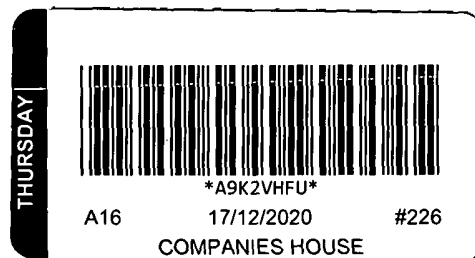


Registered number: SC253459

TECJET LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019



TECJET LIMITED

COMPANY INFORMATION

Directors	Stuart R Douglas Selina H Emeny James M Hands Mark J Mackie
Company secretary	Selina H Emeny
Registered number	SC253459
Registered office	Whitehall House 33 Yeaman Shore Dundee DD1 4BJ
Independent auditor	Ernst & Young LLP 1 More London Place London SE1 2AF

TECJET LIMITED

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Statement of Financial Position	9
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**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors present their report and the financial statements for the year ended 31 December 2019.

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

Principal activity

The company has not traded during the year.

Results and dividends

The profit for the year, after taxation, amounted to £1,681,638 (2018 - £36,712).

In June 2018, the trading venue out of which the company operates was severely damaged by a fire which started in the adjacent building. All of the company's assets were destroyed in the fire and the venue has been unable to operate since. In 2019, settlement was agreed with the company's insurers and so the insurance proceeds were recognised in the income statement.

In March 2018, the group underwent a refinancing of its bank loans. The old facility which was due to expire in November 2020 was replaced by a new 5 year £32,500,000 facility comprising of a £25,000,000 loan facility instrument repayable in quarterly instalments with a final £5,000,000 instalment in March 2023 and a £7,500,000 revolver credit facility. This entity is listed as a guarantor per the facilities agreement. The facilities are reflected in the financial statements of Electricland Limited and the consolidated financial statements of Academy Music Holdings Limited.

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

Directors

The directors who served during the year were:

Stuart R Douglas
Selina H Emeny
James M Hands
Mark J Mackie

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.

In 2020, the principal risk to the company will be the COVID-19 pandemic, which as at the date of this report is continuing to prevent the company from trading from its music venues. Further detail is provided below.

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

Going Concern

Following the fire in June 2018, the company remains unable to trade from the leasehold venue. The landlord is entitled to take a period of time to assess and confirm whether the venue will be re-instated, and so currently the directors are awaiting the outcome of that assessment. The company has agreed settlement with its insurance carriers and is in a strong position to move forward.

The company has net assets of £2,484,503, and a cash balance of £3,019,542. The company's directors expect that a new venue will be developed and so the company will be able to continue trading as previous, or otherwise will assess options for future trading.

In addition, the company's ultimate shareholders have provided letters of support confirming that, if required, they will provide continuing financial support to enable the company to meet its obligations as and when they fall due for a period of at least twelve months from the date the directors approve the financial statements of the company.

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

Engagement with employees

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.

Disabled employees

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 endeavours to ensure continued employment.

Disclosure of information to auditor

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

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

Post balance sheet events

On 11 March 2020, the World Health Organization (WHO) classified the outbreak of the coronavirus (COVID-19) as an International pandemic. On 23 March 2020, the UK Government announced the beginning of a lockdown in response to the pandemic.

Given the company is unable to trade due to the fire in 2018 at the trading venue out of which the company operates, the COVID-19 pandemic is not expected to have an impact on the 2019 balance sheet.


TECJET LIMITED

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

Auditor

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

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



.....
James M Hands
Director
Date: 15/12/20

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

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make 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;

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 TECJET LIMITED

Opinion

We have audited the financial statements of Tecjet Limited (the 'Company') for the year ended 31 December 2019, which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Emphasis of matter

We draw attention to notes 2.3 and 19 of the financial statements, which describe the financial and operational disruption the Company is facing as a result of COVID-19, which is impacting the Groups ability to hold live events across its portfolio of venues. Our opinion is not modified in respect of this matter.

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

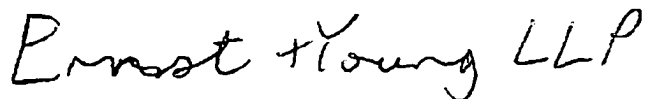
Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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



Ernst & Young LLP
1 More London Place
London
SE1 2AF
Date: 15/10/2020

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

	Note	2019 £	2018 £
Turnover		-	1,861,587
Cost of sales		(216)	(819,536)
Gross (loss)/profit		(216)	1,042,051
Administrative expenses		83,569	(931,985)
Other operating income	4	2,071,299	-
Operating profit		2,154,652	110,066
Interest receivable and similar income	6	1,265	1,179
Interest payable and expenses	7	(65,783)	(46,059)
Profit before tax		2,090,134	65,186
Tax on profit	8	(408,496)	(28,474)
Profit after tax		1,681,638	36,712
Retained earnings at the beginning of the year		102,865	775,830
		102,865	775,830
Profit for the year		1,681,638	36,712
Dividends declared and paid		-	(709,677)
Retained earnings at the end of the year		1,784,503	102,865

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of income and retained earnings.

