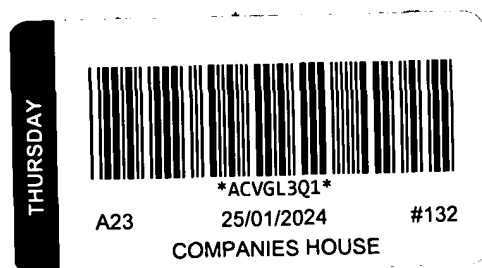


ACADEMY MUSIC HOLDINGS LIMITED

Consolidated Report and Financial Statements

31 December 2022

Registered No. 05141419



Academy Music Holdings Limited

COMPANY INFORMATION

DIRECTORS

R B H Angus
D J Desmond
S R Douglas
S Emeny
S J Moran
J M Hands

SECRETARY

S Emeny

AUDITOR

Ernst & Young LLP
1 More London Place
London
SE1 2AF

BANKERS

HSBC Bank plc
Global Banking & Markets
8 Canada Square
London
E14 5HQ

REGISTERED OFFICE

211 Stockwell Road
London
SW9 9SL

Academy Music Holdings Limited

CONTENTS

	Page
Strategic Report	1 - 3
Directors' Report	4 - 6
Directors Responsibilities Statement	7
Independent Auditors Report	8 - 10
Consolidated Statement of Comprehensive Income	11
Consolidated Statement of Financial Position	12
Company Statement of Financial Position	13
Consolidated Statement of Changes in Equity	14
Company Statement of Changes in Equity	15
Consolidated Statement of Cashflows	16
Notes to the Financial Statements	17 - 34

Academy Music Holdings Limited

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the group (being Academy Music Holdings Limited and its subsidiaries, the "group") continues to be that of the operation of live music venues across the UK.

The consolidated profit for the financial year ended 31 December 2022 was £8,108,775 (2021 - loss of £621,848). Dividends of £417,317 were paid to shareholders during the year (2021 - £nil). The dividend was paid by a subsidiary of Academy Music Holdings Limited to its non-controlling interest. The subsidiary had sufficient distributable reserves to pay this dividend. Net assets of the parent company at year end were £871,013 (2021 - £857,180).

As shown in the consolidated income statement on page 11, the group's turnover increased over the prior year to £74,964,282 (2021 - £32,094,557). The operating profit for the financial year was £13,847,246 (2021 - £2,574,477).

The consolidated statement of financial position on page 13 shows the group's financial position at the year end. Net liabilities have decreased to £5,267,179 (2021 - net liabilities £12,985,583).

In March 2018, the Group (being Academy Music Holdings Limited and its subsidiaries, 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 and a £7,500,000 revolver facility agreement. Electricland Limited is listed as the borrower and a guarantor per the facilities agreement. Academy Music Holdings Limited as a legal entity was listed as a guarantor.

These facilities were repaid in full in December 2022.

On 15 December 2022 there was an incident at one of the company's venues, the O2 Academy Brixton, which sadly resulted in serious injuries including two fatalities. The venue is currently closed pending a review of the Premises Licence.

Key Performance Indicators used by Academy Music Group Limited, the principal trading subsidiary within the group, are number of shows, number of admits and spend per head and the results during the year are as follows:

	2022	2021	% change
Number of shows	3,005	1,587	89.35%
Number of admits	3,084,548	1,319,177	133.82%
Spend per head (£)	10.92	11.03	(1.00)%

During 2021 the group was impacted by the COVID-19 pandemic with restrictions disrupting trading for the first half of the year as well as in the final quarter where there were disruptions in respect of the Omicron variant. 2022 was the first full year without significant disruptions in respect of COVID-19 resulting in a significant increase in number of shows and number of admits.

PRINCIPAL RISKS AND UNCERTAINTIES

Systems and procedures are in place to identify, assess and mitigate major business risks that could impact the group. Monitoring exposure to risk and uncertainty is an integral part of the group's structured management processes. The principal risks that the group faces are operational risk, competition, regulatory and legislative impacts, recruitment and retention of staff and maintenance of reputation, cost of living crisis as well as financial risk (see note 28).

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

The company acknowledges increases in the cost of living and inflation rates during the year, however does not consider these a principal risk or uncertainty.

POST BALANCE SHEET EVENTS

Subsequent to the year-end, the external loan notes which were due to mature in August 2023 have been refinanced and are now due to mature in August 2028. These remain on the same commercial terms as disclosed in Note 20.

Academy Music Holdings Limited

STRATEGIC REPORT (CONTINUED)

STAKEHOLDER ENGAGEMENT S.172(1) STATEMENT

The following statement describes how the directors have had regard to the matters set out in section 172(1)(a) to (f) when performing their duty under section 172 of the Companies Act 2006.

As part of the Board's decision-making process the Directors consider the potential impact of decisions on relevant stakeholders whilst also having regard to a number of broader factors, including the impact of the Company's operations on the community and environment, responsible business practices and the likely consequences of decisions in the long term. Through open and transparent dialogue with our key stakeholders, we have been able to develop a clear understanding of their needs, assess their perspectives and monitor their impact on our strategic ambition and culture.

The Board recognises that the Company must adopt effective long-term strategies if the business is to continue to grow and respond to challenges in the short and medium term.

Key decisions and matters that are of strategic importance to the Company are appropriately informed by section 172 factors. The table below sets out our key stakeholders and provides examples of how we have engaged with them in the year and the impact of that engagement.

Stakeholder Group	Why and how we engage	Impact of engagement
Shareholders Our shareholders are vital to the future success of our business, providing funds which aid business growth and the generation of returns. Our ultimate shareholders consist of public listed entities and individual investors.	Performance metrics and updates are provided by the Board to our parent company and individual investors, with subsidiary performance cascaded up the group.	As a Board we aim to provide clear information to our parent company and ultimate shareholders, being honest and transparent as to the performance of the business. Value is generated for shareholders by supporting the overall group to deliver on the business plan.
Suppliers, artists and fans We operate 19 live music and entertainment venues, including several of significant importance to the industry. Relationships with suppliers, artists and fans are integral to the successful delivery of our strategic plan. As the demand for live events continues to grow, we remain focused on our core mission of connecting artists with their fans.	We seek to directly engage with our core fanbase and supplier network. -In 2022 we connected over 3 million fans to their favourite live events when our venues were not closed due to the pandemic. Our database of fans and their interests provides us with the means to efficiently market our events to them. -We maintain relationships with an extensive range of artists, from those beginning their career to established superstars. We are often a 'first' and a 'must-play' gig, with playing an AMG gig being a rite of passage for many musicians. -We engage with some of the most well recognised national and global brands, enabling them to connect with our fanbase. -We sustain a constructive and cooperative relationship with our landlords. We encourage open communication to ensure the relationship is mutually beneficial. We continue to keep our fans connected to their favourite artists through live stream events and maintained effective relationships with our sponsors to ensure we were able to deliver value. The Board receives regular reports and analysis of metrics and global market trends.	Understanding the needs of our fanbase and maintaining productive relationships with artists and suppliers enables us to achieve our objectives of connecting more fans with live events through promoting more shows and selling more tickets

