

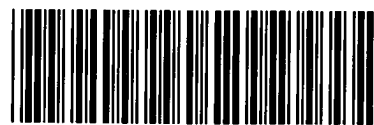
# MAMA New Music Limited

Strategic Report, Report of the Directors and Financial Statements

31 December 2016

Registered No. 01600521

THURSDAY



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COMPANIES HOUSE

# MAMA New Music Limited

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## COMPANY INFORMATION

### **DIRECTORS**

R Bett  
G Ezard  
S Douglas  
P Latham

### **SECRETARY**

S Emeny

### **REGISTERED OFFICE**

2nd Floor, Regent Arcade House  
19-25 Argyll Street  
London  
W1F 7TS

### **REGISTERED NUMBER**

01600521 (England and Wales)

### **AUDITORS**

BDO LLP  
55 Baker Street  
London, United Kingdom  
W1U 7EU

# MAMA New Music Limited

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## STRATEGIC REPORT

for the period 1 November 2015 to 31 December 2016

The directors present their report with the financial statements of the company for the period 1 November 2015 to 31 December 2016. The comparative period is from 27 April 2014 to 31 October 2015.

## REVIEW OF BUSINESS

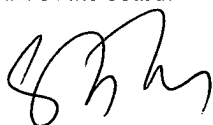
The company's turnover for the period ended 31 December 2016 was £2,123,248 (period ended 31 October 2015 - £22,799,774). The company's operating profit for the period ended 31 December 2016 was £785,505 (period ended 31 October 2015 - loss of £1,140,885) and the company's profit after tax for the period ended 31 December 2016 was £785,505 (period ended 31 October 2015 - loss of £1,066,080).

During the period, the company sold all of its venues either within the group or external to the group. Those venues retained within the group were bought by Academy Music Group Limited on 2 November 2015 for a total of £7,000,000 included the Forum Club and The Garage in London, The Institute in Birmingham, The Ritz in Manchester and the Arts Club in Liverpool (see note 20). The company's remaining venues, the Hoxton Bar and Kitchen, the Jazz Cafe, the Barfly Camden and the Borderline were sold externally for total sale proceeds of £2,909,000. After the last venue disposal, the remaining trade and assets of the company were sold to a fellow group company, MAMA Festivals Limited, on a no gain / no loss basis. As a result of these disposals, the company is no longer trading and is expected to be dormant in the future.

## PRINCIPAL RISKS AND UNCERTAINTIES

As it has now ceased trading and expected to be dormant, there are no risks and uncertainties associated with the company.

On behalf of the board:



S Douglas - Director

Date

30/6/17

# MAMA New Music Limited

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## REPORT OF THE DIRECTORS

for the period 1 November 2015 to 31 December 2016

The directors present their report with the financial statements of the company for the period 1 November 2015 to 31 December 2016. The comparative period is from 27 April 2014 to 31 October 2015.

## REVIEW OF BUSINESS

Subsequent to the disposal of all its venues, the company transferred its remaining trade and assets to a fellow group company, MAMA Festivals Limited. The company has now ceased trading and the directors expect the company to be dormant.

## PRINCIPAL ACTIVITY

Prior to the disposals, the principal activity of the company in the period under review was that of the operation of live music venues and events.

## DIVIDENDS

No dividends have been proposed for the period ended 31 December 2016 (2015: £Nil).

## DIRECTORS

The directors shown below have held office during the whole of the period from 1 November 2015 to the date of this report.

R Bett

G Ezard

S Douglas

P Latham

## FINANCIAL INSTRUMENTS

Details of the use of financial instruments by the company is contained in note 18 of the financial statements.

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, Report of the Directors 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 International Financial Reporting Standards as adopted by the European Union. 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:

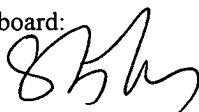
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. As explained in note 1 of the financial statements, the directors do not believe the going concern basis to be appropriate and in consequence these financial statements have not been prepared under this basis.