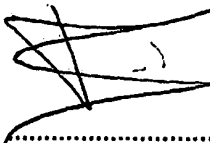
TECJET LIMITED
REGISTERED NUMBER: SC253459

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Current assets			
Debtors: amounts falling due within one year	10	1,755,980	858,522
Cash at bank and in hand	11	3,019,542	1,886,082
		<u>4,775,522</u>	<u>2,744,604</u>
Creditors: amounts falling due within one year	12	(2,291,019)	(1,941,739)
Net current assets		<u>2,484,503</u>	<u>802,865</u>
Total assets less current liabilities		<u>2,484,503</u>	<u>802,865</u>
Net assets		<u><u>2,484,503</u></u>	<u><u>802,865</u></u>
Capital and reserves			
Called up share capital		70,000	70,000
Share premium account		630,000	630,000
Profit and loss account		1,784,503	102,865
		<u>2,484,503</u>	<u>802,865</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:



James M Hands
Director
Date: 15/10/20

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

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

1. General information

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

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Academy Music Holdings Limited as at 31 December 2019 and these financial statements may be obtained from 211 Stockwell Road, London, SW9 9SL.

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

2. Accounting policies (continued)

2.3 Going concern

Following the fire in June 2018, the company remains unable to trade from the leasehold venue. The landlord is entitled to take a period of time to assess and confirm whether the venue will be re-instated, and so currently the directors are awaiting the outcome of that assessment. The company has agreed settlement with its insurance carriers and is in a strong position to move forward.

The company has net assets of £2,484,503, and a cash balance of £3,019,542. The company's directors expect that a new venue will be developed and so the company will be able to continue trading as previous, or otherwise will assess options for future trading.

In addition, the company's ultimate shareholders have provided letters of support confirming that, if required, they will provide continuing financial support to enable the company to meet its obligations as and when they fall due for a period of at least twelve months from the date the directors approve the financial statements of the company.

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

2.4 Revenue recognition

Turnover

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

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

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

2.5 Operating leases: the Company as lessee

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

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

2.6 Interest income

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

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

2. Accounting policies (continued)

2.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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.

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

2. Accounting policies (continued)

2.9 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	- Over the term of the lease
Plant and machinery	- straight line over 3 - 7 years
Fixtures and fittings	- straight line over 7 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.13 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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

2. Accounting policies (continued)

2.13 Financial instruments (continued)

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.14 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the preparation of the financial statements management make certain judgements that impact these statements. While these judgements are continually reviewed, the facts and circumstances underlying these judgements may change, resulting in a change to the estimate that could impact the results of the Company. In particular:

Assessment of the impact of the venue fire on the financial statements

Management have made certain assumptions with regards amounts recoverable under the group insurance policy to cover loss of earnings in the period from the fire to the year end. Management have also assessed that the company should continue as a going concern as noted above.

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

4. Operating Profit

This is stated after charging/(recognising):

	2019 £	2018 £
Depreciation of tangible fixed assets owned by the company	-	40,902
Operating lease rentals - land and buildings	-	164,534
Loss on impairment of fixed assets and stock	-	163,464
Audit fee	-	10,000
Insurance claim	(2,071,299)	-
	<u>(2,071,299)</u>	<u>-</u>

The auditor's remuneration of £7,000 was borne by Academy Music Group Limited, a fellow group company.

5. Employees

	2019 £	2018 £
Wages and salaries	-	558,475
Social security costs	-	33,050
Cost of defined contribution scheme	-	6,014
	<u>-</u>	<u>597,539</u>

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

	2019 No.	2018 No.
Operations staff	-	12
Administrative staff	-	13
	<u>0</u>	<u>25</u>

Directors emoluments have been borne by Live Nation (Music) UK Limited, Academy Music Group Limited and other companies. The directors are also directors or officers of a number of companies within and outside of the Live Nation Entertainment Inc. Group. The directors' services to the company do not occupy a significant amount of their time. As such the directors do not consider that they have received any remuneration for their incidental services to the group for the years ended 31 December 2019 and 31 December 2018.