Academy Music Holdings Limited

STRATEGIC REPORT (CONTINUED)

Stakeholder Group	Why and how we engage	Impact of engagement
Community and Environment Venues have such an important role to play as places of public congregation. Contributing positively to wider society enables us to create stronger communities and have a positive environmental and cultural impact.	<p>We invest significantly each year, enhancing our historic theatres, as well as making them truly contemporary at a technical level. With over 3 million visitors in 2022, we make a substantial contribution to the local communities and economies in each region we operate.</p> <p>We are committed to providing an extended outreach programme and work with local councils and businesses and promote participation with cultural organisations and communities to make sure that local scenes and economies thrive.</p>	<p>Investment in our venues allows us to share these with our local communities so people can access the benefits that music and culture brings.</p> <p>Our outreach programme enables the Board and the workforce to positively engage with local community members and learn more about the area in which they work.</p>
Employees Our business invests in people. Through continual investment in our workforce our people can develop their careers while contributing positively to our brand and initiatives.	<p>We engage with our workforce during the year in a variety of ways, including:</p> <ul style="list-style-type: none"> -information on matters of strategic importance are delivered by the Directors directly to the workforce via a combination of email updates and presentations; -conducting regular meetings between the Directors and local HR teams; -provision of training opportunities to help employees develop their skill set; -in addition to regular informal discussions with employees, formal feedback is taken via the annual review process each year with a specific focus on employee wellbeing <p>We continue to provide support to our employees by offering flexible working arrangements and enabling open discussions on mental health and wellbeing.</p>	<p>Good communication between the Board and employees has ensured that, where appropriate, the workforce is kept abreast of strategic matters.</p> <p>The impact of employee engagement has empowered local HR teams to deal with local office issues which has resulted in efficient resolution of local issues.</p> <p>Flexible working hours are offered to employees. Reports indicate that this results in improvement in work/life balance of our employees and our workplace culture.</p>

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

James Hands

J M Hands
Director

Date 06 September 2023

Academy Music Holdings Limited

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors who served during the year ended 31 December 2022 were as follows:

R B H Angus
D J Desmond
S R Douglas
S Emeny
S J Moran
J M Hands

ENGAGEMENT WITH EMPLOYEES

The employees of the group 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 group. The group 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.

GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENCY ACTION

The Group seeks to minimise the adverse impacts on the environment from its activities, whilst continuing to address health, safety and economic issues. The Group has complied with all applicable legislation and regulations.

The Group's largest subsidiary Academy Music Group Limited's greenhouse gas emissions and energy consumption for the year are shown below. The energy consumption of the other subsidiaries within the group is below the de minimis outlined in the legislation and is immaterial to the greenhouse gas emissions and energy consumption disclosure.

Total Emission Scope Summary		Calculated Emissions		Calculated Emissions	
		Total Volume 2022	2022	Total Volume 2021	2021
		(kwh)	(Tonnes of CO2e)	(kwh)	(Tonnes of CO2e)
Scope 1 (direct)		3,050,687	557	3,897,960	714
Scope 2 (indirect)		4,976,544	962	3,485,776	740
Scope 3 (indirect)		18,814	5	10,825	3
		8,046,045	1,524	7,394,561	1,457
Scope 1 Emissions (Direct)					
Energy Type	Definition	Total Volume 2022	Calculated Emissions	Total Volume 2021	Calculated Emissions
		(kwh)	2022	(kwh)	2021
			(Tonnes of CO2e)		(Tonnes of CO2e)
Gas	Emissions from combustion of gas	3,050,687	557	3,897,960	714
		3,050,687	557	3,897,960	714
Scope 2 Emissions (In-direct)					
Energy Type	Definition	Total Volume 2022	Calculated Emissions	Total Volume 2021	Calculated Emissions
		(kwh)	2022	(kwh)	2021
			(Tonnes of CO2e)		(Tonnes of CO2e)
Electricity	Emissions from purchased electricity	4,976,544	962	3,485,776	740
		4,976,544	962	3,485,776	740

Academy Music Holdings Limited

DIRECTORS' REPORT (CONTINUED)

Scope 3 Emissions (In-direct)

Energy Type	Definition	Calculated Emissions		Calculated Emissions	
		Total Volume 2022 (kwh)	2022 (Tonnes of CO2e)	Total Volume 2021 (kwh)	2021 (Tonnes of CO2e)
Employee Owned Cars	Emissions from business travel in rental cars or employee-owned vehicles where the company is responsible for purchasing the fuel (mandatory)	18,814	5.0	10,825	3
		18,814	5.0	10,825	3
Intensity Measurement		Turnover 2022 (£m)	Intensity Ratio 2022 (tCO2e/Turnover £m)	Turnover 2021 (£m)	Intensity Ratio 2021 (tCO2e/Turnover £m)
Tonnes of CO2e per total £m sales revenue		75	20.41	32	45

The company has chosen to use tonnes of CO2e per £ Turnover for its Intensity Ratio.

The Group has taken guidance from the UK Government Environmental Reporting Guidelines (March 2019), the GHG Reporting Protocol - Corporate Standard, and from the UK Government GHG Conversion Factors for Company Reporting document for calculating carbon emissions. Energy usage information (gas and electricity) has been obtained directly from our energy suppliers and half-hourly (HH / AMR) data, where available. For supplies where there wasn't complete 12 month energy usage available, flat profile estimation techniques were used to complete the annual consumption. Transport mileage data was obtained from expense claims submitted for our employee owned vehicles (available in miles). CO2e emissions were calculated using the appropriate emission factors from the UK Government GHG conversion information (2022).

