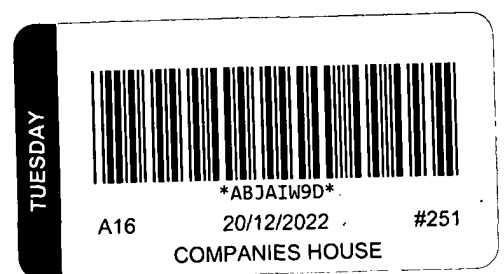


Ticketmaster Sport Limited

Report and Financial Statements

31 December 2021

Registered No. 1433187



Ticketmaster Sport Limited

Company information

Directors

D Hamilton
CJ Edmonds
S H Emeny
A P Newsam

Secretary

D Hamilton

Auditor

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Bankers

Barclays Bank PLC
118 High Street
Newcastle-under-Lyme
Staffordshire
ST5 1RN

Registered Office

30 St. John Street
London
EC1M 4AY

Ticketmaster Sport Limited

Strategic Report

The directors present their Strategic Report for the year ended 31 December 2021.

Review of the business

The principal activity of the company continues to be the provision of computer software and related services connected with ticketing, mainly for the sports industry. The directors expect these activities to continue into the future.

The loss after tax for the year ended 31 December 2021 was £3,484,100 (2020 - loss of £3,880,822) and the company had net assets of £6,013,375 (2020 - £9,466,958).

2021 saw activity returning to more normal levels in the second half of the year following the easing of the COVID-19 restrictions in July 2021. These restrictions had a significant adverse impact on 2020 which continued into the first half of 2021. However, while turnover increased significantly in comparison with 2020, the improvement in operating income was modest because 2020 benefited from a higher level of government grants and an exceptional loan waiver.

The company's key financial indicators in the year were as follows:

	2021 £000	2020 £000
Turnover	12,630	7,762
Operating (Loss)/Profit	(3,512)	(3,983)
(Loss)/Profit after tax	(3,484)	(3,881)
Shareholders' Funds	6,013	9,467
Capital expenditure	3,239	1,646

Principal risks and uncertainties

The company operates within a rapidly changing technological environment and its future is dependent on its ability to keep pace with these changes and incorporate relevant technologies within the solutions it provides. This in turn influences the company's ability to maintain its client base and successfully renew key service provision contracts.

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. Other risks that the company faces are operational risk, competition, regulatory and legislative impacts, recruitment and retention of staff and maintenance of reputation, as well as financial risk (see Directors' Report).

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

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

Brexit considerations

In June 2016, voters in the United Kingdom approved the withdrawal of the United Kingdom from the European Union (commonly referred to as "Brexit"). On 29 January 2020, the European Union Parliament approved the withdrawal agreement, and on 31 January 2020, the UK formally left the EU. Following protracted negotiations, the UK finally agreed a Trade and Cooperation Agreement with the EU on 24 December 2020. To date, the company has not experienced any adverse trading conditions as a consequence of the new agreement.

On behalf of the Board

DocuSigned by:

David Hamilton

DAVID.HAMILTON@F41C...

Director

15 December 2022

Ticketmaster Sport Limited

Directors' Report

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

Directors

The directors who served during the year ended 31 December 2021 were as follows:

D Hamilton
CJ Edmonds
S H Emeny
A P Newsam
M J Yovich (resigned 29 September 2021)

Future developments

Notwithstanding the risks and uncertainties outlined in the Strategic Report, in particular those related to the COVID-19 pandemic, the directors do not anticipate any other significant changes in the activities and results of the company in the foreseeable future. The company intends to continue to develop its current activities.

Dividends

The directors do not recommend a final dividend (2020 – £nil).

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.

Following the impact of COVID-19, the directors have paid close attention to cashflow over the period to 31 December 2023.

The company has net assets and cash. The company's ultimate parent company, Live Nation Entertainment Inc., has committed to provide continuing financial support, if required, to enable the company to meet its obligations as and when they fall due for a period to 31 December 2023. The company has no bank debt.

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

Financial risk management

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

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. The company also ensures it provides appropriate training, career development and promotion opportunities for disabled persons employed by the company.

Political donations

The company made no political donations during the year (2020 - £nil).

Post balance sheet events

There were no significant events affecting the company between the Statement of Financial Position date and the signing date of the financial statements, which require adjustment to or disclosure in the financial statements. The revenue recognition estimate for tournament services incorporates events and conditions present at the Statement of Financial Position date. The directors reviewed estimates made at the time of preparing the financial statements and have concluded there are no further events that have a material impact on the revenue recognised at the Statement of Financial Position date.

