

ACADEMY MUSIC GROUP LIMITED

Report and Financial Statements

31 December 2013

Registered No. 03463738

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COMPANIES HOUSE

Academy Music Group Limited

COMPANY INFORMATION

DIRECTORS

R B H Angus
S R Douglas
P R Latham
S J Moran
J M Hands

SECRETARY

S H Emeny

AUDITORS

Grant Thornton UK LLP
Grant Thornton House
Melton Street
London
NW1 2EP

BANKERS

HSBC Bank plc
City Corporate Banking Centre
First Floor
60 Queen Victoria Street
London
EC4N 4TR

Santander UK plc
2 Triton Square
Regent's place
London
NW1 3AN

REGISTERED OFFICE

211 Stockwell Road
London
SW9 9SL

Academy Music Group Limited

STRATEGIC REPORT for the year ended 31 December 2013

REVIEW OF THE BUSINESS

The principal activity of the company continues to be that of the management of music venues.

The profit after tax for the year ended 31 December 2013 was £4,691,015 (2012 - £4,599,603). A dividend of £17,237,218 was paid during the year (2012 – £nil).

As shown in the company's profit and loss account on page 6, the company's turnover has decreased by 1% over the prior year to £32,312,040 but the operating profit has increased by 2% over the prior year to £3,620,420.


The balance sheet on page 7 of the financial statements shows the company's financial position at the year end. Net assets have decreased by 30% to £28,927,559.

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

By order of the Board



S H Emeny
Secretary

Date

4/4/14

Academy Music Group Limited

DIRECTORS' REPORT

The directors who served throughout the year ended 31 December 2013 were as follows:

R B H Angus
S R Douglas
P R Latham
S J Moran
J M Hands

FUTURE DEVELOPMENTS

Notwithstanding the risk and uncertainties outlined below, the directors do not anticipate any significant change in the activities and results of the company in the foreseeable future.

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF DISABLED PERSONS

The employees of the company are systematically provided with information on matters which concern them as employees. Employees or their representation are regularly consulted when decisions are taken which are likely to affect their interests. The directors continue to provide information to employees in order to achieve employee awareness of financial and economic factors affecting the company. The company maintains a policy of giving fair consideration to applications for employment made by disabled persons having regard to their particular aptitudes and abilities. In the event of an employee becoming disabled, the company uses its best endeavors to ensure continued employment.

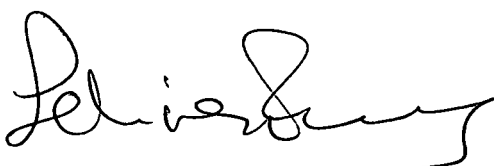
DISCLOSURE OF INFORMATION TO AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its reports, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITORS

A resolution to re-appoint Grant Thornton UK LLP as the company's auditor will be proposed in accordance with section 485 of the Companies Act 2006.

By order of the Board



S H Emeny
Secretary

Date 4/4/14

Academy Music Group Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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. In preparing these financial statements, the directors are required to:

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

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

In so far as each of the directors is aware:

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

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

Academy Music Group Limited

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

We have audited the financial statements of Academy Music Group Limited for the year ended 31 December 2013 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/apb/scope/private.cfm.

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 2013 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion 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.

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.

Grant Thornton UK LLP

Nicholas Page (Senior Statutory Auditor)

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

London

Date:

7/4/14

Academy Music Group Limited

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 £	2012 £
TURNOVER	2	32,312,040	32,706,912
Cost of sales		(3,981,252)	(4,316,805)
GROSS PROFIT		<u>28,330,788</u>	<u>28,390,107</u>
Administrative expenses		(24,710,368)	(24,778,641)
OPERATING PROFIT	3	3,620,420	3,611,466
Income from fixed asset investments		232,500	310,000
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAX		<u>3,852,920</u>	<u>3,921,466</u>
Interest receivable and similar income	5	456,814	554,989
Interest payable and similar charges	6	(4,310)	(15,780)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX		<u>4,305,424</u>	<u>4,460,675</u>
Tax on profit on ordinary activities	7	385,591	138,928
PROFIT FOR THE FINANCIAL YEAR	16	<u><u>4,691,015</u></u>	<u><u>4,599,603</u></u>

All the company's operations are continuing.

