

Registered number. 02671052

**THE AMBASSADOR THEATRE GROUP LIMITED**

**UNAUDITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 29 MARCH 2014**

MONDAY



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## THE AMBASSADOR THEATRE GROUP LIMITED

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### COMPANY INFORMATION

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<b>Directors</b>	H H Panter R A Squire H J Enright M C Lynas D Blyth P R M Kavanagh N G Potter
<b>Company secretary</b>	M J Cook
<b>Registered number</b>	02671052
<b>Registered office</b>	2nd Floor Alexander House Church Path Woking Surrey GU21 6EJ

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**THE AMBASSADOR THEATRE GROUP LIMITED**

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## THE AMBASSADOR THEATRE GROUP LIMITED

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### STRATEGIC REPORT FOR THE PERIOD ENDED 29 MARCH 2014

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#### Introduction

The directors present their Strategic Report on the affairs of the company for the period to 29 March 2014. The company's business activities together with the factors likely to affect its future development, performance and position are set out in this Strategic Report.

The directors, in preparing this Strategic Report, have complied with s414C of the Companies Act 2006.

#### Business review

The principal activity of the company continued to be that of managing a group of companies operating theatres, producing theatrical productions and managing the associated ticketing business.

The results for the period are set out on page 4.

On 29 November 2013, ATEG Limited acquired the entire issued share capital, trade, trading assets and employees of The Ambassador Entertainment Group Limited, the company's immediate parent.

#### Principal risks and uncertainties

The principal risk to the business is a downturn in theatre attendance due to the impact of the economic environment on the theatre-going public. The company's commitment is to attract customers with new high quality productions and manage dark periods through nurturing strong relationships with show producers. Along with group investment in new shows this helps to reduce the impact of uncertainties in the market and enables the company, along with the rest of the group, to take a long-term view.

Due to the nature of the company's business and the assets and liabilities contained within the company's balance sheet, a significant risk that the directors consider relevant to this company is credit risk. This risk is mitigated through long-standing relationships with large ticketing agents and close monitoring of debtors who fail to pay within the company's standard payment terms which are set under contract upfront. Liquidity risk is managed through group funding arrangements.

#### Financial key performance indicators


The company considers its key performance indicators to be:

- 1) Sales - turnover was £4.54m for the period ended 29 March 2014 and £2.53m for the period ended 30 March 2013.
- 2) Net profit - The company had a pre-tax profit of £7.42m for the period ended 29 March 2014 compared to a pre-tax profit of £4.92m for the period ended 30 March 2013.

#### Future developments

The directors believe the Group is well prepared for further growth through both developing the existing business and increasing the Group's international activity.

This report was approved by the board on *19<sup>th</sup> December, 2014* and signed on its behalf

  
.....  
H J Enright  
Director

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## **THE AMBASSADOR THEATRE GROUP LIMITED**

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### **DIRECTORS' REPORT FOR THE PERIOD ENDED 29 MARCH 2014**

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The directors present their report and the financial statements for the period ended 29 March 2014

#### **Results and dividends**

The profit for the period, after taxation, amounted to £7.54m (2013: £5.07m)

An ordinary dividend of £6.50m (2013: £5.00m) was paid during the year

#### **Directors**

The directors who served during the period and to the date of signing the financial statements (except as noted) were

H H Panter  
R A Squire  
H J Enright  
M C Lynas  
D Blyth  
P R M Kavanagh  
N G Potter

#### **Environmental matters**

The company recognises the importance of its responsibilities and monitors its impact on the environment and designs and implements appropriate policies to minimise any damage that might be caused by the company's activities. Initiatives designed to minimise the company's impact on the environment include recycling and reducing energy consumption wherever possible.

#### **Employee involvement**

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

#### **Disabled employees**

The company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

#### **Matters covered in the Strategic Report**

Business review, principal risks, uncertainties, financial key performance indicators and future developments are set out in the Strategic Report.

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**THE AMBASSADOR THEATRE GROUP LIMITED**

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**DIRECTORS' REPORT  
FOR THE PERIOD ENDED 29 MARCH 2014**

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**Going Concern**


The financial statements have been prepared on a going concern basis

The company has net assets of £22.60m (2013 net assets of £21.56m) and net current liabilities of £112.23m (2013 net current liabilities of £95.34m)

Through its membership of the largest theatre group in the United Kingdom, it benefits from long-established relationships with major producers of shows and a network of supplier contracts across different geographic areas. Shows go on sale up to eighteen months before the first performance date which help mitigate risk, provides financial security and helps the company monitor and forecast future performance given that the majority of tickets for a performance are sold at least several weeks before the performance takes place. As a consequence, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

Having prepared forecasts to cover the 12 months subsequent to the date of signing the financial statements, 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.

