



**HOMELANDS FESTIVAL
LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2005

HOMELANDS FESTIVAL LIMITED

FINANCIAL STATEMENTS

For the year ended 31 December 2005

Company registration number: 3702430

Registered office: 35 - 36 Grosvenor Street
London
SW5 4QX

Directors: D C Hughes
M J Benn
D J Desmond
P R Latham
C B Pernow
S R Douglas

Secretary: S H Emeny

Auditors: Grant Thornton UK LLP
Registered Auditors
Chartered Accountants
Grant Thornton House
Melton Street
Euston Square
London
NW1 2EP

HOMELANDS FESTIVAL LIMITED

FINANCIAL STATEMENTS

For the year ended 31 December 2005

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HOMELANDS FESTIVAL LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements for the year ended 31 December 2005.

Principal activity

The principal activity of the company continued to be that of production and promotion of live music and other music entertainment.

Business review

There was a loss for the year after taxation amounting to £205,777 (2004: profit £36,619). The directors do not recommend the payment of a dividend.

Directors

The present membership of the Board is set out below.

The interests of the directors and their families in the shares of the company as at 1 January 2005 and 31 December 2005 were as follows:

	Ordinary shares of £1 each	
	31 December 2005	1 January 2005
J V Power (resigned 11 March 2005)	-	-
D C Hughes	-	-
M J Benn	-	-
D J Desmond (appointed 10 October 2005)	-	-
P R Latham (appointed 10 October 2005)	-	-
C B Pernow (appointed 10 October 2005)	-	-
S R Douglas (appointed 12 July 2006)	-	-

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the directors to prepare financial statements for each financial year which 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 judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

HOMELANDS FESTIVAL LIMITED

REPORT OF THE DIRECTORS

Statement of directors' responsibilities (continued)

The directors are responsible for keeping proper accounting records that 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 1985. 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.

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.

Auditors

Grant Thornton UK LLP were appointed auditors on 20 January 2006 to fill a casual vacancy in accordance with section 388(1) of the Companies Act 1985. Special notice pursuant to section 388(3) having been given, a resolution to reappoint Grant Thornton as auditors will be proposed at the Annual General Meeting.

ON BEHALF OF THE BOARD



S R Douglas - Director

31 October 2006

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF HOMELANDS FESTIVAL LIMITED

We have audited the financial statements of Homelands Festival Limited for the year ended 31 December 2005 which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 1 to 13. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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

The directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
HOMELANDS FESTIVAL LIMITED**

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2005 and of its loss for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985

A handwritten signature in black ink, appearing to read 'Grant Thornton', followed by the initials 'UK LLP'.

**GRANT THORNTON UK LLP
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

LONDON

31 October 2006

HOMELANDS FESTIVAL LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

The company meets its day to day working capital requirements from financial support of the shareholders. The directors believe it is appropriate to prepare the financial statements on a going concern basis which assumes continued financial support of the shareholders.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

TURNOVER

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts. Turnover is recognised at the date of the live music event.

LEASING

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

DEFERRED TAXATION

Deferred tax is recognised on all timing differences where the transactions or events that give the group an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

FOREIGN CURRENCY

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

HOMELANDS FESTIVAL LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2005

	Note	2005 £	2004 £
Turnover	1	1,350,603	1,701,074
Cost of sales		<u>(1,396,351)</u>	<u>(1,260,211)</u>
Gross (loss)/profit		(45,748)	440,863
Distribution costs		(133,918)	(120,739)
Other operating charges		<u>(25,499)</u>	<u>(277,790)</u>
Operating (loss)/profit		(205,165)	42,334
Interest payable	2	<u>(612)</u>	<u>(44)</u>
(Loss)/profit on ordinary activities before taxation	1	(205,777)	42,290
Tax on (loss)/profit on ordinary activities	1	<u>-</u>	<u>(5,671)</u>
(Loss)/profit on ordinary activities after taxation		<u>(205,777)</u>	<u>36,619</u>

All transactions arise from continuing operations.

There were no recognised gains or losses other than the loss for the financial year.

The accompanying accounting policies and notes form an integral part of these financial statements.

