

ACADEMY MUSIC GROUP LIMITED

Report and Financial Statements

31 December 2014

Registered No. 03463738



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 2014

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 2014 was £6,356,179 (2013 - £4,691,015). A dividend of £nil was paid during the year (2013 – £17,237,218).

As shown in the company's profit and loss account on page 6, the company's turnover has decreased by 0.5% over the prior year to £32,128,615 and the operating profit has increased by 59.2% over the prior year to £5,765,164.

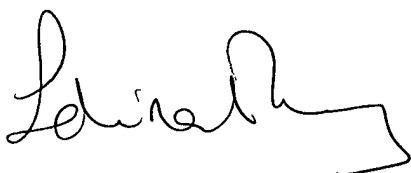
The balance sheet on page 7 of the financial statements shows the company's financial position at the year end. Net assets have increased by 23% to £35,283,738.

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 11 May 2015

Academy Music Group Limited

DIRECTORS' REPORT

The directors who served throughout the year ended 31 December 2014 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.

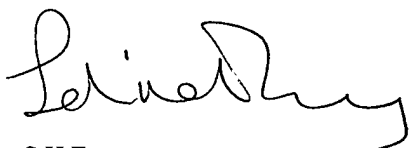
EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF DISABLED PERSONS

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.

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 11 May 2015

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 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; 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 2014 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 20. 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, set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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/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 2014 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.



Nicholas Page (Senior Statutory Auditor)

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

London

Date: 12/11/15

Academy Music Group Limited

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 £	2013 £
TURNOVER	2	32,128,615	32,312,040
Cost of sales		(3,746,898)	(3,981,252)
GROSS PROFIT		28,381,717	28,330,788
Administrative expenses		(22,616,553)	(24,710,368)
OPERATING PROFIT	3	5,765,164	3,620,420
Income from fixed asset investments		310,000	232,500
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAX		6,075,164	3,852,920
Interest receivable and similar income	5	374,096	456,814
Interest payable and similar charges	6	-	(4,310)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX		6,449,260	4,305,424
Tax on profit on ordinary activities	7	(93,081)	385,591
PROFIT FOR THE FINANCIAL YEAR	16	6,356,179	4,691,015

All the company's operations are continuing.

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

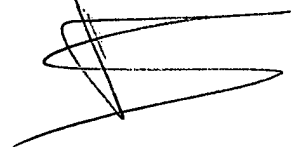
The accompanying accounting policies and notes form part of the financial statements.

Academy Music Group Limited

BALANCE SHEET AS AT 31 DECEMBER 2014

	Notes	2014 £	2013 £
FIXED ASSETS			
Tangible fixed assets	8	21,764,715	23,269,109
Investments	9	2,423,903	2,423,903
		<u>24,188,618</u>	<u>25,693,012</u>
CURRENT ASSETS			
Stocks	10	382,852	329,215
Debtors	11	16,992,806	9,209,174
Cash at bank and in hand		5,205,896	7,286,364
		<u>22,581,554</u>	<u>16,824,753</u>
CREDITORS: amounts falling due within one year	12	<u>(9,804,242)</u>	<u>(11,332,821)</u>
NET CURRENT ASSETS		<u>12,777,312</u>	<u>5,491,932</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>36,965,930</u>	<u>31,184,944</u>
CREDITORS: amounts falling due after more than one year	13	(528,110)	(1,136,710)
PROVISIONS FOR LIABILITIES	14	<u>(1,154,082)</u>	<u>(1,120,675)</u>
NET ASSETS		<u>35,283,738</u>	<u>28,927,559</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	33,255,379	26,899,200
EQUITY SHAREHOLDER'S FUNDS	16	<u>35,283,738</u>	<u>28,927,559</u>

Signed on behalf of the Board



J M Hands
Director

Date 11 MAY 2015

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 2014

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 an intermediate 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 predominantly generated in the UK. 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. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer.

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 2014

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 property and improvements	-	2% per annum straight line
Leasehold property and improvements	-	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.

Provisions

A provision is recognised when the company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions for onerous lease contracts are recognised when the company believes the unavoidable costs of meeting the lease obligations exceed the economic benefits expected to be received under the lease.

Academy Music Group Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014

1 ACCOUNTING POLICIES (CONTINUED)

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.