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.

## STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board:



S Douglas - Director

Date

30/6/17

# MAMA New Music Limited

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MAMA NEW MUSIC LIMITED

We have audited the financial statements of MAMA New Music Limited for the period ended 31 December 2016 which comprise the statement of profit or loss and other comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditors

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

### Scope of the audit of the financial statements

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

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Emphasis of Matter - Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the fact that the financial statements have not been prepared on a going concern basis. As the company has now ceased trading, the financial statements have not been prepared on a going concern basis.

### Opinion on other matters prescribed by the Companies Act 2006

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

### Matters on which we are required to report by exception

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

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



Dominic Stammers (Senior Statutory Auditor)  
for and on behalf of BDO LLP

55 Baker Street  
London, United Kingdom  
W1U 7EU

Date: 30 June 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# MAMA New Music Limited

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD 1 NOVEMBER 2015 to 31 DECEMBER 2016

	Notes	For the period 1 November 2015 to 31 December 2016 £	For the period 27 April 2014 to 31 October 2015 £
<b>DISCONTINUED OPERATIONS</b>			
Revenue	2	2,123,248	22,799,774
Cost of sales		(1,139,320)	(12,268,597)
<b>GROSS PROFIT</b>		983,928	10,531,177
Administrative expenses		(198,423)	(11,672,062)
<b>OPERATING PROFIT / (LOSS)</b>		785,505	(1,140,885)
<b>PROFIT / (LOSS) BEFORE INCOME TAX</b>	4	785,505	(1,140,885)
Income tax	5	-	74,805
<b>PROFIT / (LOSS) FOR THE PERIOD</b>		785,505	(1,066,080)
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME / (EXPENSE) FOR THE PERIOD</b>		785,505	(1,066,080)


The notes form part of these financial statements

# MAMA New Music Limited

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	Notes	As at 31 December 2016 £	As at 31 October 2015 £
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Goodwill	6	-	-
Intangible assets	7	-	-
Property, plant and equipment	8	-	-
Property lease premiums	10	-	-
Deferred tax	19	-	-
		<hr/>	<hr/>
		-	-
Assets classified as held for sale	9	-	4,044,494
<b>CURRENT ASSETS</b>			
Inventories	11	-	143,293
Trade and other receivables	12	-	800,274
Cash and cash equivalents	13	-	577,946
Property lease premiums	10	-	-
		<hr/>	<hr/>
		-	1,521,513
		<hr/>	<hr/>
<b>TOTAL ASSETS</b>		-	5,566,007
		<hr/> <hr/>	<hr/> <hr/>
<b>EQUITY</b>			
<b>SHAREHOLDER'S EQUITY</b>			
Called up share capital	14	133,297	133,297
Share premium	15	16,044,695	16,044,695
Retained earnings	15	(16,177,992)	(16,963,497)
		<hr/>	<hr/>
<b>TOTAL EQUITY</b>		-	(785,505)
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	16	-	6,351,512
		<hr/>	<hr/>
<b>TOTAL LIABILITIES</b>		-	6,351,512
		<hr/>	<hr/>
<b>TOTAL EQUITY AND LIABILITIES</b>		-	5,566,007
		<hr/> <hr/>	<hr/> <hr/>

The financial statements were approved and authorised for issue by the Board of Directors on 30/6/17 and were signed on its behalf by:

  
S Douglas - Director

The notes form part of these financial statements

# MAMA New Music Limited

## STATEMENT OF CHANGE IN EQUITY FOR THE PERIOD 1 NOVEMBER 2015 TO 31 DECEMBER 2016

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
<b>Balance at 26 April 2014</b>	133,297	(15,897,417)	16,044,695	280,575
<b>Changes in equity</b>				
Total comprehensive expense	-	(1,066,080)	-	(1,066,080)
<b>Balance at 31 October 2015</b>	133,297	(16,963,497)	16,044,695	(785,505)
<b>Changes in equity</b>				
Total comprehensive income	-	785,505	-	785,505
<b>Balance at 31 December 2016</b>	133,297	(16,177,992)	16,044,695	-

