

# TECJET LIMITED

Report and Financial Statements

31 December 2015

Registered No. SC253459 (Scotland)

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# Tecjet Limited

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## **COMPANY INFORMATION**

### **DIRECTORS**

M J 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

### **REGISTERED OFFICE**

Whitehall House  
33 Yeaman Shore  
Dundee  
Scotland  
DD1 4BJ

# Tecjet Limited

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## **DIRECTORS' REPORT**

The directors present their report and financial statements for the year ended 31 December 2015. 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 for the financial year for the year ended 31 December 2015 was £446,886 (2014 - £346,430). A dividend of £350,000 was paid during the year (2014 - £400,000).

As shown in the company's income statement on page 6, the company's turnover has increased by 4.5% over the prior year to £3,934,838. Operating profit has increased by 16% over the prior year to £534,952.

The statement of financial position on page 7 shows the company's financial position at the year end. Net assets have increased by 6.1% to £1,686,230.

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.

## **GOING CONCERN**

The company has net assets, is profit making and has a sufficient 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.

## **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 2015 were as follows:

S R Douglas  
P R Latham  
M J Mackie  
J M Hands

## **DIRECTORS' REPORT (CONTINUED)**

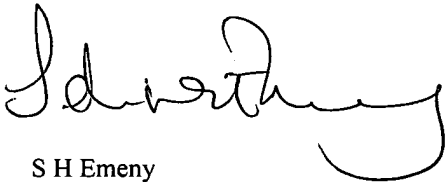
### **EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF DISABLED PERSONS**

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 19/4/16

## 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 with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the company for that year. In preparing these financial statements, the directors are required to:

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

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

In so far as each of the directors is aware:

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

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

## 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 2015 which comprise the Statement of Income and Retained Earnings, Statement of Financial Position and the related notes 1 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

### Respective responsibilities of directors and auditors

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

### Scope of the audit of the financial statements

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

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 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 and Strategic Report.



Nicholas Page (Senior Statutory Auditor)

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

London

Date: 22/4/16

# Tecjet Limited

## STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2014 £
<b>TURNOVER</b>	4	3,934,848	3,764,489
Cost of sales		(840,594)	(819,904)
<b>GROSS PROFIT</b>		3,094,254	2,944,585
Administrative expenses		(2,559,302)	(2,483,580)
<b>OPERATING PROFIT</b>	5	534,952	461,005
Interest receivable and similar income	7	22,606	1,299
Interest payable and similar charges	8	(4,396)	(20,987)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAX</b>		553,162	441,317
Tax on profit on ordinary activities	9	(106,276)	(94,887)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		446,886	346,430
Retained profit at 1 January		889,344	942,914
Dividends paid		(350,000)	(400,000)
<b>RETAINED PROFIT AT 31 DECEMBER</b>		986,230	889,344

All the company's operations are continuing.

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

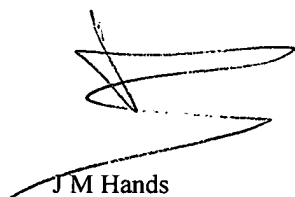
The accompanying accounting policies and notes form part of the financial statements.

# Tecjet Limited

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

	Notes	2015 £	2014 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	11	1,168,897	1,214,743
<b>CURRENT ASSETS</b>			
Stocks	12	64,939	58,048
Debtors	13	870,369	175,491
Cash at bank and in hand		329,972	1,601,861
		<hr/>	<hr/>
<b>CREDITORS:</b> amounts falling due within one year	14	1,265,280 (710,068)	1,835,400 (1,421,925)
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		555,212	413,475
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1,724,109	1,628,218
		<hr/>	<hr/>
<b>PROVISIONS FOR LIABILITIES</b>	15	(37,879)	(38,874)
		<hr/>	<hr/>
<b>NET ASSETS</b>		1,686,230	1,589,344
		<hr/>	<hr/>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	70,000	70,000
Share premium account		630,000	630,000
Profit and loss account		986,230	889,344
		<hr/>	<hr/>
<b>EQUITY SHAREHOLDERS' FUNDS</b>		1,686,230	1,589,344
		<hr/>	<hr/>

Signed on behalf of the Board of Directors:



J M Hands  
Director

Date

17/4/16

Registered No. SC253459 (Scotland)

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



## NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2015

### 1 COMPANY INFORMATION

Tecjet Limited is a private limited company incorporated in the United Kingdom. The registered office is Whitehall House, 33 Yeaman Shore, Dundee, Scotland, DD1 4BJ.

### 2 BASIS OF PREPARATION

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

This is the first year in which the financial statements have been prepared under FRS 102. Refer to note 22 for an explanation of the transition.

The financial statements are presented in Sterling (£).