This report was approved by the board on *19<sup>th</sup> December, 2014* and signed on its behalf

  
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M J Cook  
Secretary

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**THE AMBASSADOR THEATRE GROUP LIMITED**

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**PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD ENDED 29 MARCH 2014**

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	Note	2014 £	2013 £
<b>Turnover</b>	1	4,539,126	2,532,121
Cost of sales		(17,806)	567
		<hr/>	<hr/>
<b>Gross profit</b>		4,521,320	2,532,688
Administrative expenses		(20,473,693)	(18,262,727)
Other operating income	2	14,000,000	13,000,000
Other operating charges		(187,968)	-
		<hr/>	<hr/>
<b>Operating loss</b>		(2,140,341)	(2,730,039)
Income from shares in group undertakings		17,350,000	16,000,000
Interest receivable and similar income	5	6,954	301,162
Interest payable and similar charges	6	(7,794,118)	(8,649,030)
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>	3	7,422,495	4,922,093
Tax benefit on profit on ordinary activities	9	116,265	151,493
		<hr/>	<hr/>
<b>Profit for the financial period</b>	19	<u>7,538,760</u>	<u>5,073,586</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and Loss Account

The notes on pages 7 to 19 form part of these financial statements

**THE AMBASSADOR THEATRE GROUP LIMITED**  
**REGISTERED NUMBER: 02671052**

**BALANCE SHEET**  
**AS AT 29 MARCH 2014**

			29 March 2014	30 March 2013
	Note	£	£	£
<b>Fixed assets</b>				
Tangible assets	10		4,007,520	4,414,902
Investments	11		130,814,297	112,499,241
			<u>134,821,817</u>	<u>116,914,143</u>
<b>Current assets</b>				
Debtors amounts falling due after more than one year	12	13,599,967	13,599,967	
Debtors amounts falling due within one year	12	37,987,468	11,703,081	
Investments	13	1,827,764	3,397,288	
Cash at bank and in hand		8,247,509	15,500,290	
		<u>61,662,708</u>	<u>44,200,626</u>	
<b>Creditors</b> amounts falling due within one year	14	(173,887,860)	(139,541,719)	
<b>Net current liabilities</b>			<u>(112,225,152)</u>	<u>(95,341,093)</u>
<b>Total assets less current liabilities</b>			<u>22,596,665</u>	<u>21,573,050</u>
<b>Provisions for liabilities</b>				
Deferred tax	15		-	(15,145)
<b>Net assets</b>			<u>22,596,665</u>	<u>21,557,905</u>
<b>Capital and reserves</b>				
Called up share capital	18		9,983,322	9,983,322
Share premium account	19		11,438,484	11,438,484
Profit and loss account	19		1,174,859	136,099
<b>Shareholders' funds</b>	21		<u>22,596,665</u>	<u>21,557,905</u>

For the period ending 29 March 2014 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The members have not required the company to obtain an audit for the period in question in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.



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**THE AMBASSADOR THEATRE GROUP LIMITED**

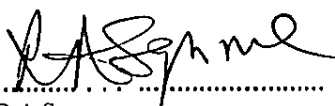
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**BALANCE SHEET (continued)**  
**AS AT 29 MARCH 2014**

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The financial statements were approved and authorised for issue by the board and were signed on its behalf on  
*19<sup>th</sup> December, 2014.*

  
.....  
H J Enright  
Director

  
.....  
R A Squire  
Director

The notes on pages 7 to 19 form part of these financial statements

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## THE AMBASSADOR THEATRE GROUP LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 MARCH 2014

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#### 1. Accounting Policies

##### 1.1 Basis of preparation of financial statements

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

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated) in both current and the preceding year

##### 1.2 Going concern

The financial statements have been prepared on a going concern basis, details of which can be found on page 3 in the Directors' Report

##### 1.3 Cash flow

The company has taken advantage of the exemption within Financial Reporting Standard 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its cash flows are included within the consolidated financial statements of The Ambassador Theatre Group Holdings Limited, which are publicly available

##### 1.4 Turnover

Turnover primarily represents the amounts due from providing theatre related services including sponsorship, excluding value added tax. Theatre related services are recognised in the period to which the services relate. All turnover is derived from operations in the UK in the current and prior period.

Turnover in relation to co-production arrangements is recognised in the period to which the services relate, except for production surpluses which are recognised when they can be reliably estimated.

##### 1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures & fittings	-	4 and 10 years
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Depreciation is only applied to the cost of assets in the course of construction once the asset is fully brought into use.

##### 1.6 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

##### 1.7 Operating leases

Rentals under operating leases are charged to the Profit and Loss Account 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 period until the date the rent is expected to be adjusted to the prevailing market rate.

