

Registered number: 11598107

SAFE FESTIVALS GROUP LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



SAFE FESTIVALS GROUP LIMITED

COMPANY INFORMATION

Directors	Denis J Desmond Stuart R Douglas Lynn Lavelle Selina H Emeny
Company secretary	Selina Holliday Emeny
Registered number	11598107
Registered office	30 St. John Street London EC1M 4AY
Independent auditor	Ernst & Young LLP London SE1 2AF
Bankers	HSBC Bank Plc 8 Canada Square London E14 5HQ

SAFE FESTIVALS GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present their report and the financial statements for the year ended 31 December 2021.

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

Principal activity

The principal activity of the company is the promotion and organisation of music festivals.

Results and dividends

On 11 March 2020, the World Health Organization (WHO) classified the outbreak COVID-19 as an international pandemic. On 23 March 2020, the UK Government announced the beginning of a lockdown and in response to the pandemic the company was forced to postpone its live music events. In 2021, following the easing of Government restrictions, the company was able to resume operations. As a result, the company's turnover has increased to £6,382,906 (2020 - £30,542).

The profit for the year, after taxation, amounts to £685,897 (2020 - £992,169).

The statement of financial position shows that net liabilities have decreased to £1,333,964 (2020 - £2,019,861).

No dividends were paid or proposed during the year (2020: £nil).

Directors

The Directors who served during the year were:

Denis J Desmond
Stuart R Douglas
Lynn Lavelle
Selina H Emery

Principal risks and uncertainties

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

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

Throughout 2021, the principal risk to the company was the impact of the COVID-19 pandemic. Following the easing of Government restrictions, this is no longer considered the principal risk.

SAFE FESTIVALS GROUP LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Going concern

Following the impact of COVID-19, the directors have paid exceptionally close attention to the cashflow projections over the period to 30 September 2023.

The company is in a net liability position, as such, its immediate parent undertaking, LN-Gaeity Holdings Limited has committed to provide continuing financial support, if required, to enable the company to meet its obligations as and when they fall due for a period to 30 September 2023. The company has no bank debt.

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

Disclosure of information to auditor

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

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

Auditor

Under section 487(2) of the Companies Act 2006, Ernst & Young LLP will be deemed to have been reappointed as 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.



.....
Lynn Lavelle
Director
Date: 7 September 2022

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

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

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAFE FESTIVALS GROUP LIMITED

Opinion

We have audited the financial statements of SAFE Festivals Group Limited (the 'company') for the year ended 31 December 2021 which comprise the Statement of Income and Retained Earnings, Statement of Financial Position and the related notes 1 to 20, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2021 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period to 30 September 2023.

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

Other information

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

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAFE FESTIVALS GROUP LIMITED (CONTINUED)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report 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 set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SAFE FESTIVALS GROUP LIMITED (CONTINUED)

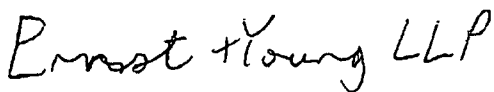
Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006) and the relevant direct and indirect tax compliance regulation in the United Kingdom (Corporation Tax Act 2010). In addition, the Company has to comply with laws and regulations relating to its operations, including furlough scheme rules, health and safety, employment law and GDPR.
- We understood how the Company is complying with those frameworks by making enquiries of management, internal audit and those responsible for legal and compliance policies and procedures. We corroborated our enquiries through our review of board minutes, internal control testing and substantive testing. We also reviewed correspondence with relevant authorities.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override and by assuming revenue to be a fraud risk.
- We have assumed that management override could occur through manual journal entries to move revenue and/or expenses between periods via deferred revenue, accrued expenses and/or provisions. We incorporated data analytics into our testing of manual journals where our procedures are designed to provide reasonable assurance that the financial statements are free from 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; review of board minutes; journal entry testing; testing of furlough claims in line with guidance from HMRC; and focused testing, including as referred to above.

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

Use of our report

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



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

8 September 2022

SAFE FESTIVALS GROUP LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Turnover	4	6,382,906	30,542
Cost of sales		(4,699,637)	(420,826)
Gross profit/(loss)		1,683,269	(390,284)
Administrative expenses		(1,072,897)	(818,507)
Other operating income	5	17,899	1,842,987
Operating profit	6	628,271	634,196
Interest receivable	8	170	1,279
Interest payable	9	(40,447)	(99,356)
Profit before tax		587,994	536,119
Tax on profit	10	97,903	456,050
Profit after tax		685,897	992,169
Retained earnings at the beginning of the year		(2,019,961)	(3,012,130)
		(2,019,961)	(3,012,130)
Profit for the year		685,897	992,169
Retained earnings at the end of the year		(1,334,064)	(2,019,961)

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of income and retained earnings.

The notes on pages 9 to 20 form part of these financial statements.