#### **Disclosure exemptions within FRS 102:**

The company has adopted the following disclosure exemptions within FRS 102:

The requirement to present a statement of cash flows and related notes; and

The requirement to disclose key management personnel compensation in total.

#### **Accounting judgements**

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

#### **Going concern**

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report on page 2.

The company has net assets, is profit making and has a sufficient 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.

### 3 PRINCIPAL ACCOUNTING POLICIES

#### **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 predominantly generated in the UK. 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. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer.

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.

## NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2015

### 3 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

#### **Tangible assets**

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets, other than freehold land, over their expected useful lives, using the straight-line method. The rates applicable are:

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

#### **Impairment of assets**

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the income statement.

#### **Stocks**

Stocks are stated at the lower of cost, using the first in first out method, and selling price less costs to complete and sell.

#### **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.

#### **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.

#### **Operating leases**

Rentals under operating lease are charged to the income statement on a straight line basis over the lease term.

#### **Taxation**

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

Current or deferred tax assets and liabilities are not discounted.

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

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2015

### 3 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

#### Pensions

The company operates a defined contribution scheme where pension contributions are charged against profits in the accounting period in which they arise.

### 4 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.

### 5 OPERATING PROFIT

This is stated after charging:

	2015	2014
	£	£
Depreciation of tangible fixed assets:		
owned by the company	74,731	72,938
Operating lease rentals - land and buildings	230,000	230,000
	<u>230,000</u>	<u>230,000</u>

The 2015 auditor's remuneration of £10,450 per annum (2014 - £10,200) is borne by Academy Music Group Limited, a fellow group company.

### 6 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	2015	2014
	£	£
Wages and salaries	738,155	697,395
Social security costs	33,996	30,412
Pension contributions under defined contribution schemes	6,369	3,552
	<u>778,520</u>	<u>731,360</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:

	2015	2014
Operations staff	35	44
Administrative staff	12	11
	<u>47</u>	<u>55</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 2015 and 31 December 2014.

## NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2015

### 7 INTEREST RECEIVABLE AND SIMILAR INCOME

	2015	2014
	£	£
Interest receivable on group undertaking loans	22,606	1,007
Other interest receivable	-	292
	<u>22,606</u>	<u>1,299</u>

### 8 INTEREST PAYABLE AND SIMILAR CHARGES

	2015	2014
	£	£
Interest payable on group undertaking loans	4,396	20,987
	<u>4,396</u>	<u>20,987</u>

### 9 TAX ON PROFIT ON ORDINARY ACTIVITIES

#### a) Analysis of tax charge in the year

	2015	2014
	£	£
Current tax:		
UK Corporation Tax on profits for the year	107,271	-
Payment for group relief payable	-	102,877
Adjustments in respect of previous years	-	(1,068)
Total current tax	<u>107,271</u>	<u>101,809</u>
Deferred tax:		
Origination and reversal of timing differences	949	(7,322)
Changes in tax rates and laws	(1,944)	-
Adjustments to the estimated recoverable amounts of deferred tax arising in previous years	-	400
Total deferred tax	<u>(995)</u>	<u>(6,922)</u>
Total tax charge (note (9b))	<u>106,276</u>	<u>94,887</u>

## NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2015

### 9 TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

#### b) Factors affecting the tax charge for the year

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK Corporation tax of 20.25% (2014 - 21.5%) to the profit before tax is as follows:

	2015 £	2014 £
Profit on ordinary activities before taxation	553,162	441,317
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.25% (2014 - 21.5%)	111,996	94,883
Effects of: (Income not taxable and corresponding adjustments) / expenses not deductible for tax purposes and imputed income	(3,716)	121
Difference in tax rates	(2,004)	551
Adjustments to deferred tax in respect of previous years	-	400
Adjustments to tax charge in respect of previous years	-	(1,068)
Total tax charge for the year (note 9 (a))	106,276	94,887

#### (c) Tax rate changes

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

Further reductions to the UK Corporation tax rates were enacted as part of the Finance Act No 2 (2015) on 18 November 2015. These reduce the main rate from 20% to 19% from 1 April 2017 and down to 18% from 1 April 2020.

### 10 DIVIDENDS

	2015 £	2014 £
Paid during the year	350,000	400,000
Declared post year end	-	-

## NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2015

### 11 TANGIBLE FIXED ASSETS

Cost:	Leasehold property and improvements £	Plant and machinery £	Fixtures and fittings £	Total £
At 1 January 2015	1,486,711	521,536	251,008	2,259,255
Additions	-	-	28,885	28,885
At 31 December 2015	1,486,711	521,536	279,893	2,288,140
Depreciation:				
At 1 January 2015	385,920	473,995	184,597	1,044,512
Charge for year	46,676	13,919	14,136	74,731
At 31 December 2015	432,596	487,914	198,733	1,119,243
Net book value:				
At 31 December 2015	1,054,115	33,622	81,160	1,168,897
At 31 December 2014	1,100,791	47,541	66,411	1,214,743

### 12 STOCKS

	2015 £	2014 £
Goods held for resale	64,939	58,048

Stock recognised in cost of sales during the year as an expense was £840,594 (2014 - £819,904).