The notes form part of these financial statements



# MAMA New Music Limited

## STATEMENT OF CASH FLOWS FOR THE PERIOD 1 NOVEMBER 2015 TO 31 DECEMBER 2016

	For the period 1 November 2015 to 31 December 2016 £	For the period 27 April 2014 to 31 October 2015 £
<b>Cash flows from operating activities</b>		
Cash used by operations	(251,903)	(334,746)
Net cash used by operating activities	(251,903)	(334,746)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	-	(374,545)
Costs on sale of property, plant and equipment	(326,043)	-
Net cash used in investing activities	(326,043)	(374,545)
<b>Decrease in cash and cash equivalents</b>	(577,946)	(709,291)
<b>Cash and cash equivalents at beginning of period</b>	577,946	1,287,237
<b>Cash and cash equivalents at end of period</b>	-	577,946

The notes form part of these financial statements

# MAMA New Music Limited

## NOTES TO THE STATEMENT OF CASH FLOWS FOR THE PERIOD 1 NOVEMBER 2015 TO 31 DECEMBER 2016

### RECONCILIATION OF PROFIT / (LOSS) BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	For the period 1 November 2015 to 31 December 2016	For the period 27 April 2014 to 31 October 2015
	£	£
Profit / (loss) before income tax	785,505	(1,140,885)
Depreciation charges	-	1,153,035
Profit on disposal of venues	(5,538,463)	-
Movement of intercompany balances	8,489,648	321,655
Amortisation of property lease premiums	-	125,080
Amortisation charge	-	2,500
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	3,736,690	461,385
Decrease in inventories	143,293	42,730
Decrease / (increase) in trade and other receivables	769,758	(31,594)
Decrease in trade and other payables	(4,901,644)	(807,267)
	<hr/>	<hr/>
<b>Cash used in operations</b>	<b>(251,903)</b>	<b>(334,746)</b>

### CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

#### Period ended 31 December 2016

	As at 31 December 2016	As at 31 October 2015
	£	£
Cash and cash equivalents	-	577,946

#### Period ended 31 October 2015

	As at 31 October 2015	As at 27 April 2014
	£	£
Cash and cash equivalents	577,946	1,287,237

### MAJOR NON-CASH TRANSACTIONS

During the period ended 31 December 2016, MAMA New Music Limited sold all of its venues for a total gross consideration of £9,909,000. No cash was received for these disposals as the total was all recognised as an amount receivable through intercompany balances at 31 December 2016.

The notes form part of these financial statements

### 1 ACCOUNTING POLICIES

#### Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

#### Going concern

As described in the business review on page 2, following the directors plan to cease trading, the directors have concluded that it is not appropriate to adopt a going concern basis in the preparation of these financial statements.

#### Changes in accounting policies

a) New standards, interpretations and amendments effective from 1 November 2015

There have been no new standards, interpretations and amendments effective for the first time from 1 November 2015 that have had a material effect on the financial statements.

a) New standards, interpretations and amendments not yet effective

Interpretations and amendments which are effective for periods beginning after 1 November 2015 and which have not been adopted early, are not expected to have a material effect on the company's future financial statements.

#### Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

#### Revenue recognition

Revenue represents the fair value of amounts recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts. Revenue is recognised at the point that the event occurs or in the case of services provided over a period of time the revenue is recognised as the income accrues over time, in accordance with the contract in place.

#### Goodwill

Purchased goodwill representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired on business acquisitions is capitalised.