There are no recognised gains or losses other than as stated in the profit and loss account.

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

Academy Music Group Limited

BALANCE SHEET AS AT 31 DECEMBER 2013

	Notes	2013 £	2012 £
FIXED ASSETS			
Tangible fixed assets	8	23,269,109	25,672,034
Investments	9	2,423,903	2,423,903
		<u>25,693,012</u>	<u>28,095,937</u>
CURRENT ASSETS			
Stocks	10	329,215	333,082
Debtors	11	9,209,174	20,514,787
Cash at bank and in hand		7,286,364	6,818,028
		<u>16,824,753</u>	<u>27,665,897</u>
CREDITORS: amounts falling due within one year	12	<u>(11,332,821)</u>	<u>(11,028,209)</u>
NET CURRENT ASSETS		<u>5,491,932</u>	<u>16,637,688</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>31,184,944</u>	<u>44,733,625</u>
CREDITORS: amounts falling due after more than one year	13	(1,136,710)	(1,753,597)
PROVISIONS FOR LIABILITIES	14	<u>(1,120,675)</u>	<u>(1,506,266)</u>
NET ASSETS		<u><u>28,927,559</u></u>	<u><u>41,473,762</u></u>
CAPITAL AND RESERVES			
Called up share capital	15	291,700	291,700
Share premium account	16	1,736,659	1,736,659
Profit and loss account	16	26,899,200	39,445,403
		<u>28,927,559</u>	<u>41,473,762</u>
EQUITY SHAREHOLDER'S FUNDS	16	<u><u>28,927,559</u></u>	<u><u>41,473,762</u></u>

Signed on behalf of the Board


J M Hands
Director

Date

2/4/14

Registered No. 03463738

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

Academy Music Group Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2013

1 ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. Accounting policies for all material transactions have been applied consistently unless otherwise stated, and are set out below.

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 Strategic Report and Directors' Report on pages 2 and 3.

The company has net assets, is profit making and has a considerable cash balance. The company's forecasts project that it will continue to trade profitably and be in a strong liquidity position.

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

Group financial statements

The company is exempt from preparing Group financial statements under Section 400 of the Companies Act 2006 as it is a wholly owned subsidiary undertaking. Accordingly, these financial statements present information about the company and not its Group.

Statement of cash flows

In accordance with FRS 1 (revised) the company has not prepared a statement of cash flows as its immediate UK parent undertaking, Academy Music Holdings Limited, produces publicly available consolidated financial statements.

Revenue recognition

Turnover

Turnover, which is stated net of value added tax, represents amounts receivable for goods and services. Turnover is attributable to the company's principal activity and is all generated in the UK. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and 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 balance sheet date turnover represents the value of the service provided to date based on a proportion of the total contract value. Where payments are received from customers in advance of services provided, the amounts are recorded as Deferred Income and included as part of Creditors due within one year or after more than one year.

Interest income

Revenue is recognised as interest accrues using the interest rate determined by the loan agreement or the prevailing interest rate.

Income from fixed asset investments

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

Academy Music Group Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2013

1 ACCOUNTING POLICIES (CONTINUED)

Tangible assets

Fixed assets are stated at cost less accumulated depreciation.

Fixed assets are depreciated so as to write them off over their anticipated useful lives on a straight line basis as follows:

Freehold properties	- 2% per annum straight line
Leasehold properties	- over the term of the lease
Plant and machinery	- straight line over 7 years
Fixtures and fittings	- straight line over 7 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Investments

Investments held as fixed assets are stated at cost less amounts written off where appropriate. Provisions are made for permanent diminutions in value.

Finance leases

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risk of ownership are assumed by the company. Obligations under such agreements are included in creditors net of finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Operating leases

Rentals under operating lease are charged to the profit and loss account on a straight line basis over the lease term.

Stocks

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

Government grants

Government grants in respect of capital expenditure are credited to deferred income and are released to profit over the expected useful lives of the relevant assets by equal annual installments.