### 13 DEBTORS

	2015 £	2014 £
Trade debtors	22,265	27,449
Amounts owed by group undertakings	765,963	29,870
Prepayments	61,412	59,172
Corporation tax recoverable	20,729	59,000
	870,369	175,491

Included within amounts owed by group undertakings falling due within one year is £765,963 (2014 - £29,669) of interest bearing loans. Interest is charged at 3month GBP LIBOR plus 3%. The remaining amounts are non-interest bearing. All amounts owed to group undertakings are unsecured.

An impairment loss of £7,664 (2014 - £1,563) was recognised against trade debtors.

## NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2015

### 14 CREDITORS: amounts falling due within one year

	2015	2014
	£	£
Trade creditors	26,972	110,952
Amounts due to group undertakings	209,844	811,646
Taxation and social security	141,381	135,988
Accruals and deferred income	140,604	156,371
Other creditors	191,267	206,968
	<u>710,068</u>	<u>1,421,925</u>

Included within amounts owed to group undertakings falling due within one year is £153,440 (2014 - £777,626) of interest bearing loans. Interest is charged at 3month GBP LIBOR plus 3%. All amounts owed to group undertakings are unsecured and repayable on demand.

### 15 DEFERRED TAX

Deferred taxation provided at 19% (2014 - 20%) in the financial statements is set out below:

	2015	2014
	£	£
Deferred tax liability at 1 January 2015 / 2014	38,874	45,796
Income statement charge / (credit)	949	(6,922)
Changes in tax rates and laws	(1,944)	-
	<u>37,879</u>	<u>38,874</u>
Deferred tax liability at 31 December 2015 / 2014		

Details of the provision for deferred taxation are given below:

	2015	2014
	£	£
Capital allowances in excess of depreciation	37,879	39,187
Short term timing differences	-	(313)
	<u>37,879</u>	<u>38,874</u>
Provision for deferred tax liability		

The amount of the net reversal of deferred tax expected to occur in 2016 is £3,000 relating to the reversal of existing timing differences on tangible fixed assets.

### 16 SHARE CAPITAL

	2015	2014	2015	2014
	Number	Number	£	£
<i>Allotted, called up and fully paid</i>				
Equity ordinary shares of £0.01 each	7,000,000	7,000,000	70,000	70,000

## NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2015

### 17 RESERVES

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

Share premium account - includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

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

### 18 RELATED PARTY TRANSACTIONS

Included within turnover are venue hire fees of £11,516 (2014 - £6,625) from Regular Limited, a company in which M Mackie holds 75% of the issued share capital. At the year end £1,168 (2014 - £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 £66,819 (2014 - £69,959) from DF Concerts Limited.

There were no other related party transactions.

### 19 LEASE COMMITMENTS

The total of future aggregate amounts of minimum lease payments under non-cancellable operating leases are as follows:

	2015	2014
	Land and buildings	Land and buildings
	£	£
Operating lease which expires:		
Within one year	230,000	230,000
Between two and five years inclusive	920,000	920,000
After five years	4,293,333	4,523,333
	<u>5,443,333</u>	<u>5,673,333</u>

### 20 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 contingent liabilities or capital commitments outstanding at 31 December 2015 or 31 December 2014.

### 21 FINANCIAL RISK MANAGEMENT

The company has exposure to two main areas of risk - liquidity risk and customer credit exposure.

#### Liquidity risk

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

#### Customer credit exposure

The majority of revenue is received in advance of services being delivered, however the company may offer credit terms to its customers which allow payment of the debt after delivery of the services. The company is at risk to the extent that a customer may not be able to pay the debt on the specified due date. This risk is mitigated by the strong on-going customer relationships.



## NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2015

### **22 TRANSITION TO FRS 102**

The company has adopted FRS 102 for the year ended 31 December 2015. There are no restatements to comparative prior year amounts as a result of the adoption. The transition did not impact Equity Shareholders funds at 1 January 2014 or at 31 December 2014.

### **23 ULTIMATE PARENT UNDERTAKING**

The company's immediate parent company is ABC3 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. Copies of the consolidated financial statements for Live Nation Entertainment, Inc. are available from 9348 Civic Center Drive, Beverly Hills, California, 90210, United States of America.

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