On average, 72% of lights in all venues are now LED (excluding stages). All replacement light fittings are substituted with LED lighting where possible. Most toilets, offices, corridors, stairwells have light sensors and the close down procedures include switching off lighting and heaters for all venues. A green ambassador is in each venue who enforces the close down procedure. Electricity for buildings venues are on a contract supplied by 100% renewable electricity with Good Energy, this report includes the location-based emissions, alongside the market-based emissions which is classed as zero. To reduce emissions from Electricity and Gas the venues have switched to renewable suppliers in the current year. Gas is supplied by 100% green gas by Crown Gas and Power, with a much less market-based emission factor for biogas shown. This backed up by REGO certificates.

GOING CONCERN

The directors have paid exceptionally close attention to the cashflow projections over the period to 30 September 2024, including the group's ability to make external loan repayments as they fall due.

As mentioned in the Strategic Report and note 28, the external loan notes have been refinanced subsequent to the year-end, with their maturity extended to August 2028. As described in the Strategic Report, there are ongoing investigations in relation to the incident at the O2 Academy Brixton, a venue operated by the company. We do not expect any outflows, other than legal costs, in relation to the incident during the going concern assessment period. With this considered, the group cashflow projections, including plausible downside scenarios modelled, project that the group will continue in a favourable liquidity position and have sufficient resources to meet its liabilities as they fall due for the duration of the going concern assessment period.

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

Academy Music Holdings Limited

DIRECTORS' REPORT (CONTINUED)

DISCLOSURE OF INFORMATION TO AUDITORS

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

- so far as the Director is aware, there is no relevant audit information of which the group's auditor is unaware.
- the Director has taken all the steps that he is obliged to take as a Director in order to be aware of any relevant audit information and to establish that the group's auditor is aware of that information.

POST BALANCE SHEET EVENTS

Subsequent to the year-end, the external loan notes which were due to mature in August 2023 have been refinanced and are now due to mature in August 2028. These remain on the same commercial terms as disclosed in Note 20.

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 Hands

J M Hands
Director

Date: 06 September 2023

Academy Music Holdings Limited

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and United Kingdom accounting standards.

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 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;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the company financial position and financial performance;
- 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.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report and directors report that comply with that law and those regulations. The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACADEMY MUSIC HOLDINGS LIMITED

Opinion

We have audited the financial statements of Academy Music Holdings Limited ('the parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, Consolidated Statement of Cashflows and the related notes 1 to 30, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the group's and of the parent company's affairs as at 31 December 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – uncertain impacts of incident at O2 Academy Brixton

We draw attention to note 2 and note 26 of the financial statements, which describe an incident at one of the company's venues, the O2 Academy Brixton, in December 2022, as well as the impact of this event on going concern, judgements and estimates and contingent liabilities and capital commitments. Our opinion is not modified in respect of this matter.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period to 30 September 2024.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACADEMY MUSIC HOLDINGS LIMITED (CONTINUED)

statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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 parent company 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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 7, 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006) and the relevant direct and indirect tax compliance regulation in the United Kingdom (Corporation Tax Act

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACADEMY MUSIC HOLDINGS LIMITED (CONTINUED)

2010). In addition, the Group and Parent Company have to comply with laws and regulations relating to its operations, including health and safety, licensing and GDPR.

- We understood how the group and parent company are complying with those frameworks by making enquiries of management, internal audit and those responsible for legal and compliance policies and procedures. We corroborated our enquiries through our review of board minutes, internal control testing and substantive testing. We also reviewed correspondence with relevant authorities.
- We assessed the susceptibility of the group and parent company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and by assuming revenue to be a fraud risk.
- We have assumed that management override could occur through manual journal entries to move revenue and/or expenses between periods via deferred revenue, accrued expenses and/or provisions. We incorporated data analytics into our testing of manual journals where our procedures are designed to provide reasonable assurance that the financial statements are free from material error or fraud.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved: enquiries of Group management and those charged with governance, legal counsel, tax management and internal audit; reading of board minutes and correspondence with external specialists; journal entry testing; and focused testing, including as referred to above and involving internal specialists as appropriate.

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

Use of our report

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

Ernst & Young LLP

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

Date: 06 September 2023

Academy Music Holdings Limited

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
TURNOVER	4	74,964,282	32,094,557
Cost of sales		(30,468,853)	(12,648,316)
GROSS PROFIT		44,495,429	19,446,241
Other income	5	39,218	4,177,357
Administrative expense		(29,324,032)	(19,672,179)
Amortisation of goodwill and other intangible assets		(1,363,369)	(1,376,942)
Total administrative expense		(30,648,183)	(16,871,764)
OPERATING PROFIT	6	13,847,246	2,574,477
Bank interest receivable		44,115	599
Interest payable and similar charges	8	(3,771,970)	(3,108,419)
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAX		10,119,391	(533,343)
Tax on profit / (loss) on ordinary activities	9	(2,010,616)	(88,505)
PROFIT / (LOSS) FOR THE FINANCIAL YEAR		8,108,775	(621,848)
OTHER COMPREHENSIVE INCOME			
Tax for other comprehensive income		-	(338,863)
TOTAL COMPREHENSIVE INCOME / (EXPENSE) FOR THE FINANCIAL YEAR		8,108,775	(960,711)
Attributable to:			
Owners of the parent		8,097,143	(960,725)
Non-controlling interest		11,632	14
TOTAL COMPREHENSIVE INCOME / (EXPENSE) FOR THE FINANCIAL YEAR		8,108,775	(960,711)

All the group's operations are continuing.

The notes on pages 17 to 34 form part of these financial statements.

Academy Music Holdings Limited

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Notes	2022 £	2021 £
FIXED ASSETS			
Intangible assets	12	2,636,748	4,000,117
Tangible fixed assets	13	37,439,526	38,076,088
		<u>40,076,274</u>	<u>42,076,205</u>
CURRENT ASSETS			
Stocks	15	810,811	1,073,826
Debtors: amounts falling due after more than one year	16	1,711,330	1,778,573
Debtors: amounts falling due within one year	16	4,132,150	6,817,857
Cash at bank and in hand	17	27,242,596	36,648,459
		<u>33,896,887</u>	<u>46,318,715</u>
CREDITORS: amounts falling due within one year	18	<u>(70,292,284)</u>	<u>(59,314,798)</u>
NET CURRENT LIABILITIES		<u>(36,395,397)</u>	<u>(12,996,083)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,680,877</u>	<u>29,080,122</u>
CREDITORS: amounts falling due after more than one year	19	(19,733)	(33,915,831)
PROVISIONS FOR LIABILITIES			
Deferred tax	22	(2,650,093)	(1,911,979)
Other provisions	22	(6,278,230)	(6,210,895)
NET LIABILITIES		<u>(5,267,179)</u>	<u>(12,958,583)</u>
CAPITAL AND RESERVES			
Called up share capital	23	500,000	500,000
Capital contribution reserve	23	205,152	205,152
Revaluation reserve	24	8,147,900	8,147,900
Profit and loss account	24	(14,208,741)	(22,305,884)
EQUITY SHAREHOLDER'S DEFICITS		<u>(5,355,689)</u>	<u>(13,452,832)</u>
Non-controlling interests		88,510	494,249
TOTAL EQUITY		<u>(5,267,179)</u>	<u>(12,958,583)</u>

Signed on behalf of the Board of Directors:

James Hands

J M Hands

Director

Date: 06 September 2023

Registered No. 05141419

The notes on pages 17 to 34 form part of these financial statements.