SAFE FESTIVALS GROUP LIMITED
REGISTERED NUMBER: 11598107

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	11	-	288,803
		<u>-</u>	<u>288,803</u>
Current assets			
Debtors: amounts falling due within one year	12	768,180	1,228,844
Cash at bank and in hand	13	3,005,936	573,960
		<u>3,774,116</u>	<u>1,802,804</u>
Creditors: amounts falling due within one year	14	(5,108,080)	(4,057,863)
Net current liabilities		<u>(1,333,964)</u>	<u>(2,255,059)</u>
Total assets less current liabilities		<u>(1,333,964)</u>	<u>(1,966,256)</u>
Provisions for liabilities			
Deferred tax	15	-	(53,605)
		<u>-</u>	<u>(53,605)</u>
Net liabilities		<u><u>(1,333,964)</u></u>	<u><u>(2,019,861)</u></u>
Capital and reserves			
Called up share capital	16	100	100
Profit and loss account	17	(1,334,064)	(2,019,961)
		<u><u>(1,333,964)</u></u>	<u><u>(2,019,861)</u></u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Lynn Lavelle

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Lynn Lavelle
Director
Date: 7 September 2022

The notes on pages 9 to 20 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. General information

Safe Festivals Group Limited is a private limited company incorporated in the United Kingdom. The registered office is 30 St. John Street, London, EC1M 4AY.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The financial statements are prepared in Sterling (£) which is the functional currency of the company and are reported to the nearest £.

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

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

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

This information is included in the consolidated financial statements of LN-Gaiety Holdings Limited as at 31 December 2021 and these financial statements may be obtained from 30 St. John Street, London, EC1M 4AY.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.3 Going concern

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

Following the impact of COVID-19, the directors have paid exceptionally close attention to the cashflow projections over the period to 30 September 2023.

The company is in a net liability position, as such, its immediate parent undertaking, LN-Gaeity Holdings Limited has committed to provide continuing financial support, if required, to enable the company to meet its obligations as and when they fall due for a period to 30 September 2023. The company has no bank debt.

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

2.4 Revenue recognition

Turnover

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

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

Sale of goods

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

Rendering of services

Turnover from the supply of services is recognised on delivery of those services. Where turnover represents the value of services provided under contracts it is phased equally over the duration of the contract at the value of the consideration due.

Where a contract has only been partially completed at the statement of financial position date, turnover represents the value of the service provided to date based on a proportion of the total contract value. Where payments are received from customers in advance of services provided, the amounts are recorded as Deferred Income and included as part of Creditors due within one year or after more than one year.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.5 Operating leases: the Company as lessee

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

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

2.6 Government grants

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

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

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

2.7 Interest income

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

2.8 Finance costs

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

2.9 Pensions

Defined contribution pension plan

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.10 Current and deferred taxation

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

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

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

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

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

2.11 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Festival rights	-	3	years
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2.12 Debtors

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

2.13 Cash and cash equivalents

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.14 Creditors

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

2.15 Provision for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are made, they are charged to the provision carried in the Statement of financial position.

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

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

There were no judgements or estimates made by management in preparation of the financial statements that were assessed as leading to key sources of estimation uncertainty when preparing the financial statements.

4. Turnover

Turnover, which excludes value added tax, represents the fair value of amounts due from the company's principal business, that of concert promotion.

All turnover arose within the United Kingdom.

SAFE FESTIVALS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

5. Other operating income

	2021 £	2020 £
Government grants receivable	17,899	58,423
Insurance claims receivable	-	1,784,564
	<u>17,899</u>	<u>1,842,987</u>

Government grant income recognised in 2021 and 2020 relates to grants received from the Coronavirus Job Retention Scheme.

6. Operating profit/(loss)

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

	2021 £	2020 £
Auditor's remuneration - audit services	17,969	5,429
Amortisation	<u>288,803</u>	<u>385,070</u>

7. Employees

	2021 £	2020 £
Wages and salaries	190,076	160,683
Social security costs	26,649	14,873
Cost of defined contribution scheme	13,772	7,483
	<u>230,497</u>	<u>183,039</u>

The company operates a stakeholder defined contribution pension scheme for the benefit of the employees and directors. The assets of the scheme are administered by an independent pension provider.

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

	2021 No.	2020 No.
Administration	<u>5</u>	<u>5</u>

The requirement to disclose director's remuneration in the financial statements of a small company was repealed by Statutory Instrument 2015 No 980. The directors do not consider there have been any transactions which have 'not been concluded under normal market conditions' in accordance with FRS 102 (paragraph 1AC.35).