Deferred taxation

In accordance with FRS 19 (Deferred Tax), full provision is made for deferred tax arising from timing differences between the differing treatment of certain items for taxation and accounting purposes. The provision is calculated at the rates of taxation at which it is estimated the liability will arise and is not discounted.

No provision is made in respect of timing differences arising from the sale or revaluation of fixed assets unless there is a commitment to the disposal of the assets at the balance sheet date. No provision is made for the tax which would become payable on the distribution of retained profits by foreign subsidiaries, associates or joint ventures, unless there is an intention to distribute such retained earnings giving rise to a charge.

Provision on timing differences arising when an asset is continuously revalued to fair value is only made where changes in fair value are recognised in the profit and loss account. Deferred tax assets are recognised only to the extent that the directors consider there to be suitable taxable profits from which the underlying timing differences can be deducted.

Academy Music Group Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2013

1 ACCOUNTING POLICIES (CONTINUED)

Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2 TURNOVER

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

3 OPERATING PROFIT

This is stated after charging:	2013 £	2012 £
Depreciation of tangible fixed assets:		
owned by the company	2,892,211	2,648,758
held under finance leases	121,684	103,740
Fees payable to the company's auditor for the audit of the company's annual accounts	44,000	44,000
Fees payable to the company's auditor and its associates for other services:		
the audit of other the group companies	13,500	13,500
Operating lease rentals - land and buildings	2,179,425	2,137,065
	<u>6,191,672</u>	<u>6,400,739</u>

4 STAFF COSTS

	2013 £	2012 £
Wages and salaries	5,682,358	5,830,500
Social security costs	399,768	421,015
Pension costs	109,546	149,224
	<u>6,191,672</u>	<u>6,400,739</u>

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

	2013 £	2012 £
Number of operations staff	144	148
Number of administrative staff	135	136
	<u>279</u>	<u>284</u>

Academy Music Group Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2013

4 STAFF COSTS (CONTINUED)

Directors' emoluments included in the staff costs above are:	2013	2012
	£	£
Emoluments, including benefits in kind	101,019	91,127
Pension contributions under defined contribution schemes	4,972	6,729
	<u>105,991</u>	<u>97,856</u>

During the year retirement benefits were accruing to 1 director (2011 - 1) in respect of defined contribution pension schemes.

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	2013	2012
	£	£
Bank interest receivable	63,846	6,238
Interest receivable on group undertaking loans	392,968	548,751
	<u>456,814</u>	<u>554,989</u>

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2013	2012
	£	£
On bank loans and overdrafts	-	2,499
On finance leases	4,310	13,281
	<u>4,310</u>	<u>15,780</u>

Academy Music Group Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2013

7 TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of tax (credit) in the year

	2013 £	2012 £
Current tax:		
UK Corporation Tax on profits for the year	-	-
Adjustments in respect of previous years	-	227
	<hr/>	<hr/>
Total current tax (note 7 (b))	-	227
	<hr/>	<hr/>
Deferred tax:		
Origination and reversal of timing differences	(179,153)	(142,535)
Changes in tax rates and laws	(196,469)	(132,094)
Adjustments to the estimated recoverable amounts of deferred tax arising in previous periods	(9,969)	135,474
	<hr/>	<hr/>
Total deferred tax	(385,591)	(139,155)
	<hr/>	<hr/>
Total tax credit	(385,591)	(138,928)
	<hr/>	<hr/>

(b) Factors affecting the current tax charge for the year

The difference between the total current tax charge shown above and the amount calculated by applying the standard rate of UK Corporation tax of 23.25% (2012 - 24.5%) to the profit before tax is as follows:

	2013 £	2012 £
Profit on ordinary activities before taxation	4,305,424	4,460,675
	<hr/>	<hr/>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%)	1,000,866	1,092,732
	<hr/>	<hr/>
Effects of:		
Expenses not deductible for tax purposes and imputed income	185,815	127,608
Depreciation in excess of capital allowances	222,170	172,317
Group relief (utilised)	(1,076,246)	(1,124,403)
Adjustments to tax charge in respect of previous periods	-	227
Short term timing differences	(13,935)	(20,504)
Transfer pricing adjustment	(318,670)	(247,750)
	<hr/>	<hr/>
Current tax charge for the year (note 7 (a))	-	227
	<hr/>	<hr/>