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:	2014	2013
	£	£
Depreciation of tangible fixed assets:		
owned by the company	2,238,869	2,892,211
held under finance leases	120,920	121,684
Fees payable to the company's auditor for the audit of the company's annual accounts	44,880	44,000
Fees payable to the company's auditor and its associates for other services:		
the audit of other the group companies	13,770	13,500
Operating lease rentals - land and buildings	2,240,315	2,179,425

Academy Music Group Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014

4 STAFF COSTS

	2014	2013
	£	£
Wages and salaries	5,671,746	5,682,358
Social security costs	382,338	399,768
Pension costs	146,791	109,546
	<u>6,200,875</u>	<u>6,191,672</u>

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

	2014	2013
Number of operations staff	126	144
Number of administrative staff	134	135
	<u>260</u>	<u>279</u>

Directors' emoluments included in the staff costs above are:

	2014	2013
	£	£
Emoluments, including benefits in kind	118,750	101,019
Pension contributions under defined contribution schemes	4,750	4,972
	<u>123,500</u>	<u>105,991</u>

During the year 1 director received emoluments and benefits in respect of defined contribution pension schemes from the company (2013 - 1). The other 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 year ended 31 December 2014 and 31 December 2013.

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	2014	2013
	£	£
Bank interest receivable	32,133	63,846
Interest receivable on group undertaking loans	341,963	392,968
	<u>374,096</u>	<u>456,814</u>

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2014	2013
	£	£
On finance leases	-	4,310

Academy Music Group Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014

7 TAX ON PROFIT ON ORDINARY ACTIVITIES

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

	2014 £	2013 £
Current tax:		
UK Corporation Tax on profits for the year	126,122	-
Adjustments in respect of previous years	-	-
Total current tax (note 7 (b))	126,122	-
Deferred tax:		
Origination and reversal of timing differences	(8,385)	(179,153)
Changes in tax rates and laws	-	(196,469)
Adjustments to the estimated recoverable amounts of deferred tax arising in previous periods	(24,656)	(9,969)
Total deferred tax	(33,041)	(385,591)
Total tax charge / (credit)	93,081	(385,591)

(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 21.5% (2013 - 23.25%) to the profit before tax is as follows:

	2014 £	2013 £
Profit on ordinary activities before taxation	6,449,260	4,305,424
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%)	1,386,591	1,000,866
Effects of:		
Expenses not deductible for tax purposes and imputed income	23,218	185,815
Depreciation in excess of capital allowances	63,198	222,170
Group relief (utilised)	(797,626)	(1,076,246)
Short term timing differences	(54,184)	(13,935)
Transfer pricing adjustment	(495,075)	(318,670)
Current tax charge for the year (note 7 (a))	126,122	-

Academy Music Group Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014

8 TANGIBLE FIXED ASSETS

	Freehold property and improvements	Leasehold property and improvements	Plant and machinery	Fixtures and fittings	Total
Cost	£	£	£	£	£
At 1 January 2014	6,632,196	25,008,431	10,119,788	2,873,420	44,633,835
Additions	-	14,898	179,782	660,715	855,395
At 31 December 2014	6,632,196	25,023,329	10,299,570	3,534,135	45,489,230
Depreciation:					
At 1 January 2014	1,633,098	9,097,580	8,383,208	2,250,840	21,364,726
Charge for year	165,942	1,150,273	840,784	202,790	2,359,789
At 31 December 2014	1,799,040	10,247,853	9,223,992	2,453,630	23,724,515
Net book value:					
At 31 December 2014	4,833,156	14,775,476	1,075,578	1,080,505	21,764,715
At 31 December 2013	4,999,098	15,910,851	1,736,580	622,580	23,269,109

Finance lease agreement

Included within the net book value of plant and machinery is £188,103 (2013 - £309,023) relating to assets held under finance lease agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £120,920 (2013 - £121,684). The finance lease agreements were fully paid in the year.

9 FIXED ASSET INVESTMENTS

	Investment in subsidiary companies £
Cost	
At 1 January 2014 and 31 December 2014	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 2014

10 STOCKS

	2014	2013
	£	£
Goods held for resale	382,852	329,215

11 DEBTORS

	2014	2013
	£	£
Trade debtors	542,130	345,324
Amounts owed by group undertakings	15,310,692	7,789,183
Prepayments and accrued income	999,463	1,012,450
Corporation tax	-	52,000
Other debtors	140,521	10,217
	<u>16,992,806</u>	<u>9,209,174</u>

