor's remuneration - audit services	7,500
Amortisation	481,336

SAFE FESTIVALS GROUP LIMITED

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

6. Employees

	2019 £
Wages and salaries	209,147
Social security costs	21,264
Cost of defined contribution scheme	9,884
	<u>240,295</u>

The company operates a stakeholder defined contribution pension scheme for the benefit of the employees and directors. The assets of the scheme are administered by an independent pension provider.

The average monthly number of employees, including the Directors, during the period was as follows:

	2019 No.
Administration	<u>4</u>

The requirement to disclose director's remuneration in the financial statements of a small company was repealed by Statutory Instrument 2015 No 980. The directors do not consider there have been any transactions which have 'not been concluded under normal market conditions' in accordance with FRS 102 (paragraph 1AC.35).

7. Interest receivable

	2019 £
Bank interest receivable	515
	<u>515</u>

8. Interest payable and similar expenses

	2019 £
Loans from group undertakings	44,907
	<u>44,907</u>

SAFE FESTIVALS GROUP LIMITED

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

9. Taxation

	2019 £
Current tax	
Current tax on profits for the year	-
Total current tax	<u>-</u>
Deferred tax	
Origination and reversal of timing differences	(81,828)
Total deferred tax	<u>(81,828)</u>
Total tax credit	<u>(81,828)</u>

Factors affecting the total 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% to the loss before tax is as follows:

	2019 £
Loss on ordinary activities before tax	(3,093,958)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	(587,852)
Effects of:	
Difference in tax rates	9,626
Income not taxable and corresponding adjustments	(63,126)
Group relief surrendered	559,524
Total tax credit for the year	<u>(81,828)</u>

Factors that may affect future tax charges

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%.

SAFE FESTIVALS GROUP LIMITED

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

10. Intangible assets

	Festival rights £
Cost	
Additions	1,155,209
At 31 December 2019	<u>1,155,209</u>
Amortisation	
Charge for the period	481,336
At 31 December 2019	<u>481,336</u>
Net book value	
At 31 December 2019	<u><u>673,873</u></u>

11. Debtors

	2019 £
Trade debtors	105,262
Amounts owed by group undertakings	101,508
Other debtors	10,032
Prepayments and accrued income	180,109
	<u><u>396,911</u></u>

Amounts owed by group undertakings are repayable on demand, unsecured and non-interest bearing.

12. Cash and cash equivalents

	2019 £
Cash at bank and in hand	782,472
	<u><u>782,472</u></u>

SAFE FESTIVALS GROUP LIMITED

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

13. Creditors: Amounts falling due within one year

	2019 £
Trade creditors	7,963
Amounts owed to group undertakings	3,162,585
Other taxation and social security	74,662
Accruals and deferred income	1,505,519
	<u>4,750,729</u>

Included within amounts owed to group undertakings falling due within one year is £3,108,724 of interest bearing loans. Interest is charged at 3month GBP LIBOR plus 3%. The remaining amounts owed to group undertakings are repayable on demand, unsecured and non-interest bearing.

14. Deferred taxation

	2019 £
Charged to the profit or loss	81,829
Movements arising from acquisition/disposal of businesses	(196,386)
Deferred tax asset at 31 December 2019	<u>(114,557)</u>

The deferred taxation balance is made up as follows:

	2019 £
Short term timing differences	(114,557)
Provision for deferred tax asset	<u>(114,557)</u>

Following enactment of Finance Bill 2020, the deferred tax balances provided are expected to change by £83,000 and this should be reflected in the financial statements for the year ended 31 December 2020.

15. Share capital

	2019 £
Allotted, called up and fully paid	
100 Ordinary A shares of £1.00 each	<u>100</u>

SAFE FESTIVALS GROUP LIMITED

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

15. Share capital (continued)

On 1 October 2018, the company issued 100 ordinary A shares of £1.00 each.

16. Reserves**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.

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 its immediate parent undertaking.

During the year the company entered into transactions, in the ordinary course of business, with other related parties outside of the 100% owned group. Transactions entered into, and trading balances outstanding at 31 December, are as follows:

	Purchases from related party £	Interest charged from related party £
Entities with control over the company		
2019	(13,200)	44,907
Entities controlled by the same ultimate parent undertaking		
2019	-	-

SAFE FESTIVALS GROUP LIMITED

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

19. Post balance sheet events

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 to postpone its concert promotions.

The company's performance is dependent on its ability to maintain its promotion and organisation of music events. The unprecedented and rapid spread of COVID-19 and the related Government intervention has put a temporary restriction on this. However, 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.

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 COVID-19 pandemic is not expected to have an impact on the 2019 balance sheet.

20. Controlling party

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. This is the largest group which consolidated accounts are prepared. 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.

The company's immediate parent undertaking is MAMA Festival Limited, a company incorporated in the United Kingdom. The smallest undertaking preparing consolidated financial statements that include the company is LN-Gaiety Holdings Limited. Copies of the consolidated financial statements are available from 30 St. John Street, London, EC1M 4AY.