Academy Music Holdings Limited

COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Notes	2022 £	2021 £
FIXED ASSETS			
Investments	14	516,266	516,266
CURRENT ASSETS			
Debtors	16	348,881	333,689
Cash at bank and in hand	17	9,664	10,983
		<u>358,545</u>	<u>344,672</u>
CREDITORS: amounts falling due within one year	18	<u>(3,798)</u>	<u>(3,758)</u>
NET CURRENT ASSETS		<u>354,747</u>	<u>340,914</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>871,013</u>	<u>857,180</u>
CAPITAL AND RESERVES			
Called up share capital	23	500,000	500,000
Profit and loss account	24	371,013	357,180
EQUITY SHAREHOLDER'S FUNDS		<u>871,013</u>	<u>857,180</u>

Signed on behalf of the Board of Directors:

James Hands

J M Hands
Director

Date: 06 September 2023

Registered No. 05141419

The notes on pages 17 to 34 form part of these financial statements.

Academy Music Holdings Limited

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital	Revaluation reserve	Capital contribution reserve	Profit and loss account	Amount attributable to owners of the parent	Non- controlling interest	Total
	£	£	£	£	£	£	£
At 1 January 2021	500,000	8,486,763	-	(21,684,022)	(12,697,259)	494,235	(12,203,024)
Loss for the year	-	-	-	(621,862)	(621,862)	14	(621,848)
Capital contribution	-	-	205,152	-	205,152	-	205,152
Deferred tax charge	-	(338,863)	-	-	(338,863)	-	(338,863)
At 31 December 2021	500,000	8,147,900	205,152	(22,305,884)	(13,452,832)	494,249	(12,958,583)
Loss for the year	-	-	-	8,097,143	8,097,143	11,632	8,108,775
Dividends paid	-	-	-	-	-	(417,371)	(417,371)
At 31 December 2022	500,000	8,147,900	205,152	(14,208,741)	(5,355,689)	88,510	(5,267,179)

The notes on pages 17 to 34 form part of these financial statements.

Academy Music Holdings Limited

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital £	Profit and loss account £	Total £
At 1 January 2021	500,000	347,559	847,559
Profit for the year	-	9,621	9,621
At 31 December 2021	500,000	357,180	857,180
Profit for the year	-	13,833	13,833
At 31 December 2022	500,000	371,013	871,013

The notes on pages 17 to 34 form part of these financial statements.

Academy Music Holdings Limited

CONSOLIDATED STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Cashflows from operating activities		
Operating profit for the financial year	13,847,246	2,574,477
Amortisation of intangible fixed assets	1,363,369	1,376,942
Depreciation of tangible fixed assets	3,704,765	3,277,034
Loss / (gain) on disposal of tangible fixed assets	46,695	-
Capital contribution from ultimate parent	-	205,152
Decrease / (increase) in stocks	263,015	(697,446)
Decrease / (increase) in debtors	1,487,975	(3,128,286)
(Decrease) / increase in creditors	(8,285,664)	18,015,372
Increase / (decrease) in corporation tax liability	(7,528)	744,999
Net cash generated from operating activities	12,419,873	22,368,244
Cash flows from investing activities		
Interest received	44,115	599
Dividends paid to minority interest	(417,357)	-
Purchases of intangible fixed assets	-	(767,713)
Purchases of tangible assets	(3,375,440)	(5,571,000)
Net cash used in investing activities	(3,748,682)	(6,338,114)
Cash flows from financing activities		
Interest paid	(3,412,396)	(470,354)
Increase in shareholder loans	-	9,488,509
Repayment of bank loans	(14,664,658)	(7,500,000)
Net cash (used in) / generated financing activities	(18,077,054)	1,518,155
Net (decrease) / increase in cash and cash equivalents	(9,405,863)	17,548,285
Cash and cash equivalents as at 1 January	36,648,459	19,100,174
Cash and cash equivalents as at 31 December	27,242,596	36,648,459

Analysis of changes in net debt

	At 1 January 2022	Cash flows	Interest and finance charges	At 31 December 2022
Cash and cash equivalents	36,648,459	(9,405,863)	-	27,242,596
Bank loans	14,633,729	(14,664,658)	30,929	-
Loan notes	28,207,743	(3,048,419)	3,377,065	28,536,389

The notes on pages 17 to 34 form part of these financial statements.

Academy Music Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

1 COMPANY INFORMATION

Academy Music Holdings Limited is a private company limited by shares incorporated in England and Wales. The registered office is 211 Stockwell Road, London, SW9 9SL.

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 under the historical cost basis convention unless otherwise stated in these accounting policies.

The financial statements are presented in Sterling (£).

Disclosure exemptions within FRS 102:

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

- The requirements of section 11 - Basic Financial Instruments, paragraphs 11.39 to 11.48A.
- The requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27,
- The requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23
- The requirements of Section 33 Related Party Disclosures paragraph 33.7

Accounting judgements 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 Group. In particular:

Provision of liabilities

Provision is made for leasehold dilapidations, which are due to mature over the next 30 years. The provision requires management's best estimate of the costs that will be incurred based on legislative and contractual requirements per the leasehold contracts. In addition, inflation and discount rates are used to establish the net present value of the obligations requires management's judgement. The inflation rate is calculated by using historical actuals to form an estimate of future inflation. The discount rate was calculated using managements best estimate using the credit default swap rates of comparable companies and the risk free rate for the region.

Revaluation of freehold property and improvements

Freehold property and improvements are stated at the revalued amount. Management periodically engagement valuation experts to determine fair value and review the estimate of fair value at each balance sheet date. The valuer used the profits method valuation technique to assess the fair value of the freehold property and improvements and reflect the trading potential of the property. The key assumptions used to determine the fair value of investment property are further explained in note 13.