Academy Music Group Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2013

8 TANGIBLE FIXED ASSETS

	Freehold property and improvements	Leasehold property and improvements	Plant and machinery	Fixtures and fittings	Total
Cost	£	£	£	£	£
At 1 January 2013	6,503,644	24,828,818	9,928,397	2,762,006	44,022,865
Additions	128,552	179,613	191,391	111,414	610,970
At 31 December 2013	6,632,196	25,008,431	10,119,788	2,873,420	44,633,835
Depreciation:					
At 1 January 2013	1,475,963	7,621,422	7,288,412	1,965,034	18,350,831
Charge for year	157,135	1,476,158	1,094,796	285,806	3,013,895
At 31 December 2013	1,633,098	9,097,580	8,383,208	2,250,840	21,364,726
Net book value:					
At 31 December 2013	4,999,098	15,910,851	1,736,580	622,580	23,269,109
At 31 December 2012	5,027,681	17,207,396	2,639,985	796,972	25,672,034

Finance lease agreement

Included within the net book value of plant and machinery is £309,023 (2012 - £430,707) relating to assets held under finance lease agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £121,684 (2012 - £103,740).

9 FIXED ASSET INVESTMENTS

	Investment in subsidiary companies £
Cost	
At 1 January 2013 and 31 December 2013	2,423,903

Subsidiary undertakings

The following are subsidiary undertakings of the company:

Name	Principal activity	Country of company registration	Holding
Tecjet Limited	Venue operator	Scotland	77.5%
ABC 3 Limited	Holding company	Scotland	100%
Sharpfleur Limited	Dormant	England	100%

Academy Music Group Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2013

10 STOCKS

	2013	2012
	£	£
Goods held for resale	329,215	333,082

11 DEBTORS

	2013	2012
	£	£
Trade debtors	345,324	582,051
Amounts owed by group undertakings	7,789,183	18,990,233
Prepayments and accrued income	1,012,450	933,459
Corporation tax	52,000	1,000
Other debtors	10,217	8,044
	9,209,174	20,514,787

12 CREDITORS: amounts falling due within one year

	2013	2012
	£	£
Net obligations under finance leases	-	174,182
Amounts owed to group undertakings	563,321	620,330
Trade creditors	1,140,537	1,332,666
Taxation and social security	1,321,984	1,197,837
Accruals and deferred income	4,332,472	3,721,640
Other creditors	3,974,507	3,981,554
	11,332,821	11,028,209

13 CREDITORS: amounts falling due after more than one year

	2013	2012
	£	£
Accruals and deferred income	1,136,710	1,753,597
	1,136,710	1,753,597

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

	2013	2012
	£	£
In one year or less	8,600	8,600
In more than one year but not more than two years	8,600	8,600
Within two to five years	25,800	25,800
After five years	52,310	60,910
	95,310	103,910

Academy Music Group Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2013

14 DEFERRED TAX

	2013	2012
	£	£
The movement in the deferred tax liability during the year was:		
Deferred tax liability at 1 January 2013 / 2012	1,506,266	1,651,171
Profit and loss account (credit)	(189,122)	(7,061)
Transfers	-	(5,750)
Changes in tax rates and laws	(196,469)	(132,094)
	<u>1,120,675</u>	<u>1,506,266</u>

Deferred tax liability at 31 December 2013 / 2012

Details of the deferred tax liability are given below:

	2013	2012
	£	£
Excess of capital allowances over depreciation	1,112,583	1,490,649
Short term timing differences	8,092	15,617
	<u>1,120,675</u>	<u>1,506,266</u>

Deferred tax liability

The Finance Act 2013, which received Royal Assent on 17 July 2013 reduced the main rate of corporation tax from 23% to 21% from 1 April 2014 and to 20% from 1 April 2015. This followed a reduction in the rate to 24% from 1 April 2012 and to 23% from 1 April 2013 introduced by the Finance Act 2012.