On 25 October 2022, the directors declared and paid a dividend of £1,598,679.

On 12 December, 2022, the company was acquired by Ticketmaster Europe Holdco Limited as part of a group restructuring. The change in ownership is not expected to have any financial impact on the company.

Disclosure of information to the auditor

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 report, 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 director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Financial instruments

Auditor

A resolution to reappoint Ernst & Young LLP as auditor will be put to the members at the Annual General Meeting.

On behalf of the Board

DocuSigned by:

DAVID HAMILTON
Director
15 December 2022

Ticketmaster Sport Limited

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). 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 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 estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TICKETMASTER SPORT LIMITED

Opinion

We have audited the financial statements of Ticketmaster Sport Limited (the 'Company') for the year ended 31 December 2021 which comprise the Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, and the related notes 1 to 22 including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period to 31 December 2023.

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

Other information

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

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TICKETMASTER SPORT LIMITED (CONTINUED)

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

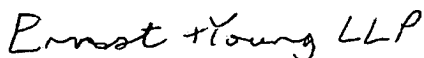
Our approach was as follows:

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

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

Use of our report

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



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

Date: 16 December 2022

Ticketmaster Sport Limited

Income statement for the year ended 31 December 2021

	<i>Notes</i>	<i>2021</i> £	<i>2020</i> £
Turnover	2	12,629,644	7,761,730
Cost of sales		(2,335,242)	(1,694,564)
		<hr/>	<hr/>
Gross Profit		10,294,402	6,067,166
Selling and distribution costs		(10,375,010)	(8,085,526)
Administrative expenses		(3,458,854)	(6,488,081)
Other operating income	3	27,578	4,523,595
		<hr/>	<hr/>
Operating Loss	4	(3,511,884)	(3,982,846)
Interest receivable and similar income	7	27,784	102,024
		<hr/>	<hr/>
Loss on ordinary activities before taxation		(3,484,100)	(3,880,822)
Tax	8	-	-
		<hr/>	<hr/>
Loss for the financial year		<u>(3,484,100)</u>	<u>(3,880,822)</u>

All amounts relate to continuing activities.

Statement of comprehensive income for the year ended 31 December 2021

There are no other items of comprehensive income/expenditure other than those attributable to the shareholders of the company of £3,484,100 loss in the year ended 31 December 2021 (2020 - £3,880,822 loss).

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

Ticketmaster Sport Limited

Statement of financial position as at 31 December 2021

		2021	2020
	Notes	£	£
Fixed assets			
Intangible assets	9	3,457,842	3,193,994
Tangible assets	10	970,111	572,395
		<u>4,427,953</u>	<u>3,766,389</u>
Current assets			
Stocks	11	202,459	263,512
Debtors: amounts falling due within one year	12	5,879,048	10,403,403
Debtors: amounts falling due after one year	12	52,297	126,852
Cash at bank and in hand	13	10,946,968	8,729,742
		<u>17,080,772</u>	<u>19,523,509</u>
Creditors: amounts falling due within one year	14	<u>(15,495,350)</u>	<u>(13,822,940)</u>
Net current assets		1,585,422	5,700,569
Total assets less current liabilities		<u>6,013,375</u>	<u>9,466,958</u>
Net assets		<u>6,013,375</u>	<u>9,466,958</u>
Capital and reserves			
Called up share capital	15	20,000	20,000
Capital Contribution Reserve	16	30,517	-
Profit and loss account	16	5,962,858	9,446,958
		<u>6,013,375</u>	<u>9,466,958</u>
Shareholders' funds		<u>6,013,375</u>	<u>9,466,958</u>

The financial statements were approved by the Board of Directors on 15 December 2022
Signed on behalf of the Board

DocuSigned by:

David Hamilton
DAVID HAMILTON

Director

15 December 2022

Registered No. 1433187

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

Ticketmaster Sport Limited

Statement of changes in equity for the year ended 31 December 2021

	<i>Share capital</i> £	<i>Capital Contribution Reserve</i> £	<i>Profit and loss account</i> £	<i>Total</i> £
At 1 January 2020	20,000	-	13,327,780	13,347,780
Loss for the year	-	-	(3,880,822)	(3,880,822)
At 31 December 2020	20,000	-	9,446,958	9,466,958
Capital Contribution	-	30,517	-	30,517
Loss for the year	-	-	(3,484,100)	(3,484,100)
At 31 December 2021	20,000	30,517	5,962,858	6,013,375

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

Ticketmaster Sport Limited

Notes to the financial statements as at 31 December 2021

1 Accounting policies

Statement of compliance

Ticketmaster Sport Limited is a private limited company incorporated in the United Kingdom. The principle place of business is West Court, Riverside, Campbell Road, Stoke-on-Trent ST4 4FB and registered office is as set out in the company information on Page 1.

