

TECJET LIMITED

Report and Financial Statements

31 December 2013

Registered No. SC253459 (Scotland)

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COMPANIES HOUSE

Tecjet Limited

COMPANY INFORMATION

DIRECTORS

M Mackie
S R Douglas
P R Latham
J M Hands

SECRETARY

S H Emeny

AUDITORS

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

BANKERS

HSBC Bank plc
City Corporate Banking Centre
First Floor
60 Queen Victoria Street
London
EC4N 4TR

Santander UK plc
2 Triton Square
Regent's place
London
NW1 3AN

REGISTERED OFFICE

Whitehall House
33 Yeaman Shore
Dundee
Scotland
DD1 4BJ

Tecjet Limited

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 December 2013. The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

PRINCIPAL ACTIVITY

The principal activity of the company continues to be that of a music venue operator.

FUTURE DEVELOPMENTS

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

RESULTS AND DIVIDENDS

The profit after tax for the year ended 31 December 2013 was £389,560 (2012 - £313,448). A dividend of £300,000 was paid during the year (2012 – £400,000).

As shown in the company's profit and loss account on page 6, the company's turnover has increased by 8% over the prior year to £3,636,409 and the operating profit has increased by 24% over the prior year to £502,258.

The balance sheet on page 7 of the financial statements shows the company's financial position at the year end. Net assets have increased by 6% to £1,642,914.

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

PRINCIPAL RISKS AND UNCERTAINTIES

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.

DIRECTORS

The directors who served throughout the year ended 31 December 2013 were as follows:

S R Douglas
P R Latham
M Mackie
J M Hands

Tecjet Limited

DIRECTORS' REPORT (CONTINUED)

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF DISABLED PERSONS

The employees of the company are systematically provided with information on matters which concern them as employees. Employees or their representation are regularly consulted when decisions are taken which are likely to affect their interests. The directors continue to provide information to employees in order to achieve employee awareness of financial and economic factors affecting the company. The company maintains a policy of giving fair consideration to applications for employment made by disabled persons having regard to their particular aptitudes and abilities. In the event of an employee becoming disabled, the company uses its best endeavors to ensure continued employment.

AUDITORS

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

By order of the Board



S H Emeny
Secretary

Date

4/4/14

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

In so far as each of the directors is aware:

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

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

Tecjet Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TECJET LIMITED

We have audited the financial statements of Tecjet Limited for the year ended 31 December 2013 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice applicable to smaller entities).

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

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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



Nicholas Page (Senior Statutory Auditor)

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

London

Date:

21/4/14

Tecjet Limited

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 £	2012 £
TURNOVER	2	3,636,409	3,369,357
Cost of sales		(858,351)	(841,720)
GROSS PROFIT		<u>2,778,058</u>	<u>2,527,637</u>
Administrative expenses		(2,275,800)	(2,122,355)
OPERATING PROFIT	3	502,258	405,282
Interest receivable and similar income	5	24,637	36,723
Interest payable and similar charges	6	(25,584)	(32,876)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX		<u>501,311</u>	<u>409,129</u>
Tax on profit on ordinary activities	7	(111,751)	(95,681)
PROFIT FOR THE FINANCIAL YEAR	14	<u><u>389,560</u></u>	<u><u>313,448</u></u>

All the company's operations are continuing.

There are no recognised gains or losses other than as stated in the profit and loss account.

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

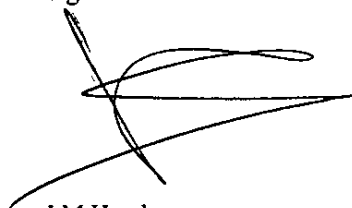
Tecjet Limited

BALANCE SHEET AS AT 31 DECEMBER 2013

	Notes	2013 £	2012 £
FIXED ASSETS			
Tangible fixed assets	8	1,231,440	1,261,061
CURRENT ASSETS			
Stocks	9	44,054	46,099
Debtors	10	93,489	1,500,628
Cash at bank and in hand		1,038,889	372,955
		<u>1,176,432</u>	<u>1,919,682</u>
CREDITORS: amounts falling due within one year	11	<u>(719,162)</u>	<u>(1,574,573)</u>
NET CURRENT ASSETS		<u>457,270</u>	<u>345,109</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,688,710</u>	<u>1,606,170</u>
PROVISIONS FOR LIABILITIES	12	<u>(45,796)</u>	<u>(52,816)</u>
NET ASSETS		<u><u>1,642,914</u></u>	<u><u>1,553,354</u></u>
CAPITAL AND RESERVES			
Called up share capital	13, 14	70,000	70,000
Share premium account	14	630,000	630,000
Profit and loss account	14	942,914	853,354
EQUITY SHAREHOLDERS' FUNDS	14	<u><u>1,642,914</u></u>	<u><u>1,553,354</u></u>

The accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime.