Onerous lease and impairment of tangible fixed assets

As discussed in the Strategic Report there is an ongoing matter in respect of the O2 Academy Brixton. The venue is currently closed pending a review of the Premises Licence. It is the directors judgement that, at the date of approval of the financial statements, no onerous lease exists in respect of the O2 Brixton Academy and its tangible fixed assets are not impaired. Should the review of the Premises Licence result in the venue remaining closed then an onerous lease may exist and the associated tangible fixed assets may be impaired. This poses a risk of material adjustment to the carrying amount of assets and liabilities within the next financial year. The lease is currently held to 2049 with a rent of £800k per annum and the net book value of fixed assets held in respect of the O2 Academy Brixton is £2.3m. Any change in judgement and estimate would be recognised prospectively.

Academy Music Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

2 BASIS OF PREPARATION (CONTINUED)

Accounting judgements and key sources of estimation uncertainty (Continued)

Other judgements and estimates

Carrying value of investments

Where there are indicators of impairment of individual assets, the group performs impairment tests based on a value in use calculation. The calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes. The impairment review is not sensitive to management estimates as there is significant headroom.

Useful lives and impairment of intangible assets

Intangible assets are amortised over their useful lives. Useful lives are based on the management's estimates of the period that the assets will generate revenue, which are periodically reviewed for continued appropriateness. Management performed a review of intangible assets during the year and no impairment was deemed necessary. The impairment review is not sensitive to management estimates as there is significant headroom.

Recoverability of trade debtors

An allowance for bad debt is netted off against trade debtors. The bad debt allowance requires management's best estimate of the recoverability of trade debtors. The recoverability of trade debtors is based on debtor payment trends and knowledge of the business.

Basis of consolidation

The consolidated financial statements consolidate those of the company and all of its subsidiaries made up to 31 December 2022.

No income statement and related notes are provided for Academy Music Holdings Limited as provided by section 408 of the Companies Act 2006. The profit of the company is disclosed in note 11 of the financial statements.

Going Concern

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

The directors have paid exceptionally close attention to the cashflow projections over the period to 30 September 2024, including the group's ability to make external loan repayments as they fall due.

As mentioned in the Strategic Report and note 28, the external loan notes have been refinanced subsequent to the year-end, with their maturity extended to August 2028. As described in the Strategic Report, there are ongoing investigations in relation to the incident at the O2 Academy Brixton, a venue operated by the company. We do not expect any outflows, other than legal costs, in relation to the incident during the going concern assessment period. With this considered, the group cashflow projections, including plausible downside scenarios modelled, project that the group will continue in a favourable liquidity position and have sufficient resources to meet its liabilities as they fall due for the duration of the going concern assessment period.

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

Interest rate benchmark reform

The wider group with which the entity sits is in the progress of undertaking a review of interest rate benchmarks applied to inter-group debtors and creditors. The review is expected to be completed and new benchmark agreements in place by the end of 2023. It is not expected that there will be any material impact on the entities financial statements.

Academy Music Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

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 group'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 group 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.

Interest Income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

Income from fixed asset investments

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

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.

Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transaction balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Nonmonetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Business combinations

Acquisitions of businesses are accounted for using the purchase method. The cost of the business combination is measured at the aggregate of the fair values (at the date of exchange) of assets given and liabilities incurred or assumed in exchange for control of the business plus costs directly attributable to the business combination.

Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets and liabilities is recognised as goodwill.

Academy Music Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

3 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Intangible assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is charged to administrative expenses so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives:

Venue use intangibles	-	over remaining lease term, to a maximum of 10 years
Goodwill	-	over remaining lease term, to a maximum of 10 years

Intangible assets relating to customer relationships were identified on the acquisition of the business combination to reflect the value of acquiring an already established venue business compared to entering into a new lease and building a new venue's customer base and profile. These intangibles are referred to as Venue use intangibles. They have been valued based on multiples of historic earnings that management have judged to be reasonable based on transactions for similar assets.

If there is an indication that there has been a significant change in amortisation rate of residual value of an asset, the amortisation of that asset is revised prospectively to reflect the new expectations.

Tangible assets

Tangible fixed assets are measured at 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.

Freehold property and improvements are stated at the revalued amount being its fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Land is not depreciated. 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 as follows:

Freehold property and improvements	-	over 40 years
Leasehold property and improvements	-	over the term of the lease
Plant and machinery	-	straight line over 3-7 years
Fixtures and fittings	-	straight line over 7 years
Computer equipment	-	straight line over 3-10 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.

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.

Investments

Investments are recognised initially at fair value which is normally the transaction price. Subsequently, they are recognised at cost less impairment unless a reliable measure of fair value becomes available.

Academy Music Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

3 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

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.

Cash and cash equivalent

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.

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.

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.

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 Profit and Loss Account. assets of the group after deducting all of its liabilities.

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.

Leases

Rentals under operating lease are charged to the consolidated income statement 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.

Academy Music Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

3 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Government grants

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

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

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

Provisions for liabilities

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the income statement in the period it arises.

Property dilapidations provision

A provision is made for obligations to reinstate leasehold properties to their former condition at the end of the lease provision or other potential exit dates. This is made in reference to surveyors' reports and internal property team's best estimate of the expenditure required to settle the obligation.

Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Pensions

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

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

4 TURNOVER

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

Academy Music Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

5 OTHER INCOME

	2022	2021
	£	£
Government grants received	39,218	4,177,357

Government grant income recognised in 2022 and 2021 relate to grants received in relation to the Coronavirus Job Retention Scheme, the Arts Council Cultural Recovery fund, and local council grants.

6 OPERATING PROFIT

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

	2022	2021
	£	£
Amortisation of goodwill	1,040,181	1,315,168
Amortisation of other intangible assets	323,188	61,774
Depreciation of tangible fixed assets	3,704,765	3,277,034
Loss on disposal of fixed assets	46,695	-
Fees payable to the company's auditor for the audit of the company's annual accounts	8,700	8,000
Fees payable to the company's auditor and its associates for other services: the audit of the company's subsidiaries	73,950	70,620
Operating lease rentals - land and buildings	4,601,284	4,556,977
Operating lease rentals - equipment	116,705	226,808

7 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	2022	2021
	£	£
Wages and salaries	13,001,754	6,249,117
Social security costs	978,293	502,207
Pension costs	438,274	314,869
	14,418,321	7,066,193

The group 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:

	2022	2021
	Number	Number
Operations staff	253	230
Administrative staff	198	121
	451	351

Aggregate directors' emoluments included in the staff costs above are:

	2022	2021
	£	£
Emoluments, including benefits in kind	194,321	135,774
Pension contributions under defined contribution schemes	15,308	14,514
	209,629	150,288

During the year, 1 director received emoluments and benefits in respect of defined contribution pension schemes from the group (2021 - 1). Other directors' emoluments have been borne by Live Nation (Music) UK 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 group 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 2022 and 31 December 2021.