#### Intangible assets

Intangible assets are shown at cost less accumulated depreciation. Amortisation is charged to the profit and loss account within administrative expenses on a straight line basis over the useful economic lives of the intangible asset, as follows:

Patents, licences and trademarks - over 3 to 20 years

#### Property, plant and equipment

Items of property, plant and equipment are initially recorded at cost. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- over 10 - 50 years
Short leasehold	- over 10 years - the term of the lease
Fixtures and fittings	- over 3 - 10 years
Computer equipment	- over 3 - 5 years

#### Property lease premiums

Property lease premiums are initially recognised at fair value at acquisition and subsequently measured at amortised cost and are amortised over the term of the lease.

### 1 ACCOUNTING POLICIES (CONTINUED)

#### **Financial instruments**

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are recognised on the statement of financial position at fair value when the company becomes a party to the contractual provisions of the instrument.

#### **Financial assets**

The company classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The company has not classified any of its financial assets as held to maturity or available-for-sale.

**Fair value through profit or loss:** The company does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

**Loans and receivables:** These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in the payment) that the company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

#### **Inventories**

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

#### **Taxation**

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the balance sheet date. The charge for taxation is based on the profit or loss for the period and takes into account deferred tax.

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit or loss.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

#### **Leases**

Operating lease rentals are charged to the profit and loss account on a straight line over the period of the lease.

#### **Employee benefit costs**

The company has no pension scheme arrangements for any of its staff, including the Directors, other than a group personal pension scheme in line with statutory requirements. The company makes contributions to certain employees personal pension scheme and these are charged to the statement of profit or loss as they accrue.

### 1 ACCOUNTING POLICIES (CONTINUED)

#### Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are recognised based on the Directors' best estimate at the reporting date. Provisions have not been discounted as the effect is not material.

#### Non current assets held for sale and disposal groups

Non-current assets and disposal groups are classified as held for sale when:

- They are available for immediate sale
- Management is committed to a plan to sell
- It is unlikely that significant changes to the plan will be made or that the plan will be withdrawn
- An active programme to locate a buyer has been initiated
- The asset or disposal group is being marketed at a reasonable price in relation to its fair value, and
- A sale is expected to complete within 12 months from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at the lower of:

- Their carrying amount immediately prior to being classified as held for sale in accordance with the group's accounting policy; and
- Fair value less costs of disposal.

Following their classification as held for sale, non-current assets (including those in a disposal group) are not depreciated.

The results of operations disposed during the year are included in the statement of comprehensive income up to the date of disposal.

A discontinued operation is a component of the company's business that represents a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale, that has been disposed of, has been abandoned or that meets the criteria to be classified as held for sale.

#### Critical judgements in applying the Company's accounting policies

Useful lives of intangible assets and property, plant and equipment - Intangible assets and property, plant and equipment are amortised or depreciated 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. Changes to estimates can result in significant variations in the carrying value and amounts charged statement of profit or loss in specific periods.

The fair values of assets classified as held for sale are based on the cash flows expected to be derived from the eventual sale of the assets.

Deferred tax assets - The company only recognises deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

### 2 REVENUE

Revenue for the period ended 31 December 2016 and the period ended 31 October 2015 arises from the operation of live music venues and events. It also includes sponsorship income relating directly to brands held by the company.

# MAMA New Music Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 NOVEMBER 2015 to 31 DECEMBER 2016

### 3 EMPLOYEES AND DIRECTORS

	For the period 1 November 2015 to 31 December 2016	For the period 27 April 2014 to 31 October 2015
	£	£
Wages and salaries	424,035	4,876,453
Social security	28,534	307,676
Other pension costs	1,283	14,599
	<u>453,852</u>	<u>5,198,728</u>

The average monthly number of employees during the period was as follows:

	For the period 1 November 2015 to 31 December 2016	For the period 27 April 2014 to 31 October 2015
Office and management*	14	50
Venue staff*	62	230
	<u>76</u>	<u>280</u>

\*Average staff numbers are calculated over the period November to May when the last venue was sold.