Signed on behalf of the Board



J M Hands
Director

Date 2/4/14

Registered No. SC253459 (Scotland)

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

Tecjet Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2013

1 ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. Accounting policies for all material transactions have been applied consistently unless otherwise stated, and are set out below.

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 Business Review on page 2.

The company has net assets, is profit making and has a considerable cash balance. The company's forecasts project that it will continue to trade profitably and be in a strong liquidity position.

Based on the above the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Statement of cash flows

The company has not prepared a statement of cash flows in accordance with the special provisions applicable to companies subject to the small companies regime.

Revenue recognition

Turnover

Turnover, which is stated net of value added tax, represents amounts receivable for goods and services. Turnover is attributable to the group's principal activity and is all generated in the UK. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and 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 balance sheet 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.

Interest income

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

Income from fixed asset investments

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

Tangible assets

Fixed assets are stated at cost less accumulated depreciation.

Fixed assets are depreciated so as to write them off over their anticipated useful lives on a straight line basis as follows:

Leasehold properties	- over the term of the lease
Plant and machinery	- straight line over 7 years
Fixtures and fittings	- straight line over 7 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Tecjet Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2013

1 ACCOUNTING POLICIES (CONTINUED)

Operating leases

Rentals under operating lease are charged to the profit and loss account on a straight line basis over the lease term.

Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks.

Deferred taxation

In accordance with FRS 19 (Deferred Tax), full provision is made for deferred tax arising from timing differences between the differing treatment of certain items for taxation and accounting purposes. The provision is calculated at the rates of taxation at which it is estimated the liability will arise and is not discounted.

No provision is made in respect of timing differences arising from the sale or revaluation of fixed assets unless there is a commitment to the disposal of the assets at the balance sheet date. No provision is made for the tax which would become payable on the distribution of retained profits by foreign subsidiaries, associates or joint ventures, unless there is an intention to distribute such retained earnings giving rise to a charge.

Provision on timing differences arising when an asset is continuously revalued to fair value is only made where changes in fair value are recognised in the profit and loss account. Deferred tax assets are recognised only to the extent that the directors consider there to be suitable taxable profits from which the underlying timing differences can be deducted.

2 TURNOVER

Turnover, which excludes value added tax, represents amounts due from the company's principal business, that of management of concert venues. All turnover is derived in the United Kingdom.

3 OPERATING PROFIT

This is stated after charging:

	2013	2012
	£	£
Depreciation of tangible fixed assets:		
owned by the company	69,002	76,746
Operating lease rentals - land and buildings	223,333	213,333

The 2013 and 2012 auditor's remuneration of £10,000 per annum is borne by Academy Music Group Limited, a fellow group company.

Tecjet Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2013

4 STAFF COSTS

	2013	2012
	£	£
Wages and salaries	710,523	713,158
Social security costs	32,149	33,238
	<u>742,672</u>	<u>746,396</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2013	2012
Number of operations staff	47	47
Number of administrative staff	10	9
	<u>57</u>	<u>56</u>

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 2013 and 31 December 2012.

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	2013	2012
	£	£
Interest receivable on other loans	24,019	36,483
Other interest receivable	618	240
	<u>24,637</u>	<u>36,723</u>

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2013	2012
	£	£
Interest payable on other loans	25,584	32,876

Tecjet Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2013

7 TAX ON PROFIT ON ORDINARY ACTIVITIES

a) Analysis of tax charge in the year

	2013 £	2012 £
Current tax:		
UK Corporation Tax on profits for the year	116,085	101,085
Adjustments in respect of previous years in relation to amount payable to a fellow group company in respect of group relief	91,226	-
Adjustments in respect of previous years	(88,540)	(718)
Total current tax (note 7 (b))	<u>118,771</u>	<u>100,367</u>
Deferred tax:		
Origination and reversal of timing differences	669	(130)
Changes in tax rates and laws	(6,889)	(4,600)
Adjustments to the estimated recoverable amounts of deferred tax arising in previous periods	(800)	44
Total deferred tax	<u>(7,020)</u>	<u>(4,686)</u>
Total tax charge	<u>111,751</u>	<u>95,681</u>

b) Factors affecting the current tax charge for the year

The difference between the total current tax charge shown above and the amount calculated by applying the standard rate of UK Corporation tax of 23.25% (2012 - 24.5%) to the profit before tax is as follows:

	2013 £	2012 £
Profit on ordinary activities before taxation	501,311	409,129
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%)	116,537	100,224
Effects of:		
Expenses not deductible for tax purposes and imputed income	326	723
(Capital allowances in excess of depreciation) / depreciation in excess of capital allowances	(863)	138
Adjustments to tax charge in respect of previous periods	2,686	(718)
Short term timing differences	85	-
Current tax charge for the year (note 7 (a))	<u>118,771</u>	<u>100,367</u>

c) Other factors affecting the current tax charge for the year

The company paid for the benefit of tax losses to another group company in the prior year for a consideration of £91,226.