The company's financial statements have been prepared in compliance with Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ("FRS 102"), and with the Companies Act 2006 for the year ended 31 December 2021.

Basis of preparation

The financial statements of Ticketmaster Sport Limited were approved for issue by the Board of Directors on 15 December 2022. The financial statements have been prepared in accordance with applicable accounting standards. The financial statements are prepared in sterling, which is the functional currency of the company and are rounded to the nearest £.

The Company has taken advantage of the following disclosure exemptions:

- The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17 (d)
- The requirements of Section 33 Related Party Disclosures paragraphs 33.1A and 33.7
- The requirements of Section 11 Basic Financial Instruments paragraphs 11.39 to 11.48A
- The requirements of Section 26 Share-based payment paragraphs 26.18B

The exemptions stated above are available to the Company as it is a member of a Group where the parent of that Group prepares publicly available consolidated financial statements.

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.

Following the impact of COVID-19, the directors have paid close attention to cashflow over the period to 31 December 2023.

The company has net assets and cash. The company's ultimate parent company, Live Nation Entertainment Inc., has committed to provide continuing financial support, if required, to enable the company to meet its obligations as and when they fall due for a period to 31 December 2023. The company has no bank debt.

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

Statement of cash flows

In accordance with FRS 102, the company has not prepared a statement of cash flows, as its ultimate parent undertaking, Live Nation Entertainment, Inc., produces publicly available consolidated financial statements.

Accounting judgements and key sources of estimation uncertainty

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

Impairment of non-financial assets

The company assesses at each reporting date whether an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If it is not possible to estimate the recoverable amount of the individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. If the recoverable amount is less than its carrying amount, the carrying amount of the asset is impaired and it is reduced to its recoverable amount through an impairment in profit and loss unless the asset is carried at a revalued amount where the impairment loss of a revalued asset is a revaluation decrease. An impairment loss recognised for all assets is reversed in a subsequent period if, and only if, the reasons for the impairment loss have ceased to apply. The only significant accounting estimate is in respect of the impairment of intangible assets.

Ticketmaster Sport Limited

Notes to the financial statements as at 31 December 2021

1 Accounting policies (continued)

Intangible assets

Software development costs

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs where directly attributable to the design and testing of identifiable and unique software products controlled by the company are recognised as intangible asset and capitalised when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured

Directly attributable costs that are capitalised as part of the software product can include the software development consultant costs and the fair value of the development employee costs.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs that are recognised as assets are amortised over their estimated useful lives, which do not exceed three years. The carrying value is reviewed annually for impairment.

Property, Plant and equipment

Fixed assets are stated at cost less accumulated depreciation and impairment losses.

Depreciation is provided on all property, plant and equipment at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Leasehold property	– Period remaining on the lease up to 5 years straight-line
Plant and machinery	– 3-5 years straight-line
Fixtures and fittings	– 5 years straight-line

Certain assets that are purchased for and used in the operations relating to specific contracts have useful economic lives that are the shorter of the useful economic lives set out above for property, plant and equipment and the length of the contract.

The carrying value of property, plant and equipment is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Revenue recognition

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

Sale of goods

Revenue from the sale of hardware and consumables is recognised when the significant risks and rewards of ownership of the goods have passed on to the buyer, usually upon installation or upon despatch where no installation is necessary.

Sale of software, project management, system installation and training services

Where contracts include licence fees, revenue from the sale of software licences is recognised when the software is installed or the licences are applied. Where contracts include fees for project management, system installation and training services, revenue is recognised when the system is installed and live.

Revenue from system rental, hosting, maintenance and support services

Revenue from system rental, hosting, maintenance and support services is recognised evenly over the contract period.

Membership and ticket sales processing services

Where income is derived from or contractually based on the processing of memberships and/or ticket sales by or on behalf of clients, revenue is recognised at the point that the ticket or membership is sold. Related fulfilment revenue is recognised when tickets or membership cards are despatched.

