

Registered number: 11598107

SAFE FESTIVALS GROUP LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020



SAFE FESTIVALS GROUP LIMITED

COMPANY INFORMATION

Directors	Denis J Desmond Stuart R Douglas Lynn Lavelle Selina H Emeny
Company secretary	Selina Holliday 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 YEAR ENDED 31 DECEMBER 2020

The Directors present their report and the financial statements for the year ended 31 December 2020.

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

On 11 March 2020, the World Health Organization (WHO) classified the outbreak 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 prevented the company from trading.

The profit for the year, after taxation, amounted to £992,169 (2019 - loss £3,012,130). The company was profitable during 2020 due to the recognition of other operating income of £1,842,987, refer to Note 5 for further details.

As show in the company's Statement of income and retained earnings, the company's recorded an operating profit of £634,196 (2019 - loss £3,049,566).

No dividends were declared or paid during the year (2019 - £nil).

The Statement of financial position shows the company's financial position at the year end. The net liability position has reduced to £2,019,861 compared to £3,012,030 at 31 December 2019.

Directors

The Directors who served during the year were:

Denis J Desmond
Stuart R Douglas
Lynn Lavelle
Selina H Emeny

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. Generally, 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.

The company forms part of a larger group and the principal risks and uncertainties facing it are therefore integrated with those facing the Live Nation group as a whole. Accordingly, the nature of risk and its management are further detailed in the Annual Review and accounts of Live Nation Entertainment, Inc., which are available from the Live Nation website (www.livenation.com).

Currently, the principal risk to the company is the impact of the COVID-19 pandemic, which as at the date of this report is continuing to prevent the company from the organisation of live music events.

SAFE FESTIVALS GROUP LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

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 impact of COVID-19 restrictions and regulations, along with our proposed responses over the period to December 2022. 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 the duration of management's going concern assessment period.

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

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
Director
Date: 2 September 2021

SAFE FESTIVALS GROUP LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

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 year ended 31 December 2020 which comprise the Statement of Income and Retained Earnings, Statement of Financial Position and the related notes 1 to 20, 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 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter

We draw attention to note 2.3 of the financial statements, which describes the financial and operational disruption the Company is facing as a result of COVID-19, which is impacting the Company due to the rescheduling and cancellation of events as a result of capacity restrictions. 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 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 the period to 31 December 2022.

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 there is 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:

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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 set out on page 3, 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.

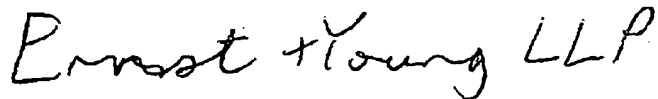
Our approach was as follows:

- 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). In addition, the Company has to comply with laws and regulations relating to its operations, including furlough scheme rules, health and safety, Employment Law and GDPR.
- We understood how the Company is complying with those frameworks by making enquiries of management, internal audit and those responsible for legal and compliance policies and 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 and by assuming revenue to be a fraud risk.
- We have assumed that management override could occur through manual journal entries to move revenue and/or expenses between periods via deferred revenue, 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 error or fraud.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations identified above. Our procedures involved: enquiries of Group management and those charged with governance, legal counsel, tax management and internal audit; review of board minutes; journal entry testing; testing of furlough claims in line with guidance from HMRC; and focused testing, including as referred to above.

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.

A handwritten signature in black ink that reads "Ernst + Young LLP". The signature is written in a cursive, flowing style.

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

Date: 06/09/2021

SAFE FESTIVALS GROUP LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £	15 months to 2019 £
Turnover	4	30,542	3,172,204
Cost of sales		(420,826)	(5,237,085)
Gross loss		<u>(390,284)</u>	<u>(2,064,881)</u>
Administrative expenses		(818,507)	(984,685)
Other operating income	5	1,842,987	-
Operating profit/(loss)	6	<u>634,196</u>	<u>(3,049,566)</u>
Interest receivable and similar income	8	1,279	515
Interest payable and expenses	9	(99,356)	(44,907)
Profit/(loss) before tax		<u>536,119</u>	<u>(3,093,958)</u>
Tax on profit/(loss)	10	456,050	81,828
Profit/(loss) after tax		<u>992,169</u>	<u>(3,012,130)</u>
Retained earnings at the beginning of the year		(3,012,130)	-
		<u>(3,012,130)</u>	<u>-</u>
Profit/(loss) for the year		992,169	(3,012,130)
Retained earnings at the end of the year		<u>(2,019,961)</u>	<u>(3,012,130)</u>

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of income and retained earnings.