	For the period 1 November 2015 to 31 December 2016	For the period 27 April 2014 to 31 October 2015
	£	£
Directors remuneration	-	-

### 4 PROFIT / (LOSS) BEFORE INCOME TAX

	For the period 1 November 2015 to 31 December 2016	For the period 27 April 2014 to 31 October 2015
	£	£
Cost of inventories recognised as expense	344,488	3,950,877
Hire of plant and machinery	5,165	44,265
Other operating leases	39,419	2,260,565
Depreciation - owned assets	-	1,153,035
Intercompany loan waiver	5,255,523	-
(Profit) on disposal of venues	(5,538,463)	-
Patents, licences & trademarks amortisation	-	2,500
Amortisation of property lease premium	-	125,080

The audit fee borne by the company for the period ended 31 December 2016 was £7,500 (2015: £20,040). The directors' services to the company do not occupy a significant amount of their time. As such the directors do not consider that they have received any remuneration for their incidental services to the company for the period ended 31 December 2016 and 31 October 2015.

# MAMA New Music Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 NOVEMBER 2015 to 31 DECEMBER 2016

### 5 INCOME TAX

#### Analysis of tax expense

	2016 £	2015 £
Current tax:		
UK Corporation Tax on profits / (losses) for the year	-	-
Total current tax	-	-

	2016 £	2015 £
Deferred tax	-	(74,805)
Total tax expense / (income) in statement of profit or loss and other comprehensive income	-	(74,805)

#### Factors affecting the tax expense

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2016 £	2015 £
Profit / (loss) on ordinary activities before income tax	785,505	(1,140,885)
Profit / (loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20.61%)	157,101	(235,136)
Effects of:		
(Income not taxable and corresponding adjustments) / expenses not deductible for tax purposes	(52,116)	1,685
Capital allowances in excess of depreciation	-	17,597
Losses carried forward	-	141,049
Group relief claimed	(94,932)	-
Chargeable gains	(10,053)	-
Tax income	-	(74,805)

# MAMA New Music Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 NOVEMBER 2015 to 31 DECEMBER 2016

### 6 GOODWILL

	£
<b>COST</b>	
At 1 November 2015 and 31 December 2016	-
<b>NET BOOK VALUE</b>	
At 1 November 2015 and 31 December 2016	-
<b>COST</b>	
At 27 April 2014	208,893
Reclassification / transfer	(208,893)
At 31 October 2015	-
<b>NET BOOK VALUE</b>	
At 31 October 2015	-

The value of goodwill represented the goodwill acquired from Forum Club Kentish Town Limited on the transfer of the trade and assets to MAMA New Music Limited on 26 April 2014. The goodwill was initially recognised by Forum Club Kentish Town Limited on its acquisition of the venue.



# MAMA New Music Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 NOVEMBER 2015 to 31 DECEMBER 2016

### 7 INTANGIBLE ASSETS

Patents, licences  
& trademarks  
£

#### **COST**

At 1 November 2015 and 31 December 2016

-

#### **AMORTISATION**

At 1 November 2015 and 31 December 2016

-

#### **NET BOOK VALUE**

At 1 November 2015 and 31 December 2016

-

Totals  
£

#### **COST**

At 27 April 2014

23,412

Reclassification/transfer

(23,412)

At 31 October 2015

-

#### **AMORTISATION**

At 27 April 2014

5,003

Amortisation for period

2,500

Reclassification/transfer

(7,503)