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**THE AMBASSADOR THEATRE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 29 MARCH 2014**

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**1. Accounting Policies (continued)**

**1.8 Deferred taxation**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

**1.9 Current taxation**

Current taxation, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date

**1.10 Government grants**

Government grants relating to tangible fixed assets are treated as deferred income and released to the Profit and Loss Account over the expected useful lives of the assets concerned. Other grants are credited to the Profit and Loss Account as the related expenditure is incurred

**1.11 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 period

**1.12 Foreign currency translation**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate rulings at the dates of the transactions. All differences are taken to the profit and loss account

**1.13 Group accounts**

The company is exempt from the obligation to prepare and deliver group accounts under s400 of Companies Act 2006 as its results are included in the consolidated financial statements of The Ambassador Theatre Group Holdings Limited, incorporated in Great Britain, which are made up to 29 March 2014. Accordingly, these financial statements present information about the company as an individual entity and not as a group

**1.14 Investment in Shows and co-production arrangements**

Investments in shows are stated at cost less provisions for any amounts which the directors do not believe are recoverable

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**THE AMBASSADOR THEATRE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 29 MARCH 2014**

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**2. Other operating income**

	2014 £	2013 £
Management fees from subsidiaries (net)	<u>14,000,000</u>	<u>13,000,000</u>

The company received £14,000,000 (2013 £13,000,000) in management charges from its subsidiaries and paid £375,000 (2013 £550,000) to its parent company, The Ambassador Entertainment Group Limited

**3. Loss on ordinary activities before taxation**

The loss on ordinary activities before taxation is stated after charging

	2014 £	2013 £
Depreciation of tangible fixed assets		
- owned by the company	1,494,273	1,370,927
Operating lease rentals		
- plant and machinery	5,496	8,419
- other operating leases	321,787	345,308
Difference on foreign exchange	<u>187,968</u>	<u>-</u>

**4 Auditor's remuneration**

	2014 £	2013 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	<u>-</u>	<u>10,700</u>

The auditor did not provide any non-audit services to the company in the current or preceding year

**5. Interest receivable**

	2014 £	2013 £
Interest receivable from group companies	-	234,217
Other interest receivable	6,954	66,945
	<u>6,954</u>	<u>301,162</u>

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**THE AMBASSADOR THEATRE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 29 MARCH 2014**

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**6. Interest payable**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
On bank loans and overdrafts	<b>29,118</b>	26,873
On loans from group undertakings	<b>7,765,000</b>	8,622,157
	<b><u>7,794,118</u></b>	<b><u>8,649,030</u></b>

**7. Staff costs**

Staff costs were as follows

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>6,622,556</b>	6,335,883
Social security costs	<b>688,526</b>	733,676
Other pension costs	<b>382,031</b>	382,682
	<b><u>7,693,113</u></b>	<b><u>7,452,241</u></b>

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

	<b>2014</b>	<b>2013</b>
	<b>No</b>	<b>No</b>
Management and administration	<b><u>135</u></b>	<b><u>124</u></b>

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**THE AMBASSADOR THEATRE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 29 MARCH 2014**

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**8 Directors' remuneration**

On 29 November 2013 ATEG Limited acquired The Ambassador Entertainment Group Limited, the immediate parent company of The Ambassador Theatre Group Limited. From this date the directors are not remunerated directly by the company and are remunerated by ATEG Limited, where their remuneration is disclosed. It is not possible to disaggregate directors' remuneration in respect of services to The Ambassador Theatre Group Limited.

	2014 £	2013 £
Remuneration for qualifying services	-	2,527,591
Company pension contributions to defined contribution schemes	-	296,174
	<u>-</u>	<u>2,823,765</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 0 (2013: 6).

Remuneration disclosed above includes the following amounts paid to the highest paid director

	2014 £	2013 £
Remuneration for qualifying services	-	478,222
Company pension contributions to defined contribution schemes	-	52,500
	<u>-</u>	<u>530,722</u>

**9. Taxation**

	2014 £	2013 £
<b>Analysis of tax charge in the period</b>		
<b>Current tax</b> (see note below)		
UK corporation tax charge on profit for the period	1,602	3,456
Adjustments in respect of prior periods	158	(85)
<b>Total current tax</b>	<u>1,760</u>	<u>3,371</u>
<b>Deferred tax</b> (see note 15)		
Origination and reversal of timing differences	(118,025)	(154,864)
<b>Tax (benefit)/charge on profit on ordinary activities</b>	<u>(116,265)</u>	<u>(151,493)</u>

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**THE AMBASSADOR THEATRE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 29 MARCH 2014**

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**9. Taxation (continued)****Factors affecting tax charge for the period**

The tax assessed for the period is lower than (2013 lower than) the standard rate of corporation tax in the UK of 23% (2013 24%). The differences are explained below