Academy Music Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

8 INTEREST PAYABLE AND SIMILAR CHARGES

	2022	2021
	£	£
On bank loans and overdrafts	167,462	476,671
On other loans	3,377,065	2,304,423
Amortisation of loan issue expenses	56,000	48,000
Unwind of discount and change in provision assessment	171,443	279,325
	<u>3,771,970</u>	<u>3,108,419</u>

9 TAX ON PROFIT / (LOSS) ON ORDINARY ACTIVITIES

(a) Analysis of tax charge in the year

	2022	2021
	£	£
Current tax:		
UK Corporation Tax on profits/(losses) for the year	1,272,502	-
Adjustments in respect of previous years	-	(743,517)
Total current tax	<u>1,272,502</u>	<u>(743,517)</u>
Deferred tax:		
Origination and reversal of timing differences	663,042	(32,802)
Adjustments in respect of previous years	113,554	969,656
Change in tax rates and laws	(38,482)	(104,832)
Total deferred tax	<u>738,114</u>	<u>832,022</u>
Total tax charge for the year (note 9 (b))	<u>2,010,616</u>	<u>88,505</u>

(b) Factors affecting the total 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% (2021 - 19%) to the profit/(loss) before tax is as follows:

	2022	2021
	£	£
Profit / (loss) on ordinary activities before taxation	10,119,391	(533,343)
Profit / (loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	1,922,684	(101,335)
Effects of:		
Expenses not deductible for tax purposes	361,263	428,978
Difference in tax rates	211,514	(87,565)
Adjustments to deferred tax in respect of previous years	113,554	969,656
Adjustments to tax in respect of previous years	-	(743,517)
Transfer pricing adjustment	(335,188)	(130,428)
Change in unrecognised deferred tax assets	(263,211)	(247,284)
Total tax charge for the year (note 9 (a))	<u>2,010,616</u>	<u>88,505</u>

c) Tax rate changes

The corporation tax rate for the current year remains the same as the prior year i.e. 19%.

The Finance Act 2021 was substantively enacted on 24 May 2021 and has increased the corporation tax rate from 19% to 25% with effect from 1 April 2023.

In the Autumn Statement in November 2022, the government confirmed the increase in corporation tax rate to 25% from 1 April 2023.

The deferred taxation balances, where applicable, have been measured using the rates expected to apply in the reporting periods when the timing differences reverse.

Academy Music Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

10 SHARE-BASED PAYMENTS

LNE Inc. share options

In December 2005, Live Nation Entertainment, Inc. ("LNE Inc."), the ultimate parent undertaking, adopted its 2005 Stock Incentive Plan. The plan authorises LNE Inc. to grant share option awards, director shares, stock appreciation rights, restricted share and deferred share awards, other equity-based awards and performance awards.

One director of Academy Music Group Limited (2021 - one director) has received restricted shares in LNE Inc. under the LY2005 Stock Incentive Plan. These restricted shares are non performance based and vest evenly over four years from date of grant. LNE Inc invoices Academy Music Group Limited annually for the cost of the restricted shares. The company does not recognise the fair value of these rewards as required under Section 26 of FRS 102 as the difference between the fair value and the amount charged by LNE Inc is not material.

Employees of the company received share awards in the ultimate parent in the prior year. These costs were not recharged to the company as such were recognised as a capital contribution.

11 PROFIT OF THE PARENT UNDERTAKING

The parents company's profit for the financial year was £13,833 (2021 profit of £9,621).

12 INTANGIBLE ASSETS

Group	Goodwill £	Venue use intangibles £	Total £
Cost:			
At 1 January 2022	26,580,188	3,155,701	29,735,889
Disposals	(169,249)	-	(169,249)
At 31 December 2022	26,410,939	3,155,701	29,566,640
Amortisation:			
At 1 January 2022	22,817,121	2,918,651	25,735,772
Charge for the year	1,301,642	61,727	1,363,369
Disposals	(169,249)	-	(169,249)
At 31 December 2022	23,949,514	2,980,378	26,929,892
Net book value:			
At 31 December 2022	2,461,425	175,323	2,636,748
At 31 December 2021	3,763,067	237,050	4,000,117

Included within the above is goodwill with a cost of £4,897,442 (2021 - £5,066,692) which is being amortised over 10 years or less. The remaining goodwill is being amortised over 20 years. Amortisation is charged to administrative expenses in the income statement.

Academy Music Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

13 TANGIBLE FIXED ASSETS

Group	Land	Freehold property and improvements	Leasehold property and improvements	Plant and machinery	Fixtures and fittings	Total
	£	£	£	£	£	£
Cost:						
At 1 January 2022	550,000	21,570,676	38,237,790	12,678,974	9,363,667	82,401,107
Additions	-	311,850	1,361,704	385,819	1,055,559	3,114,932
Disposals	-	-	(402,042)	(176,538)	(249,339)	(827,919)
At 31 December 2022	550,000	21,882,526	39,197,452	12,888,255	10,169,887	84,688,120
Depreciation:						
At 1 January 2022	-	3,568,420	22,439,130	11,864,628	6,452,875	44,325,053
Charge for the year	-	679,303	1,866,483	391,259	767,720	3,704,765
Disposals	-	-	(388,114)	(172,135)	(220,975)	(781,224)
At 31 December 2022	-	4,247,723	23,917,499	12,083,752	6,999,620	47,248,594
Net book value:						
At 31 December 2022	550,000	17,634,803	15,279,953	804,503	3,170,267	37,439,526
At 31 December 2021	550,000	18,002,256	15,798,660	814,346	2,910,792	38,076,054

The directors reviewed the valuation of freehold property and improvements and concluded no fair value adjustments are required at the balance sheet date.

Freehold property and improvements were revalued effective 30 October 2020 and were assessed by an independent valuation expert. The valuer used the profit methods valuation technique as properties which trade as operational entities are normally bought and sold on the basis of their trading potential. Key assumptions include the valuer's assessment of the fair maintainable operating profit and the multiplier.

If freehold property and improvement had been carried under the cost model, the carrying value would have been £8,452,358 (2021 - £8,442,428).