At 31 October 2015

-

#### **NET BOOK VALUE**

At 31 October 2015

-

# MAMA New Music Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 NOVEMBER 2015 to 31 DECEMBER 2016

### 8 PROPERTY, PLANT AND EQUIPMENT

	Short leasehold £	Fixtures and fittings £	Computer equipment £	Total £
<b>COST</b>				
At 1 November 2015 and 31 December 2016	-	-	-	-
<b>DEPRECIATION</b>				
At 1 November 2015 and 31 December 2016	-	-	-	-
<b>NET BOOK VALUE</b>				
At 1 November 2015 and 31 December 2016	-	-	-	-
	Short leasehold £	Fixtures and fittings £	Computer equipment £	Total £
<b>COST</b>				
At 27 April 2014	4,923,422	3,136,794	281,252	8,341,468
Additions	77,339	262,205	35,001	374,545
Reclassification / transfer	(5,000,761)	(3,398,999)	(316,253)	(8,716,013)
At 31 October 2015	-	-	-	-
<b>AMORTISATION</b>				
At 27 April 2014	3,021,252	1,244,817	233,025	4,499,094
Amortisation for period	555,249	559,663	38,123	1,153,035
Reclassification / transfer	(3,576,501)	(1,804,480)	(271,148)	(5,652,129)
At 31 October 2015	-	-	-	-
<b>NET BOOK VALUE</b>				
At 31 October 2015	-	-	-	-

# MAMA New Music Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 NOVEMBER 2015 to 31 DECEMBER 2016

### 9 ASSETS CLASSIFIED AS HELD FOR RESALE

	Total £
<b>FAIR VALUE</b>	
At 1 November 2015	4,044,494
Disposal	(4,044,494)
	<hr/>
At 31 December 2016	-
	<hr/>
<b>NET BOOK VALUE</b>	
At 31 December 2016	-
	<hr/>
	Total £
<b>FAIR VALUE</b>	
At 27 April 2014	-
Reclassification/transfer	4,044,494
	<hr/>
At 31 October 2015	4,044,494
	<hr/>
<b>NET BOOK VALUE</b>	
At 31 October 2015	4,044,494
	<hr/>

The Company has sold a number of venues to its subsidiary, MAMA New Music Two Limited. It then sold MAMA New Music Two Limited to a fellow group company Academy Music Group Limited. The venues sold include the Forum Club and The Garage in London, The Institute in Birmingham, The Ritz in Manchester and the Arts Club in Liverpool. The sale was completed in November 2015 (see note 20) for a total consideration of £7,000,000.

The Company has also sold the Hoxton Bar and Kitchen, the Jazz Cafe, the Barfly Camden and the Borderline venues in London for a total consideration of £2,909,000. The sales were completed in December 2015, January 2016, April 2016 and May 2016 respectively.

The assets of these venues were classified as held for sale in the statement of financial position as at 31 October 2015.

	2015 £
Goodwill	208,893
Computer equipment	45,105
Fixtures and fittings	1,594,519
Patents, licences & trademarks	15,909
Property lease premiums	533,678
Short leasehold improvements	1,424,260
Deferred tax	222,130
	<hr/>
	4,044,494
	<hr/>

The fair value of the net assets of the venues (£9,909,000) are categorised as level 3 non-recurring fair value measurements. The fair values have been determined based on the negotiated sale price.

# MAMA New Music Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 NOVEMBER 2015 to 31 DECEMBER 2016

### 10 PROPERTY LEASE PREMIUMS

	2016	2015
	£	£
At 31 December 2016 and 31 October 2015	-	-
<b>COST</b>		
Opening balance	-	765,124
Reclassification/transfer	-	(765,124)
Closing balance	-	-
<b>AMORTISATION</b>		
At beginning of period	-	106,366
Charge for period	-	125,080
Reclassification/transfer	-	(231,446)
At end of period	-	-
<b>NET BOOK VALUE</b>		
At end of period	-	-

The company had a property lease in relation to its venues. The premium paid was amortised over the term of the lease. During the period £Nil (2015: £125,080) was charged to the statement of profit or loss within administrative expenses in respect of the amortisation of non current assets.

### 11 INVENTORIES

	2016	2015
	£	£
Finished goods	-	143,293

### 12 TRADE AND OTHER RECEIVABLES

	2016	2015
	£	£
Current:		
Trade receivables	-	105,534
Amounts owed by group undertakings	-	30,516
Other receivables	-	121,338
Prepayments and accrued income	-	542,886
	-	800,274

Amounts payable by group undertakings are repayable on demand.