SAFE FESTIVALS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. Interest receivable

	2021 £	2020 £
Bank interest receivable	170	1,279
	<u>170</u>	<u>1,279</u>

9. Interest payable

	2021 £	2020 £
Loans from group undertakings	40,447	99,356
	<u>40,447</u>	<u>99,356</u>

10. Taxation

	2021 £	2020 £
Current tax		
UK corporation tax on profits for the year	121,424	164,426
Adjustment for group relief receivable in respect of previous years	(164,426)	-
Amounts receivable from group company in respect of group relief provided in previous years	-	(559,524)
Total current tax	<u>(43,002)</u>	<u>(395,098)</u>
Deferred tax		
Origination and reversal of timing differences	(54,573)	(74,430)
Changes in tax rates and laws	(328)	13,478
Total deferred tax (see note 15)	<u>(54,901)</u>	<u>(60,952)</u>
Total tax credit	<u>(97,903)</u>	<u>(456,050)</u>

SAFE FESTIVALS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

10. Taxation (continued)**Factors affecting the total tax credit for the year**

The difference between the total tax credit shown above and the amount calculated by applying the standard rate of UK Corporation 19% (2020 - 19%) to the profit before tax is as follows:

	2021 £	2020 £
Profit on ordinary activities before tax	587,994	536,119
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	111,719	101,863
Effects of:		
Expenses not deductible for tax purposes and imputed income/(Income not taxable and corresponding adjustments)	1,408	(11,867)
Transfer pricing adjustment	(46,348)	-
Difference in tax rates	(256)	13,478
Adjustment for group relief received in respect of previous years	(164,426)	-
Amounts receivable from group company in respect of group relief provided in previous years	-	(559,524)
Total tax credit for the year	(97,903)	(456,050)

Factors that may affect future tax charges

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.

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

SAFE FESTIVALS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. Intangible assets

	Festival rights £
Cost	
At 1 January 2021	1,155,209
At 31 December 2021	<u>1,155,209</u>
Amortisation	
At 1 January 2021	866,406
Charge for the year on owned assets	288,803
At 31 December 2021	<u>1,155,209</u>
Net book value	
At 31 December 2021	<u>-</u>
At 31 December 2020	<u>288,803</u>

12. Debtors

	2021 £	2020 £
Trade debtors	103,591	3,067
Amounts owed by group undertakings	391,970	31,244
Other debtors	12,593	548,480
Prepayments and accrued income	258,730	86,529
Receivable for group relief	-	559,524
Deferred tax asset	1,296	-
	<u>768,180</u>	<u>1,228,844</u>

Amounts owed by group undertakings are repayable on demand, unsecured and non-interest bearing.

SAFE FESTIVALS GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

13. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	3,005,936	573,960
	<u>3,005,936</u>	<u>573,960</u>

14. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	65,634	32,207
Amounts owed to group undertakings	1,112,827	1,465,667
Corporation tax payable	14,084	164,426
Other taxation and social security	188,254	157,591
Accruals and deferred income	3,727,281	2,237,972
	<u>5,108,080</u>	<u>4,057,863</u>

Included within amounts owed to group undertakings falling due within one year is £985,110 (2020 - £1,444,039) of interest bearing loans. Interest is charged at 3month GBP LIBOR plus 3%. The remaining amounts owed to group undertakings are repayable on demand, unsecured and non-interest bearing.

15. Deferred taxation

	2021 £	2020 £
Deferred tax liability at 1 January	(53,605)	(114,557)
Income statement credit	54,573	74,430
Changes in tax rates and laws	328	(13,478)
Deferred tax asset/(liability) at 31 December	<u>1,296</u>	<u>(53,605)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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15. Deferred taxation (continued)

The deferred taxation balance is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	1,296	1,268
Short term timing differences related to amortisation of intangibles	-	(54,873)
Provision for deferred tax asset/(liability)	1,296	(53,605)

The company has no unused tax losses or tax credits.

The net reversal of deferred tax assets and liabilities expected in 2022 is £187.

This relates to the reversal of timing differences on tangible assets and capital allowances through depreciation and amortisation.

16. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
100 (2020 - 100) Ordinary A shares of £1.00 each	100	100

17. Reserves**Profit and loss account**

Includes all current and prior periods retained profits and losses.

18. Contingent liabilities and capital commitments

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.

The company is included in a group VAT registration with LN-Gaiety Holdings Limited and is therefore jointly and severally liable for all the other companies within the VAT groups' unpaid debts in this connection.

The company had no capital commitments and contingent liabilities at 31 December 2021 and 31 December 2020.

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19. Related party transactions

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

During the year the company entered into transactions, in the ordinary course of business, with other related parties outside of the 100% owned group. Transactions entered into, and trading balances outstanding at 31 December 2021, are as follows:

	Interest charged from related party £	Amounts owed from related party £	Amounts owed to related party £
Entities with control over the company			
2021	40,447	94,643	(104,447)
2020	99,356	(13,200)	44,907
Entities controlled by the same ultimate parent undertaking			
2021	-	297,328	-
2020	-	-	-

20. Controlling party

The company's ultimate parent undertaking and controlling party is Live Nation Entertainment Inc., which is incorporated in the United States of America. This is the largest group which consolidated accounts are prepared. Copies of the group financial statements for Live Nation Entertainment Inc. are available from 9348 Civic Center Drive, Beverly Hills, California, 90210, United States of America.

The company's immediate parent undertaking is MAMA Festival Limited, a company incorporated in the United Kingdom. The smallest undertaking preparing consolidated financial statements that include the company is LN-Gaiety Holdings Limited. Copies of the consolidated financial statements are available from 30 St. John Street, London, EC1M 4AY.