HOMELANDS FESTIVAL LIMITED

BALANCE SHEET AT 31 DECEMBER 2005

	Note	2005 £	2004 £
Current assets			
Debtors	5	206,773	163,126
Cash at bank and in hand		37,722	2,814
		<u>244,495</u>	<u>165,940</u>
Creditors: amounts falling due within one year	6	<u>(450,272)</u>	<u>(165,940)</u>
Net liabilities		<u>(205,777)</u>	<u>-</u>
Capital and reserves			
Called up share capital	7	100	100
Profit and loss account	8	<u>(205,877)</u>	<u>(100)</u>
Shareholders' funds - equity interests		<u>(205,777)</u>	<u>-</u>

The financial statements were approved by the Board of Directors on 31 October 2006.



S R Douglas - Director

The accompanying accounting policies and notes form an integral part of these financial statements.

HOMELANDS FESTIVAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2005

1 TURNOVER AND (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

There was no remuneration for directors in either year.

The (loss)/profit on ordinary activities before taxation is stated after charging:

	2005 £	2004 £
Auditors' remuneration:		
Audit services	4,000	5,000
Loss on foreign exchange transactions	<u>2,923</u>	<u>31</u>

There was no remuneration for directors in either year.

2 INTEREST PAYABLE AND SIMILAR CHARGES

	2005 £	2004 £
Other interest	<u>612</u>	<u>44</u>

3 DIRECTORS AND EMPLOYEES

There were no employees during the year apart from the directors.

HOMELANDS FESTIVAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2005

4 TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

The tax charge is based on the (loss)/profit for the year and represents:

	2005 £	2004 £
a) Analysis of tax charge in the year		
Current tax		
United Kingdom corporation tax at 30% (2004: 19%)	-	2,337
Deferred tax		
Adjustments to the estimated recoverable amounts of deferred tax	-	3,334
	-	5,671

b) Factors affecting the current tax charge for the year

The difference between the total current tax charge as shown above and the amount calculated by applying the standard rate of UK Corporation tax of 30% to the profit before tax is as follows:

(Loss)/profit on ordinary activities before tax	(205,777)	42,290
Profit on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 30% (2004: 19%)	(61,733)	8,035

Effect of:

Expenses not deductible for tax purposes	517	-
Group relief surrendered/(utilised)	61,216	(8,035)
Adjustments to tax charge in respect of prior periods	-	2,337
Current tax charge for period	-	2,337

5 DEBTORS

	2005 £	2004 £
Trade debtors	39,636	16,617
Amounts owed by other group undertakings	140,495	81,938
Other debtors	26,642	24,431
Prepayments	-	40,140
	206,773	163,126

6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £	2004 £
Trade creditors	44,735	30,296
Amounts owed to group undertakings	391,630	120,002
Other taxation and social security	10,657	10,642
Accruals and deferred income	3,250	5,000
	450,272	165,940

HOMELANDS FESTIVAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2005

7 SHARE CAPITAL

	2005 £	2004 £
Authorised 100,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

8 RESERVES

	Profit and loss account £
At 1 January 2005	(100)
Loss for the year	<u>(205,777)</u>
At 31 December 2005	<u>(205,877)</u>

9 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2005 £	2004 £
(Loss)/profit for the financial year	(205,777)	36,619
Shareholders' funds at 1 January	<u>-</u>	<u>(36,619)</u>
Shareholders' funds at 31 December	<u>(205,777)</u>	<u>-</u>

10 CAPITAL COMMITMENTS

The company had no capital commitments at 31 December 2005 or 31 December 2004.

11 CONTINGENT ASSETS/LIABILITIES

There were no contingent liabilities at 31 December 2005 or 31 December 2004.

HOMELANDS FESTIVAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2005

12 TRANSACTIONS WITH DIRECTORS AND OTHER RELATED PARTIES

The company has taken advantage of the exemption in Financial Reporting Standard No 8 "Related party disclosures" and has not disclosed transactions with group undertakings.

There are no other related party transactions.

13 ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking and ultimate controlling related party of this company is Live Nation, Inc., incorporated in the state of Delaware, United States of America.

LN-Gaiety Holdings Limited is the company's controlling related party by virtue of its 100% holding in the company. The largest and smallest group of undertakings for which group accounts have been drawn up is that headed by Live Nation UK Holdings Limited, incorporated in England and Wales. Copies of the group accounts can be obtained from that company's registered office.