# MAMA New Music Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 NOVEMBER 2015 to 31 DECEMBER 2016

### 13 CASH AND CASH EQUIVALENTS

	2016	2015
	£	£
Cash in hand	-	73,003
Bank accounts	-	504,943
	<u>-</u>	<u>577,946</u>

At 31 October 2015, the subsidiaries of Juno Newco Limited were party to a group facility over which the group's bankers have a cross guarantee. The amount outstanding on this facility at 31 October 2015 was Nil.

### 14 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

			2016	2015
Number	Class	Nominal value	£	£
13,329,699	Ordinary	0.01	133,297	133,297

### 15 RESERVES

The nature and purpose of each of the reserves within shareholder's equity is explained below:

Retained earnings - the cumulative gains and losses recognised in the statement of comprehensive income together with other items which are required to be taken direct to equity.

Share premium - the accumulated amount subscribed for share capital in excess of nominal value.

### 16 TRADE AND OTHER PAYABLES

	2016	2015
	£	£
Current:		
Trade payables	-	950,637
Amounts owed to group undertakings	-	1,449,868
Social security and other taxes	-	470,999
Other payables	-	2,484,442
Accruals and deferred income	-	995,566
	<u>-</u>	<u>6,351,512</u>

Amounts owed to group undertakings are repayable on demand.

### 17 LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2016	2015
	£	£
Within one year	-	1,711,994
Between one and five years	-	6,684,895
In more than five years	-	9,656,350
	<u>-</u>	<u>18,053,239</u>

# MAMA New Music Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 NOVEMBER 2015 to 31 DECEMBER 2016

### 18 FINANCIAL INSTRUMENTS

Company policies are to minimise the risks associated with credit and liquidity within the business. The company have put in place a number of policies to manage these financial risks. These include:

- Regular review of debtors with management to agree procedures in respect of individual overdue debts;
- Placing surplus funds on deposit accounts; and
- Preparation of updated cash flows to reflect actual and forecast cash requirements on a regular basis.

At the reporting date the company had sterling denominated current account balances of £Nil (2015: £504,943) and cash in hand of £Nil (2015: £73,003). The company is part of a group facility, where any surplus funds are held on deposit.

It is the Directors' opinion that the carrying value of all financial assets of the company approximates their fair value. IFRS 7 requires disclosure of fair value measurements by level of the following fair value hierarchy:

- Level 1: Quoted prices (adjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, with directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable data (that is unobservable inputs).

Following the sale of the company's trade and assets to a fellow group company, the company has no remaining assets or liabilities. The company did not hold any assets or liabilities recorded at fair value. It was the Directors' opinion that the carrying value of all financial assets and liabilities of the company approximated their fair value due to the short term nature of the balances.

The company previously had trade payables which are generated in the normal course of business.

There have been no substantive changes in the company's exposure to financial instruments risk, its objectives, policies and procedures for managing those risks or the methods used to measure them from previous periods.

The categories of financial instruments as presented in the statement of financial position in relation to the prior period are set out as follows:

### 31 OCTOBER 2015

	Loans and receivables £	Financial liabilities measured at amortised cost £
Trade receivables	105,534	-
Amounts owed by group undertakings	30,516	-
Other receivables	121,338	-
Cash and cash equivalents	577,946	-
Trade payables	-	950,637
Amounts owed to group undertakings	-	1,449,868
Other payables	-	2,484,442
Accruals	-	855,221
	<hr/>	<hr/>
	835,334	5,740,168
	<hr/>	<hr/>

The company considers that the following risks were relevant to an understanding of its business:

### 18 FINANCIAL INSTRUMENTS (CONTINUED)

#### Credit risk

Credit risk is the risk of financial loss to the company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations.