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

SAFE FESTIVALS GROUP LIMITED
REGISTERED NUMBER: 11598107

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	11	288,803	673,873
		<u>288,803</u>	<u>673,873</u>
Current assets			
Debtors: amounts falling due within one year	12	1,228,844	396,911
Cash at bank and in hand	13	573,960	782,472
		<u>1,802,804</u>	<u>1,179,383</u>
Creditors: amounts falling due within one year	14	(4,057,863)	(4,750,729)
Net current liabilities		<u>(2,255,059)</u>	<u>(3,571,346)</u>
Total assets less current liabilities		<u>(1,966,256)</u>	<u>(2,897,473)</u>
Provisions for liabilities			
Deferred tax	15	(53,605)	(114,557)
		<u>(53,605)</u>	<u>(114,557)</u>
Net liabilities		<u><u>(2,019,861)</u></u>	<u><u>(3,012,030)</u></u>
Capital and reserves			
Called up share capital	16	100	100
Profit and loss account	17	(2,019,961)	(3,012,130)
		<u><u>(2,019,861)</u></u>	<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: 2 September 2021

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

SAFE FESTIVALS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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 Company's functional and presentational currency is GBP.

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 2020 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 YEAR ENDED 31 DECEMBER 2020

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 impact of COVID-19 restrictions and regulations, along with our proposed responses over the period to December 2022. 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 the duration of management's going concern assessment period.

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

2.4 Revenue recognition

Turnover

Turnover is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Turnover is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised.

Sale of goods

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, the amount of turnover can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Turnover from the supply of services is recognised on delivery of those services. Where turnover represents the value of services provided under contracts it 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 a proportion of the total contract value. Where payments are received from customers in advance of services provided, the amounts are recorded as Deferred Income and included as part of Creditors due within one year or after more than one year.

Our Sponsorship & Advertising segment employs a sales force that creates and maintains relationships with sponsors through a combination of strategic, international, national and local opportunities that allow businesses to reach customers through our concerts, venue, artist relationship and ticketing assets, including advertising on our websites. Revenue collected from sponsorships and other revenue, which is not related to any single event, is classified as deferred revenue and generally recognized over the operating season or the term of the contract.

SAFE FESTIVALS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

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.

2.6 Government grants

Grants are accounted under the accruals model as permitted by FRS 102.

Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure. Grants received as compensation for expenses already incurred by the company are recognised in the Statement of Comprehensive Income in the period the grant becomes receivable and any associated conditions are considered to have been met.

The deferred element of grants is included in creditors as deferred income.

2.7 Interest income

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

2.8 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.

2.9 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.10 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.

2.11 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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2.12 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.

2.13 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.

SAFE FESTIVALS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.14 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.

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that 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 made, they are charged to the provision carried in the Statement of financial position.

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.

SAFE FESTIVALS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

5. Other operating income

	2020	15 months to 2019
	£	£
Government grants receivable	58,423	-
Insurance claims receivable	1,784,564	-
	<u>1,842,987</u>	<u>-</u>

Government grant income recognised in 2020 relates to grants received from the Coronavirus Job Retention Scheme.

6. Operating profit/(loss)

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

	2020	15 months to 2019
	£	£
Auditor's remuneration - audit services	5,429	7,500
Amortisation	<u>385,070</u>	<u>481,336</u>

SAFE FESTIVALS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. Employees

	2020	15 months to 2019
	£	£
Wages and salaries	160,683	209,147
Social security costs	14,873	21,264
Cost of defined contribution scheme	7,483	9,884
	<u>183,039</u>	<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 year was as follows:

	2020 No.	2019 No.
Administration	<u>5</u>	<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).

8. Interest receivable

	2020	15 months to 2019
	£	£
Bank interest receivable	1,279	515
	<u>1,279</u>	<u>515</u>

9. Interest payable and similar expenses

	2020	15 months to 2019
	£	£
Loans from group undertakings	99,356	44,907
	<u>99,356</u>	<u>44,907</u>