Tournament services

Where total revenue from tournament services can be measured reliably it is recognised by reference to the stage of completion of the contract. Where there are distinct phases to the project revenue is allocated to each phase as appropriate. Stage of completion is determined based on cost incurred versus budget. Where revenue cannot be measured reliably then revenue is only recognised to the extent of costs incurred that can be recovered.

Ticketmaster Sport Limited

Notes to the financial statements as at 31 December 2021

1 Accounting policies (continued)

Operating leases: the Company as lessee

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

Government grants

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

Grants relating to expenditure on tangible fixed assets are credited to profit and loss at the same rate as the depreciation on the assets to which the grant relates. Grants of a revenue nature are recognised in the Income Statement in the period the grant becomes receivable and any associated conditions are considered to have been met.

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

Grants received in the year relate to the government coronavirus job retention scheme. There are no unfulfilled conditions and return of the grant would only be required should there be non-compliance. Other than deferral of VAT payments relating to 2020 to 2021 as permitted by HMRC the company has not taken advantage of any other forms of government assistance available.

See note 3 to the financial statements for disclosure of total government grants received in the year.

Stocks

Work in progress is valued at the lower of cost and net realisable value where the work carried out is directly associated with a determinable income stream. It consists of services provided and work done before the year ended which are not yet complete and have not yet been invoiced.

Current and deferred taxation

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

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

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

The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and

Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

Foreign currencies

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at the transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Pensions

Contributions to defined contribution schemes are recognised in the profit and loss account in the period in which they become payable.

Ticketmaster Sport Limited

Notes to the financial statements as at 31 December 2021

2 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, exclusive of value added tax, rebates and trade discounts. Turnover is wholly attributable to the one principal activity of the company, being the provision of computer software and related services connected with ticketing, mainly for the sports industry.

An analysis of turnover by geographical market is given below:

	2021	2020
	£	£
United Kingdom	10,391,571	5,141,956
Rest of the world	2,238,073	2,619,774
	<u>12,629,644</u>	<u>7,761,730</u>

3 Other operating income

	2021	2020
	£	£
Group company loan waiver	-	4,229,287
Government grants receivable (see Accounting Policies)	27,578	294,308
	<u>27,578</u>	<u>4,523,595</u>

In 2020 amounts due to group undertakings for the acquisition of the net assets of a fellow subsidiary were formally waived resulting in loan waiver income £4.2m.

4 Operating (loss)/profit

This is stated after charging:

	2021	2020
	£	£
Auditor's remuneration - audit of the financial statements	42,215	25,510
Amortisation of intangibles (note 9)	2,288,099	3,419,788
Depreciation of owned assets (note 10)	289,603	181,935
Operating lease rental - land and buildings	253,994	235,382
Foreign exchange losses/(gains)	79,114	133,292

5 Directors' remuneration

	2021	2020
	£	£
In respect of highest paid director:		
Directors Emoluments	109,710	110,017
Pension Contributions	2,653	3,469
	<u>112,363</u>	<u>113,486</u>

One director received remuneration in respect of his services for the company (2020: One). Their remuneration is paid and recharged by Ticketmaster UK Limited. Emoluments for the other 3 (2020: 4) have been borne by Ticketmaster UK Limited. These directors are also directors or officers of a number of companies within the Live Nation Entertainment, Inc. Group. 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 years ended 31 December 2021 and 31 December 2020.

Ticketmaster Sport Limited

Notes to the financial statements as at 31 December 2021

6 Staff costs

	2021 £	2020 £
Wages and salaries	1,951,562	2,564,686
Social security costs	208,306	247,067
Pension costs	58,296	97,774
	<u>2,218,164</u>	<u>2,909,527</u>

The average monthly number of employees during the year was made up as follows:

	2021 No.	2020 No.
Management and administration	5	9
Sales and marketing	3	2
Operations	35	43
	<u>43</u>	<u>54</u>

Staff costs do not include recharges in respect of staff who are employed by group companies. Wages and salaries includes severance costs of £ Nil (2020: £ 353,534)

7 Interest receivable and similar income

	2021 £	2020 £
On loans to group undertakings	27,636	101,206
Bank interest	148	818
	<u>27,784</u>	<u>102,024</u>

8 Tax on loss on ordinary activities

(a) Analysis of tax charge in the year:

	2021 £	2020 £
<i>Current tax:</i>		
UK corporation tax on losses for the year	-	-
Total current tax	<u>-</u>	<u>-</u>

Ticketmaster Sport Limited

Notes to the financial statements as at 31 December 2021

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

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

	2021	2020
	£	£
Loss on ordinary activities before tax	(3,484,100)	(3,880,822)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2020: 19%)	(661,979)	(737,356)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	(18,775)	2,437
Group relief not paid for	871,390	-
Loan waiver	-	(803,565)
Difference in tax rates	60,201	-
Change in unrecognised deferred assets	(250,837)	1,538,484
Total tax charge for the year (note 8(a))	-	-

(c) Tax rate changes

The corporation tax rate for the current year remains the same as the prior year i.e. 19%.

The Finance Act 2021 was substantively enacted on 24 May 2021 and has increased the corporation tax rate to from 19% to 25% with effect from 1 April 2023. The deferred taxation balances (if applicable) have been measured using the rates expected to apply in the reporting periods when the timing differences reverse.

(d) Deferred tax

	2021	2020
	£	£
Details of the deferred tax asset not provided in the accounts are given below:		
(Deferred) capital allowances	(97,789)	(204,835)
Short term timing differences	(23,821)	(80,124)
Losses	(1,945,364)	(1,495,805)
Deferred Tax not provided at 25% (2020: 19%)	(2,066,974)	(1,780,764)

The unrecognised asset relating to deferred capital allowances will be recoverable if the company makes suitable future taxable profits. The unrecognised asset relating to short term timing differences will be recoverable when the company incurs allowable expenditure against the provisions or releases them.

Ticketmaster Sport Limited

Notes to the financial statements as at 31 December 2021

9 Intangible fixed assets

	<i>Software Development Costs</i>	<i>Software development costs not yet in use</i>	<i>Total</i>
	£	£	£
<i>Cost:</i>			
At 31 December 2020	11,531,357	737,592	12,268,949
Additions	-	2,551,947	2,551,947
Reclassification	2,484,379	(2,484,379)	-
Disposals	(4,444,620)	-	(4,444,620)
At 31 December 2021	<u>9,571,116</u>	<u>805,160</u>	<u>10,376,276</u>
<i>Amortisation:</i>			
At 31 December 2020	(9,074,955)	-	(9,074,955)
Charge for year	(2,288,099)	-	(2,288,099)
Disposals	4,444,620	-	4,444,620
At 31 December 2021	<u>(6,918,434)</u>	<u>-</u>	<u>(6,918,434)</u>
<i>Net book value:</i>			
At 31 December 2021	<u>2,652,682</u>	<u>805,160</u>	<u>3,457,842</u>
At 30 December 2020	<u>2,456,402</u>	<u>737,592</u>	<u>3,193,994</u>

10 Tangible fixed assets

	<i>Leasehold property</i>	<i>Plant and Machinery</i>	<i>Fixtures and fittings</i>	<i>Total</i>
	£	£	£	£
<i>Cost:</i>				
At 31 December 2020	167,850	2,894,804	148,253	3,210,907
Additions	-	687,319	-	687,319
Disposals	(90,464)	(2,144,876)	(42,300)	(2,277,640)
At 31 December 2021	<u>77,386</u>	<u>1,437,247</u>	<u>105,953</u>	<u>1,620,586</u>
<i>Depreciation:</i>				
At 31 December 2020	(136,283)	(2,407,405)	(94,824)	(2,638,512)
Charge for year	(15,784)	(252,629)	(21,190)	(289,603)
Disposals	90,464	2,144,876	42,300	2,277,640
At 31 December 2021	<u>(61,603)</u>	<u>(515,158)</u>	<u>(73,714)</u>	<u>(650,475)</u>
<i>Net book value:</i>				
At 31 December 2021	<u>15,783</u>	<u>922,089</u>	<u>32,239</u>	<u>970,111</u>
At 30 December 2020	<u>31,567</u>	<u>487,400</u>	<u>53,429</u>	<u>572,395</u>

Ticketmaster Sport Limited

Notes to the financial statements as at 31 December 2021

11 Stocks

	2021	2020
	£	£
Work in progress	202,459	263,512

12 Debtors

	2021	2020
	£	£
<i>Amounts falling due within one year:</i>		
Trade debtors	3,001,998	984,921
Amounts due from group undertakings	2,328,878	8,607,965
Other debtors		
Grants receivable	-	37,363
Other taxation and social security	13,013	-
Other debtors	100,000	-
Prepayments and accrued income	435,159	773,154
	<u>5,879,048</u>	<u>10,403,403</u>