12 CREDITORS: amounts falling due within one year

	2014	2013
	£	£
Amounts owed to group undertakings	132,193	563,321
Trade creditors	1,084,963	1,140,537
Corporation tax	122	-
Taxation and social security	1,188,518	1,321,984
Accruals and deferred income	3,871,186	4,332,472
Other creditors	3,527,260	3,974,507
	<u>9,804,242</u>	<u>11,332,821</u>

13 CREDITORS: amounts falling due after more than one year

	2014	2013
	£	£
Accruals and deferred income	528,110	1,136,710
	<u>528,110</u>	<u>1,136,710</u>

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

	2014	2013
	£	£
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	43,710	52,310
	<u>86,710</u>	<u>95,310</u>

Academy Music Group Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014

14 PROVISIONS FOR LIABILITIES AND CHARGES

	2014	2013
	£	£
Deferred taxation (note 14 (a))	1,087,634	1,120,675
Onerous lease (note 14 (b))	66,448	-
	<u>1,154,082</u>	<u>1,120,675</u>

(a) Deferred taxation

The movement in the deferred tax liability during the year was:

	2014	2013
	£	£
Deferred tax liability at 1 January 2014 / 2013	1,120,675	1,506,266
Profit and loss account (credit)	(33,041)	(189,122)
Changes in tax rates and laws	-	(196,469)
	<u>1,087,634</u>	<u>1,120,675</u>

Deferred tax liability at 31 December 2014 / 2013

Details of the deferred tax liability are given below:

	2014	2013
	£	£
Excess of capital allowances over depreciation	1,054,642	1,112,583
Short term timing differences	32,992	8,092
	<u>1,087,634</u>	<u>1,120,675</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.

As a result of these changes, the current rate of tax for the year ended 31 December 2014 has fallen to 21.5% and will fall to 20.25% for the year ended 31 December 2015 and 20% for the year ended 31 December 2016. Deferred tax has been provided at 20% in these accounts and will remain at this rate for the foreseeable future.

(b) Onerous lease provision

	2014
	£
At 1 January 2014	-
Provided in year	66,448
	<u>66,448</u>
At 31 December 2014	<u>66,448</u>

The onerous lease provision is due as follows:

	2014
	£
Provisions due within one year	66,448
	<u>66,448</u>

The onerous lease provision relates to the future operating lease payments to satisfy a lease obligation whereby the associated costs exceed the economic benefit. In April 2015, the company acquired the freehold property associated with this lease obligation from the landlord and as such all obligations under the lease agreement were terminated. As this event meets the definition of an adjusting event under FRS 21, the provision shown within these accounts represents the unavoidable costs associated with the lease obligation as at the balance sheet date as supported by the post balance sheet event.

Academy Music Group Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014

15 SHARE CAPITAL

	2014 Number	2013 Number	2014 £	2013 £
<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 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)
At 1 January 2014	291,700	1,736,659	26,899,200	28,927,559
Profit for the year	-	-	6,356,179	6,356,179
At 31 December 2014	291,700	1,736,659	33,255,379	35,283,738

17 RELATED PARTY TRANSACTIONS

Included within turnover are venue hire fees of £1,116,411 (2013 - £999,389) from SJM Concerts Limited, a company in which S J Moran, a director, is the majority shareholder. Included within creditors at 31 December 2014 was a balance of £192,334 (2013 - £142,552) due to SJM Concerts Limited.

Included within turnover are venue hire fees of £244,805 (2013 - £542,661) from Metropolis Music Limited, a company controlled by RBH Angus, a director. Included within creditors at 31 December 2014 was a balance of £24,161 (2013 - £29,601) 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 £616,325 (2013 - £686,862) and sponsorship income of £5,025,645 (2013 - £3,970,772) 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 £312,757 for management fees (2013 - £309,000). Included within debtors at 31 December 2014 was a balance of £882,907 (2013 - £1,030,839) 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 £205,432 (2013 - £305,074) from DF Concerts Limited. At the year end an amount of £nil (2013 - £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.

Academy Music Group Limited

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014

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 2014.

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 2014 or 31 December 2013.

19 OPERATING LEASE COMMITMENTS

At 31 December 2014 the company had annual commitments under non cancellable operating leases as follows:

	2014	2013
	Land and	Land and
	buildings	buildings
	£	£
Operating lease which expire:		
Within one year	-	16,200
After more than five years	2,212,927	2,158,427
	<u>2,212,927</u>	<u>2,174,627</u>

The above includes £212,750 which was cancelled in April 2015 as disclosed in note 14 (b).

20 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.