Academy Music Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

14 FIXED ASSET INVESTMENTS

Company	Investment in subsidiary companies £
Cost:	
At 1 January 2022 and 31 December 2022	516,266

Subsidiary undertakings

At 31 December 2022, except where indicated, the company held 100% of the issued share capital of the following companies:

Name	Principal activity	Country of company registration	Holdings	Registered Address	Holding
Academy Music Group Limited*	Management of music venues	England	Ordinary shares	(1)	100%
Electricland Limited	Holding company	England	Ordinary shares	(1)	100%
Tecjet Limited*(a)	Venue operator	Scotland	Ordinary shares	(2)	77.5%
ABC3 Limited*(a)	Holding company	Scotland	Ordinary shares	(2)	100%

* Companies where the share capital is held indirectly.

(1) 211 Stockwell Road, London, SW9 9SL

(2) Whitehall House, 33 Yeaman Shore, Dundee, DD1 4BJ

(a) For the year ending 31 December 2022 ABC3 Limited (company number SC296144) and Tecjet Limited (company number SC253459) are entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476. Academy Music Holdings Limited have given a guarantee under section 479C of the Companies Act 2006 which has the effect that Academy Music Holdings Limited guarantees all outstanding liabilities to which ABC3 Limited and Tecjet Limited are subject to at the end of the year ended 31 December 2022 until they are satisfied in full and the guarantee is enforceable against Academy Music Holdings Limited by any person to whom ABC3 Limited and Tecjet Limited are liable in respect of those liabilities.

15 STOCKS

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Finished goods and goods for resale	810,811	1,073,826	-	-

Stock recognised in cost of sales during the year as an expense was £7,200,989 (2021 - £3,233,573).

Academy Music Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

16 DEBTORS

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Due after more than one year				
Prepayments and accrued income	1,711,330	1,778,573	-	-
	<u>1,711,330</u>	<u>1,778,573</u>	<u>-</u>	<u>-</u>
Due within one year				
Trade debtors	1,498,617	1,232,668	-	-
Amounts owed by group undertakings	41,545	1,514,455	348,859	333,667
Prepayments and accrued income	2,293,413	2,507,206	-	-
Other debtors	22	-	22	22
Corporation tax	298,553	1,563,528	-	-
	<u>4,132,150</u>	<u>6,817,857</u>	<u>348,881</u>	<u>333,689</u>

Group

All amounts owed by group undertakings are unsecured, non interest bearing and all are repayable on demand.

A provision of £139,993 (2021 - £224,878) was recognised against trade debtors.

Company

Included within amounts owed by group undertakings is £348,859 (2021 - £333,667) of interest bearing loans. Interest is charged at 3month GBP LIBOR plus 3%.

17 CASH AND CASH EQUIVALENTS

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Cash at bank and in hand	27,242,596	36,648,459	9,664	10,983
	<u>27,242,596</u>	<u>36,648,459</u>	<u>9,664</u>	<u>10,983</u>

Academy Music Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

18 CREDITORS: amounts falling due within one year

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Bank loans and overdraft (see note 19)	-	8,952,000	-	-
Loan notes (see note 19)	28,536,389	-	-	-
Trade creditors	1,417,574	2,176,170	-	-
Amounts owed to group undertakings	1,352,979	1,010,745	2,594	3,758
Payable for group relief	-	-	1,204	-
Taxation and social security	2,840,202	2,118,539	-	-
Accruals and deferred income	12,719,033	11,978,262	-	-
Other creditors	23,426,107	33,079,082	-	-
	<u>70,292,284</u>	<u>59,314,798</u>	<u>3,798</u>	<u>3,758</u>

Group

The bank loans and overdraft are secured by a fixed and floating charge over the assets of the group.

All amounts owed to group undertakings are unsecured, non interest bearing and repayable on demand.

Company

Included within amounts owed to group undertakings is £2,594 (2021 - £3,758) of interest bearing loans. Interest is charged at 3month GBP LIBOR plus 3%.

19 CREDITORS: amounts falling due after more than one year

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Bank loans (see note 20)	-	5,681,729	-	-
Loan notes (see note 20)	-	28,207,743	-	-
Accruals and deferred income	19,733	26,359	-	-
	<u>19,733</u>	<u>33,915,831</u>	<u>-</u>	<u>-</u>

Academy Music Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

20 LOANS

Creditors include finance capital which is due for repayment as follows:

	2022	2021
Group	£	£
Amounts repayable:		
In one year or less	28,536,389	9,000,000
In more than one year but not more than two years	-	33,897,472
	<u>28,536,389</u>	<u>42,897,472</u>
Unamortised loan issue expenses within one year	-	(48,000)
Unamortised loan issue cost after more than one year	-	(8,000)
	<u>28,536,389</u>	<u>42,841,472</u>
Disclosed as:		
Loans falling due within one year	28,536,389	8,952,000
Loans falling due after more than one year	-	33,889,472
	<u>28,536,389</u>	<u>42,841,472</u>

The loan instruments at the end of the year comprise the following:

Bank loans

A five year facility totalling £32,500,000 was entered into March 2018, 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. The quarterly instalments were as follows: Years 1 and 2 - £500,000 per quarter; Years 3 and 4 - £1,250,000 per quarter; Year 5 - £1,500,000 per quarter.

These facilities were repaid in full in December 2022. There were no fees or penalties payable as a result of the early repayment of these loans.

Loan notes

Loan notes of £21,921,454 (2021 - £21,921,454) which are due for repayment in August 2023 and accrued interest as at 31 December 2022 is £6,614,935 (2021 - £6,286,289). These loan notes are unsecured and have a fixed interest rate of 11%.

Unamortised loan issue expenses within one year are £nil (2021 - £48,000). Unamortised loan issue expenses after more than one year are £nil (2021 - £8,000).

21 DEFERRED GRANT INCOME

Government grants, included within accruals and deferred income, are receivable as follows:

	2022	2021
Group	£	£
Amounts repayable:		
In one year or less	7,896	6,626
In more than one year but not more than two years	7,896	7,896
In more than two years but not more than five years	10,567	19,733
	<u>26,359</u>	<u>34,255</u>

These amounts will be recognised in the profit and loss once the group receives reasonable assurance that they comply with the conditions of the grant.