The company's credit risk was primarily attributable to its debtors. The amounts presented in the statement of financial position are net of allowances for doubtful debts. The credit risk on liquid funds was limited because the counterparties are banks with high credit-ratings assigned by international credit rating agencies. The maximum amount of credit risk for each asset class is the carrying amount in the statement of financial position.

There were no trade receivables past due but not impaired as at 31 December 2016 (2015: £96,433). They related to customers with no default history. The ageing analysis of these receivables is as follows:

	2016	2015
	£	£
Over 30 days	-	18,117
Over 60 days	-	6,373
Over 90 days	-	44,190
Over 120 days	-	27,753
	<hr/>	<hr/>
	-	96,433
	<hr/>	<hr/>

As at 31 December 2016, there were no trade receivables past due and impaired (2015: £39,044) were past due and impaired.

#### Currency risk

The majority of the company's transactions were in sterling hence the company has a negligible exposure to currency risk.

#### Liquidity risk

The company has received a letter of support from its parent company, LN-Gaiety Holdings Limited. The company therefore considers it has a low exposure to liquidity risk.

#### Capital management

The capital of the company is the total equity on the statement of financial position. The objective of the company's capital management is to grow its business and deliver improving returns for its shareholders. The management of the company's capital is performed by the Directors, taking into account economic conditions and strategic requirements. The company may make dividend payments to shareholders, return capital to shareholders or issue new shares. There are no externally imposed capital requirements.

# MAMA New Music Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 1 NOVEMBER 2015 to 31 DECEMBER 2016

### 19 DEFERRED TAX

Deferred tax is calculated on temporary differences using a tax rate of 19% (2015 - 20%).

The movement on the deferred tax asset is shown below:

	2016	2015
	£	£
Deferred tax asset at start of period	-	(147,325)
Movement in the period	-	(74,805)
Reclassification / transfer	-	222,130
Deferred tax asset at end of period	-	-

### 20 RELATED PARTY DISCLOSURES

The directors are considered to be the key management personnel. Details of the directors' remuneration is give in note 3. Other related party transactions which took place during the year are as follows:

Related party relationship	Value of transaction		Balance outstanding to company Dr / (Cr)	
	2016	2015	2016	2015
Parent and its subsidiaries	1,612,704	321,655	-	(1,419,352)

The above transactions have arisen as a result of loan transactions and intragroup recharges such as salaries and general administrative expenses. Other transactions that have been settled in cash and have no profit and loss effect have been excluded.

The balances outstanding to or from the company at the period end are also impacted by the following transactions.

MAMA New Music Limited received ticket money and paid supplier payments, settlements and other costs on behalf of its fellow subsidiaries.

On 2 November 2015, MAMA New Music Limited sold 5 of its venues to its subsidiary, MAMA New Music Two Limited for a total of £7,000,000. It then sold MAMA New Music Two Limited to a fellow group company Academy Music Group Limited, a related party by virtue of the company's parent company, LN-Gaiety Holdings Limited, owning a 56% shareholding in the Academy Music Group. No cash was received for the sale as all amounts were settled through intercompany.

During the period ended 31 December 2016, the company sold its remaining trade and liabilities to another group company, MAMA Festivals Limited, on a no gain / no loss basis. The consideration paid by MAMA Festivals Limited of £5,255,523 was settled through intercompany and as a result no cash was transferred. The resulting intercompany balance was subsequently waived.

### 21 ULTIMATE CONTROLLING PARTY

The immediate parent company is MAMA & Company Limited. During the prior period Live Nation Entertainment Inc. became the ultimate parent company and controlling party of the Company after LN-Gaiety Holdings Limited, a subsidiary of Live Nation Entertainment Inc, acquired 100% of share capital of Juno Newco Limited, the previous parent company of MAMA & Company Limited. Copies of the group accounts for LN-Gaiety Holdings Limited, which include MAMA New Music Limited may be requested from 2nd Floor, Regent Arcade House, 19-25 Argyll Street, London, W1F 7TS.