As a result of these changes, the current rate of tax for the year ended 31 December 2013 has fallen to 23.25% and will fall to 21.5% for the year ended 31 December 2014 and 20.25% for the year ended 31 December 2015. Deferred tax has been provided at 20% in these accounts and will remain at this rate for the foreseeable future.

15 SHARE CAPITAL

	2013	2012	2013	2012
	Number	Number	£	£
<i>Allotted, called up and fully paid</i>				
Equity ordinary shares of £1 each	291,700	291,700	291,700	291,700

16 RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDER'S FUNDS

	Share capital	Share premium account	Profit and loss account	Total
	£	£	£	£
At 1 January 2012	291,700	1,736,659	34,845,800	36,874,159
Profit for the year	-	-	4,599,603	4,599,603
	<u>291,700</u>	<u>1,736,659</u>	<u>39,445,403</u>	<u>41,473,762</u>
At 1 January 2013	291,700	1,736,659	39,445,403	41,473,762
Profit for the year	-	-	4,691,015	4,691,015
Dividends	-	-	(17,237,218)	(17,237,218)
	<u>291,700</u>	<u>1,736,659</u>	<u>26,899,200</u>	<u>28,927,559</u>

At 31 December 2013

Academy Music Group Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2013

17 RELATED PARTY TRANSACTIONS

Included within turnover are venue hire fees of £999,389 (2012 - £1,228,659) from SJM Concerts Limited, a company in which S J Moran, a director, is the majority shareholder. Included within creditors at 31 December 2013 was a balance of £142,552 (2012 - £66,294) due to SJM Concerts Limited.

Included within turnover are venue hire fees of £542,661 (2012 - £339,190) from Metropolis Music Limited, a company controlled by RBH Angus, a director. Included within creditors at 31 December 2013 was a balance of £29,601 (2012 - £54,460) due to Metropolis Music Limited.

LN-Gaiety Holdings Limited controls 56% of the shares in the group's parent company, Academy Music Holdings Limited. Included within turnover are venue hire fees of £686,862 (2012 - £543,298) and sponsorship income of £3,970,772 (2012 - £4,055,375) from Live Nation (Music) UK Limited, the company that controls LN-Gaiety Holdings Limited. During the year Live Nation (Music) UK Limited charged Academy Music Group Limited £309,000 for management fees (2012 - £318,271). Included within debtors at 31 December 2013 was a balance of £1,030,839 (2012 - £915,668) due from Live Nation (Music) UK Limited.

LN-Gaiety Holdings Limited controls 78% of the shares in DF Concerts Limited. Included within turnover are venue hire fees of £305,074 (2012 - £163,987) from DF Concerts Limited. At the year end an amount of £nil (2012 - £nil) was due from DF Concerts Limited.

The company has taken advantage of the exemption in FRS 8 from disclosing transactions with members of the Academy Music Holdings Limited group.

18 CONTINGENCIES AND CAPITAL COMMITMENTS

The company is included in a group cross guarantee for bank overdraft purposes with other group companies. All group companies are jointly and severally liable for the bank overdrafts outstanding at 31 December 2013.

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

The company had no capital commitments outstanding at 31 December 2013 or 31 December 2012.

19 OPERATING LEASE COMMITMENTS

At 31 December 2013 the company had annual commitments under non cancellable operating leases as follows:

	2013	2012
	Land and	Land and
	buildings	buildings
	£	£
Operating lease which expire:		
Within one year	16,200	-
After more than five years	2,158,427	2,402,758
	<u>2,174,627</u>	<u>2,402,758</u>

Academy Music Group Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2013

20 FINANCE LEASE COMMITMENTS

Future commitments under finance lease agreements are as follows:

	2013	2012
	£	£
Amounts payable within one year	-	174,182
	<u>-</u>	<u>174,182</u>

21 ULTIMATE PARENT UNDERTAKING

The company's immediate parent company is Electricland 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.

The smallest group of undertakings for which group accounts have been drawn up is that headed by Academy Music Holdings Limited, incorporated in England and Wales.

Copies of the group accounts can be obtained from those companies' registered offices.