Tecjet Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2013

8 TANGIBLE FIXED ASSETS

	Leasehold property and improvements	Plant and machinery	Fixtures and fittings	Total
Cost:	£	£	£	£
At 1 January 2013	1,476,275	497,754	189,604	2,163,633
Additions	10,436	17,242	11,703	39,381
At 31 December 2013	1,486,711	514,996	201,307	2,203,014
Depreciation:				
At 1 January 2013	293,232	439,170	170,170	902,572
Charge for year	46,012	16,894	6,096	69,002
At 31 December 2013	339,244	456,064	176,266	971,574
Net book value:				
At 31 December 2013	1,147,467	58,932	25,041	1,231,440
At 31 December 2012	1,183,043	58,584	19,434	1,261,061

9 STOCKS

	2013	2012
	£	£
Goods held for resale	44,054	46,099

10 DEBTORS

	2013	2012
	£	£
Trade debtors	12,796	6,148
Amounts owed by group undertakings	28,820	1,398,142
Prepayments and accrued income	51,873	47,775
Corporation tax	-	48,563
	93,489	1,500,628

Tecjet Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2013

11 CREDITORS: amounts falling due within one year

	2013	2012
	£	£
Trade creditors	61,043	63,595
Amounts due to group undertakings	178,654	1,175,808
Corporation tax	22,896	-
Taxation and social security	144,172	94,451
Accruals and deferred income	146,391	114,053
Other creditors	166,006	126,666
	<u>719,162</u>	<u>1,574,573</u>

12 DEFERRED TAX

	2013	2012
	£	£
The movement in the deferred tax liability during the year was:		
Deferred tax liability at 1 January 2013 / 2012	52,816	57,502
Profit and loss account (credit)	(131)	(86)
Changes in tax rates and laws	(6,889)	(4,600)
	<u>45,796</u>	<u>52,816</u>
Deferred tax liability at 31 December 2013 / 2012		

Details of the provision for deferred taxation are given below:

	2013	2012
	£	£
Excess of capital allowances over depreciation	46,669	52,816
Short term timing differences	(873)	-
	<u>45,796</u>	<u>52,816</u>
Provision for deferred tax liability		

The Finance Act 2013, which received Royal Assent on 17 July 2013 reduced the main rate of corporation tax from 23% to 21% from 1 April 2014 and to 20% from 1 April 2015. This followed a reduction in the rate to 24% from 1 April 2012 and to 23% from 1 April 2013 introduced by the Finance Act 2012.

As a result of these changes, the current rate of tax for the year ended 31 December 2013 has fallen to 23.25% and will fall to 21.5% for the year ended 31 December 2014 and 20.25% for the year ended 31 December 2015. Deferred tax has been provided at 20% in these accounts and will remain at this rate for the foreseeable future.

13 SHARE CAPITAL

	2013	2012	2013	2012
	Number	Number	£	£
<i>Allotted, called up and fully paid</i>				
Equity ordinary shares of £0.01 each	<u>7,000,000</u>	<u>7,000,000</u>	<u>70,000</u>	<u>70,000</u>

Tecjet Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2013

14 RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

	Share capital	Share premium account	Profit and loss account	Total
	£	£	£	£
At 1 January 2012	70,000	630,000	939,906	1,639,906
Profit for the year	-	-	313,448	313,448
Dividends	-	-	(400,000)	(400,000)
At 1 January 2013	70,000	630,000	853,354	1,553,354
Profit for the year	-	-	389,560	389,560
Dividends	-	-	(300,000)	(300,000)
At 31 December 2013	70,000	630,000	942,914	1,642,914

15 RELATED PARTY TRANSACTIONS

Included within turnover are venue hire fees of £15,813 (2012 - £8,582) from Regular Limited, a company in which M Mackie holds 75% of the issued share capital. At the year end £nil (2012 - £nil) was due to Regular Limited.

LN-Gaiety Holdings Limited controls 56% of the shares in the company's parent company, Academy Music Holdings Limited. LN-Gaiety Holdings Limited controls 78% of the shares in DF Concerts Limited. Included within turnover of Tecjet Limited are venue hire fees of £54,513 (2012 - £63,459) from DF Concerts Limited.

There were no other related party transactions.

16 OPERATING LEASE COMMITMENTS

At 31 December 2013 the company had annual commitments under non cancellable operating leases as follows:

	2013	2012
	Land and buildings	Land and buildings
	£	£
Operating lease which expire:		
After more than five years	230,000	223,333
	230,000	223,333

Tecjet Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2013

17 CONTINGENCIES AND CAPITAL COMMITMENTS

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 capital commitments outstanding at 31 December 2013 or 31 December 2012.

18 ULTIMATE PARENT UNDERTAKING

The company's immediate parent company is ABC 3 Limited, a company incorporated in Scotland.

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.

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 group accounts can be obtained from those companies' registered offices.