SAFE FESTIVALS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. Taxation

	2020 £	2019 £
Corporation tax		
Adjustment for group relief receivable in respect of previous years	(559,524)	-
UK corporation tax on profits/(losses) for the year	164,426	-
Total current tax	<u>(395,098)</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	(74,430)	(81,828)
Changes in tax rates and laws	13,478	-
Total deferred tax	<u>(60,952)</u>	<u>(81,828)</u>
Total tax credit	<u>(456,050)</u>	<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 19% (2019 - 19%) to the profit/(loss) before tax is as follows:

	2020 £	2019 £
Profit/(loss) on ordinary activities before tax	<u>536,119</u>	<u>(3,093,958)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	101,863	(587,852)
Effects of:		
Difference in tax rates	13,478	9,626
Adjustment for group relief receivable in respect of previous years	(559,524)	-
Non-taxable income and corresponding adjustments	(11,867)	(63,126)
Group relief surrendered	-	559,524
Total tax credit for the year	<u>(456,050)</u>	<u>(81,828)</u>

Factors that may affect future tax charges

SAFE FESTIVALS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. Taxation (continued)

The corporation tax rate was due to reduce to 17% with effect from 1 April 2020, however, the Finance Act 2020 maintained the rate of corporation tax at 19%. As such, the deferred tax balances provided in these financial statements (if applicable) are at 19%.

The government announced in the 2021 Budget a proposal to increase the main rate of corporation tax to 25% from 1 April 2023. As this proposal has not been substantively enacted at the balance sheet date, this rate change is not reflected in these financial statements. The overall effect of this change is not material to these accounts.

11. Intangible assets

	Festival rights £
Cost	
At 1 January 2020	1,155,209
At 31 December 2020	<u>1,155,209</u>
Amortisation	
At 1 January 2020	481,336
Charge for the year on owned assets	385,070
At 31 December 2020	<u>866,406</u>
Net book value	
At 31 December 2020	<u><u>288,803</u></u>
At 31 December 2019	<u><u>673,873</u></u>

12. Debtors

	2020 £	2019 £
Trade debtors	3,067	105,262
Amounts owed by group undertakings	31,244	101,508
Other debtors	548,480	10,032
Prepayments and accrued income	86,529	180,109
Group relief receivable	559,524	-

SAFE FESTIVALS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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12. Debtors (continued)

	<u>1,228,844</u>	<u>396,911</u>
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Amounts owed by group undertakings are repayable on demand, unsecured and non-interest bearing.

13. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	573,960	782,472
	<u>573,960</u>	<u>782,472</u>

14. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	32,207	7,963
Amounts owed to group undertakings	1,465,667	3,162,585
Corporation tax	164,426	-
Other taxation and social security	157,591	74,662
Accruals and deferred income	2,237,972	1,505,519
	<u>4,057,863</u>	<u>4,750,729</u>

Included within amounts owed to group undertakings falling due within one year is £1,444,039 (2019 - £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.

15. Deferred taxation

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15. Deferred taxation (continued)

	2020 £	2019 £
At beginning of year	(114,557)	-
Credit to profit or loss	74,430	81,829
Movements arising from acquisition/disposal of businesses	-	(196,386)
Changes in tax rates and laws	(13,478)	-
At end of year	(53,605)	(114,557)

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Depreciation in excess of capital allowances	1,268	-
Short term timing differences	(54,873)	(114,557)
	(53,605)	(114,557)

The deferred tax balances provided are expected to change by £55,000 and this should be reflected in the financial statements for the year ended 31 December 2021.

16. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
100 (2019 - 100) Ordinary A shares of £1.00 each	100	100

17. Reserves**Profit and loss account**

Includes all current and prior periods retained profits and losses.

18. Contingent liabilities and capital commitments

The company had no capital commitments and contingent liabilities at 31 December 2020.

SAFE FESTIVALS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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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.

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 £	Amounts owed from related party £	Amounts owed to related party £
Entities with control over the company				
2020	-	99,356	(13,200)	44,907
2019	(13,200)	44,907	-	-
Entities controlled by the same ultimate parent undertaking				
2020	-	-	-	-
2019	-	-	-	-

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.