Amounts falling due after one year:

	2021	2020
	£	£
Prepayments and accrued income	52,297	126,852
	<u>52,297</u>	<u>126,852</u>

Amounts due from group undertakings include an unsecured loan of £1,837k (2020: £8m) which is repayable on demand and on which interest as payable at a rate of 1% above Bank of England base rate. Other amounts due, which include interest accrued on the loan, are unsecured and interest free.

13 Cash at bank and in hand

	2021	2020
	£	£
Cash	10,946,968	8,729,742

14 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	345,961	257,265
Trade creditors - client	4,205,311	5,837,785
Amounts due to group undertakings	8,894,156	6,244,279
Other taxes and social security costs	857,324	283,562
Other creditors	388,162	472,908
Accruals and deferred income	804,436	727,141
	<u>15,495,350</u>	<u>13,822,940</u>

Amounts due to group undertakings are unsecured and interest free and are in respect of services provided or costs incurred on the company's behalf.

Ticketmaster Sport Limited

Notes to the financial statements as at 31 December 2021

15 Issued share capital

<i>Authorised, allotted, called up and fully paid</i>	<i>No.</i>	<i>2021</i>		<i>2020</i>	
		<i>£</i>	<i>No.</i>	<i>£</i>	<i>£</i>
Ordinary shares of £1.00 each	20,000	20,000	20,000	20,000	20,000

16 Reserves

Capital contribution reserve - includes costs incurred by the ultimate parent on behalf of the company for remuneration of the company's employees.

Profit and loss account - includes all current and prior period retained profits and losses.

17 Share based payments

Live Nation Entertainment, Inc. ("LNE Inc."), the ultimate parent undertaking, adopted a Stock Incentive Plan. The plan authorises LNE Inc. to grant share option awards, director shares, stock appreciation rights, restricted share and deferred share awarded, other equity-based awards and performance awards.

Ticketmaster Sport Limited incurred costs relating to the Stock Incentive Plan for restricted shares granted to a director of another group company (2020: one director of another group company). These restricted shares are non performance based and vest evenly over four years from date of grant. LNE Inc. invoices Ticketmaster Sport Limited for the cost of the restricted shares. The company does not recognise the fair value of these awards as required by Section 26 of FRS 102 as the difference between the fair value and the amount charged by LNE Inc. is not material.

18 Other financial commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	<i>2021</i>	<i>2020</i>
	<i>£</i>	<i>£</i>
Amount due (all in respect of land and buildings):		
Within one year	70,580	70,580
Within two to five years	-	70,580
After five years	-	-
	<u>70,580</u>	<u>141,160</u>

After the balance sheet date the lease relating to land and buildings was renewed. There are no commitments in respect of this lease at the balance sheet date.

19 Capital commitments and contingent liabilities

The company had no capital commitments and contingent liabilities as at 31 December 2021 and 30 December 2020.

20 Post balance sheet events

The revenue recognition estimate for tournament services incorporates events and conditions present at the Statement of Financial Position date. The directors reviewed estimates made at the time of preparing the financial statements and have concluded there are no further events that have a material impact on the revenue recognised at the Statement of Financial Position date.

On 12 December, 2022, the company was acquired by Ticketmaster Europe Holdco Limited as part of a group restructuring. The change in ownership is not expected to have any financial impact on the company.

21 Related party transactions

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

22 Ultimate and immediate parent undertaking and controlling party

At the balance sheet date the company's immediate parent undertaking was FC1031 Limited, whose immediate parent undertaking is Ticketmaster UK Limited, both of which are registered in England and Wales. The company was subsequently acquired on 12 December 2022 by Ticketmaster Europe Holdco Limited, its new immediate parent undertaking incorporated in England and Wales (see note 20).

The ultimate parent undertaking and controlling party is Live Nation Entertainment, Inc., a company incorporated and listed in the United States of America.

The largest and smallest group in which the results of the company are group is that headed by Live Nation Entertainment, Inc, a company incorporated in the United States of America. Copies of Live Nation Entertainment, Inc's group financial statements may be obtained from 9348 Civic Center Drive, Beverly Hills, CA 90210, USA.