Academy Music Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

22 PROVISIONS FOR LIABILITIES

	2022	2021
Group	£	£
Leasehold dilapidations (note 22 a)	5,031,604	4,832,467
Other property (note 22 b)	1,246,626	1,378,428
Deferred taxation (note 22 c)	2,650,093	1,911,979
	<u>8,928,323</u>	<u>8,122,874</u>
Provisions due within one year	1,507,626	2,091,358
Provisions due in more than one year	7,420,697	6,031,516
	<u>8,928,323</u>	<u>8,122,874</u>

A description of the Dilapidations provision is included in note 2 and note 3 of the financial statements. Other Property provisions are recognised when it is considered the company has a constructive obligation to perform works on the properties operated by the entity. The split of maturity of the provisions is disclosed above.

(a) Leasehold dilapidations

	£
At 1 January 2022	4,832,467
Additions during the period (including those that result from changes in measuring the discounted amount)	567,255
Unused amounts reversed during the period	(368,118)
At 31 December 2022	<u>5,031,604</u>

(b) Other property

	£
At 1 January 2022	1,378,428
Provision release	(131,802)
At 31 December 2022	<u>1,246,626</u>

(c) Deferred taxation

Deferred taxation provided for at 25% (2021 - 25%) in the financial statements is set out below:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Deferred tax liability at 1 January	1,911,979	741,095	-	-
Income statement charge	776,596	936,854	-	-
Change in tax rates and laws	(38,482)	(104,833)	-	-
Other comprehensive income charge	-	338,863	-	-
Deferred tax liability at 31 December	<u>2,650,093</u>	<u>1,911,979</u>	<u>-</u>	<u>-</u>

Academy Music Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

22 PROVISIONS FOR LIABILITIES (continued)

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Excess of capital allowances over depreciation	2,279,345	1,490,952	-	-
Short term timing differences	(1,018,609)	(976,533)	-	-
Pension costs	(22,570)	(14,367)	-	-
Revalued freehold properties	1,411,927	1,411,927	-	-
Deferred tax liability at 31 December	2,650,093	1,911,979	-	-

The deferred tax balances provided are expected to change by £261,000 and this should be reflected in the financial statements for the year ended 31 December 2023.

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

	2022	2021
	£	£
Capital losses	(1,187,916)	(1,155,370)
Short term differences	-	(42)
Losses	-	(202,042)
Deferred tax asset not provided at 25% (2021 - 25%)	(1,187,916)	(1,357,454)

23 SHARE CAPITAL

	2022	2021
	£	£
<i>Allotted, called up and fully paid</i>		
440,811 "B" Ordinary shares of £0.50 each	220,406	220,406
559,189 "C" Ordinary shares of £0.50 each	279,594	279,594
	500,000	500,000

The "B" Ordinary shares and "C" Ordinary shares rank pari passu in all respects, except as stated below:

The holders of more than 50% of the "C" Ordinary shares are entitled to appoint two executive or non executive directors and a chairman by majority decision.

Any holder of 20% or more "B" Ordinary shares is entitled to appoint one non executive director.

24 RESERVES

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

Capital contribution reserve - includes costs incurred by the ultimate parent on behalf of the company for remuneration of the company's employees.

Revaluation reserve - includes the net revaluation gains in relation to carrying freehold property at fair value.

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

Academy Music Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

25 RELATED PARTY TRANSACTIONS

The group has taken advantage of the exemption under FRS 102 Section 33.1A not to disclose transactions with group undertakings as a subsidiary which is 100% owned by its immediate parent undertaking.

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

	Sales to related party £	Purchases from related party £	Amounts owed from related party £	Amounts owed to related party £
<i>Entities with control over the group</i>				
2022	2,401,264	(476,401)	-	(253,465)
2021	1,297,686	(401,670)	-	(177,375)
<i>Entities over which the entity has control</i>				
2022	-	-	-	-
2021	-	-	-	(13,583)
<i>Entities controlled by the same ultimate parent undertaking</i>				
2022	1,764,167	(4,227,300)	16,853	(1,099,514)
2021	558,386	(2,106,200)	1,447,163	(762,257)
<i>Other related parties</i>				
2022	834,000	-	-	-
2021	307,067	-	-	-

26 CONTINGENCIES AND CAPITAL COMMITMENTS

The group has a group VAT registration and is therefore jointly and severally liable for all the other group companies' unpaid debts in this connection.

From time to time we are subject to various claims, investigations, legal and administrative cases and proceedings by governmental agencies or private parties. Where potential outflows are probable and can be estimated reliably a provision is included in the financial statements. Where the amounts cannot be estimated reliably disclosure is included relating to these contingent liabilities.

As discussed in the Strategic Report there is an ongoing matter in respect of the O2 Academy Brixton. At this time, with regards to ongoing policy and regulatory investigations and any potential civil claims or other legal and administrative cases, any potential liability cannot be reliably estimated, nor the timing of possible outflows be determined, as the company is not yet in receipt of all the relevant information for these matters.

Other than those disclosed above the company had no capital commitments and contingent liabilities at 31 December 2022 and 31 December 2021.

27 LEASE COMMITMENTS

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

Group	Equipment 2022 £	Equipment 2021 £	Land and buildings 2022 £	Land and buildings 2021 £
Operating lease which expire:				
Within one year	-	116,705	4,618,791	4,656,659
Between two and five years inclusive	-	-	18,247,779	18,913,529
After five years	-	-	58,987,252	63,348,173
	-	116,705	81,853,822	86,918,361

Academy Music Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022

28 POST BALANCE SHEET EVENTS

Subsequent to the year-end, the external loan notes which were due to mature in August 2023 have been refinanced and are now due to mature in August 2028. These remain on the same commercial terms as disclosed in Note 20.

29 FINANCIAL RISK MANAGEMENT

The Group has exposure to three main areas of risk - liquidity risk, customer credit exposure and interest rate risk.

Liquidity risk

The objective of the Group in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The Group 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 Group has credit facilities available from group companies.

Customer credit exposure

The majority of revenue is received in advance of services being delivered, however the Group may offer credit terms to its customers which allow payment of the debt after delivery of the services. The Group is at risk to the extent that a customer may be unable to pay the debt on the specified due date. This risk is mitigated by the strong on-going customer relationships.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows associated with a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk on its floating rate borrowings as these are periodically based on the short-term interbank rate, Libor. The Group mitigates this risk using forecasting and financial modelling to assess the impact of any future changes in this rate.

30 ULTIMATE PARENT UNDERTAKING

The company's immediate parent company is LN-Gaiety Holdings Limited, a company incorporated in England and Wales.

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 LN-Gaiety Holdings Limited, incorporated in England and Wales. Copies of the consolidated financial statements for LN-Gaiety Holdings Limited are available from 30 St John Street, London, EC1M 4AY.