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

6. Interest receivable

	2019 £	2018 £
Interest receivable on group undertaking loans	1,265	1,179
	<u>1,265</u>	<u>1,179</u>

7. Interest payable and similar expenses

	2019 £	2018 £
Interest payable on group undertaking loans	65,783	46,059
	<u>65,783</u>	<u>46,059</u>

8. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	315,474	65,304
Adjustments in respect of previous periods	92,626	-
	<u>408,100</u>	<u>65,304</u>
Total current tax	<u>408,100</u>	<u>65,304</u>
Deferred tax		
Origination and reversal of timing differences	5,925	(32,999)
Changes to tax rates and laws	-	(3,832)
Adjustments to the estimated recoverable amounts of deferred tax assets arising in previous years	(5,529)	1
	<u>396</u>	<u>(36,830)</u>
Total deferred tax	<u>396</u>	<u>(36,830)</u>
Taxation on profit on ordinary activities	<u>408,496</u>	<u>28,474</u>

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

8. Taxation (continued)

Factors affecting 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 19% (2018:19%) to the profit before tax is as follows:

	2019 £	2018 £
Profit on ordinary activities before tax	2,090,134	65,186
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	397,125	12,385
Effects of:		
Expenses not deductible for tax purposes and imputed income	51,398	3,430
Transfer pricing adjustment	(5,834)	(8,603)
Adjustments to current tax charge in respect of prior periods	92,626	-
Adjustments to deferred tax charge in respect of prior periods	(5,529)	1
Change in unrecognised deferred tax assets	(107,899)	18,978
Difference in tax rates	(13,391)	2,283
Total tax charge for the year	408,496	28,474

Factors that may affect future tax charges

The corporation tax rate was due to reduce to 17% with effect from 1 April 2020, however, at the Budget in March 2020 it was announced that the rate of corporation tax will remain at 19%. As substantive enactment of the 19% corporation tax rate is after the balance sheet date, the deferred tax balances provided in these financial statements (if applicable) reflect the enacted rate of 17%.

9. Dividends

	2019 £	2018 £
Paid during the year	-	709,677
	-	709,677

10. Debtors

	2019 £	2018 £
Trade debtors	-	10,583

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

10. Debtors (continued)

Amounts owed by group undertakings	35,254	33,988
Other debtors	1,711,767	807,792
Prepayments and accrued income	8,664	-
Other taxation and social security	266	5,734
Deferred taxation	29	425
	<u>1,755,980</u>	<u>858,522</u>

Included within amounts owed by group undertakings falling due within one year is £35,254 (2018 - £33,988) 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.

11. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	3,019,542	1,886,082
	<u>3,019,542</u>	<u>1,886,082</u>

12. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	-	803
Amounts owed to group undertakings	1,919,790	1,733,838
Corporation tax	287,463	46,322
Other creditors	11	51,104
Accruals and deferred income	83,755	109,672
	<u>2,291,019</u>	<u>1,941,739</u>

Included within amounts owed to group undertakings falling due within one year is £1,919,790 (2018 - £1,733,838) 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.

13. Deferred taxation

TECJET LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****13. Deferred taxation (continued)**

Deferred taxation provided for at 17% (2018: 17%) in the financial statements is set out below:

	2019 £	2018 £
At beginning of year	425	(36,405)
Charged to profit or loss	(396)	32,998
Changes in tax rates and laws	-	3,832
At end of year	<u>29</u>	<u>425</u>

The deferred tax asset is made up as follows:

	2019 £	2018 £
Pension costs	29	425
	<u>29</u>	<u>425</u>

Following enactment of Finance Bill 2020, the deferred tax balances provided are expected to change by £nil relating to short term timing differences.

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

	2019 £	2018 £
Capital Losses	(29,244)	(18,978)
Deferred Tax not provided at 17% (2018: 17%)	<u>(29,244)</u>	<u>(18,978)</u>

14. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
7,000,000 (2018 - 7,000,000) Equity ordinary shares of £0.01 each	<u>70,000</u>	<u>70,000</u>

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

15. Reserves

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.

16. Contingent liabilities 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 is listed as a guarantor under the Electricland Limited bank loan facilities agreement as described in the Directors report.

The company had no other capital commitments and contingent liabilities at 31 December 2019 and 31 December 2018.

17. Commitments under operating leases

At 31 December 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	-	230,000
Later than 1 year and not later than 5 years	-	920,000
Later than 5 years	-	3,603,333
	<u>-</u>	<u>4,753,333</u>

Future commitments under the operating lease are dependent on re-instatement of the venue by the landlord as described in the Directors' Report.

18. Related party transactions

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

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

	Sales to related party £	Purchases from related party £	Amounts owed from related party £	Amounts owed to related party £
Entities with control over the company				
2019	-	-	-	-
2018	220,295	-	-	(1,699,848)
Entities controlled by the same ultimate parent undertaking				
2019	-	-	-	-
2018	34,181	(127,512)	-	-
Other related parties				
2019	-	-	-	-
2018	-	-	-	-

19. Post balance sheet events

On 11 March 2020, the World Health Organization (WHO) classified the outbreak of the coronavirus (COVID-19) as an International pandemic. On 23 March 2020, the UK Government announced the beginning of a lockdown in response to the pandemic.

Given the company is unable to trade due to the fire in 2018 at the trading venue out of which the company operates, the COVID-19 pandemic is not expected to have an impact on the 2019 balance sheet.

20. Controlling party

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 211 Stockwell Road, London, SW9 9SL.