	2014 £	2013 £
Profit on ordinary activities before tax	<u>7,422,495</u>	<u>4,922,093</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23% (2013 24%)	<u>1,707,174</u>	<u>1,181,302</u>
<b>Effects of.</b>		
Non deductible expenses	28,149	190,572
Capital allowances	(205,504)	(209,422)
Depreciation add back	343,683	329,022
Adjustments to tax charge in respect of prior periods	158	(85)
Dividends from UK companies	(3,875,000)	(3,840,000)
Other differences leading to an decrease in the tax charge	13,591	(61,808)
Group relief	1,989,509	2,413,852
Deferred revenue expenditure	-	(62)
<b>Current tax charge for the period (see note above)</b>	<u><u>1,760</u></u>	<u><u>3,371</u></u>

**Factors that may affect future tax charges**

In the UK, the Finance Act 2012 included legislation to reduce the main rate of corporation tax from 24% to 23% from 1 April 2013. The Finance Act 2013 included legislation to further reduce the main rate of UK corporation tax to 21% with effect from 1 April 2014 and to 20% with effect from 1 April 2015. This rate reduction has been reflected in the calculation of deferred tax at the balance sheet date.

The company has estimated losses of £48,834 (2013 £48,834) available for carry forward against future trading profits.

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**THE AMBASSADOR THEATRE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 29 MARCH 2014**

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**10. Tangible fixed assets**

	Fixtures & fittings £
<b>Cost</b>	
At 31 March 2013	8,158,339
Additions	1,086,891
At 29 March 2014	<u>9,245,230</u>
<b>Depreciation</b>	
At 31 March 2013	3,743,437
Charge for the period	1,494,273
At 29 March 2014	<u>5,237,710</u>
<b>Net book value</b>	
At 29 March 2014	<u>4,007,520</u>
At 30 March 2013	<u>4,414,902</u>

**11. Fixed asset investments**

	Investments in subsidiary companies £	Investments in associates £	Investment in joint ventures £	Total £
<b>Cost or valuation</b>				
At 31 March 2013	112,868,671	3,751,167	314,589	116,934,427
Additions	18,197,763	-	-	18,197,763
Disposals	-	-	(21,851)	(21,851)
Transfers intra group	4,043,905	(3,751,167)	(292,738)	-
At 29 March 2014	<u>135,110,339</u>	<u>-</u>	<u>-</u>	<u>135,110,339</u>
<b>Impairment</b>				
At 31 March 2013	4,435,186	-	-	4,435,186
Charge for the period	1,288	-	-	1,288
Reversal of impairment	(140,432)	-	-	(140,432)
At 29 March 2014	<u>4,296,042</u>	<u>-</u>	<u>-</u>	<u>4,296,042</u>
<b>Net book value</b>				
At 29 March 2014	<u>130,814,297</u>	<u>-</u>	<u>-</u>	<u>130,814,297</u>
At 30 March 2013	<u>108,433,485</u>	<u>3,751,167</u>	<u>314,589</u>	<u>112,499,241</u>



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**THE AMBASSADOR THEATRE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 29 MARCH 2014**

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**11. Fixed asset investments (continued)**

**Subsidiary undertakings**

The following were subsidiary undertakings of the company

Subsidiary undertaking	Country of registration or incorporation	Registered number	Shares held Class	Shares held	Principal activity
ATG London Limited	England and Wales	03902727	Ordinary	100%	Theatre operator
ATG Management Limited	England and Wales	04215171	Ordinary	100%	Dormant
Aylesbury Waterside Theatre Limited	England and Wales	03944591	Ordinary	100%	Theatre operator
Churchill Theatre Bromley Limited	England and Wales	03944535	Ordinary	100%	Theatre operator
First Family Entertainment LLP	England and Wales	OC310596	Ordinary	100%	Production company
G S Lashmar Limited	England and Wales	00418300	Ordinary	80%	Dormant
Glasgow Theatres Limited	England and Wales	04423391	Ordinary	100%	Theatre operator
Highland Fling Japan Limited	England and Wales	05302902	Ordinary	100%	Dormant
London Theatre Club Limited	England and Wales	04069735	Ordinary	100%	Dormant
Milton Keynes Theatre Limited	England and Wales	03490333	Ordinary	100%	Theatre operator
New Wimbledon Theatre Limited	England and Wales	04787118	Ordinary	100%	Theatre operator
Playhouse Theatre Limited	England and Wales	04510126	Ordinary	100%	Theatre operator
Richmond Theatre Limited	England and Wales	03716049	Ordinary	100%	Theatre operator
Savoy Theatre Group Limited	England and Wales	05527723	Ordinary	100%	Holding Company
Savoy Theatre Holdings Limited	England and Wales	03669280	Ordinary	100%	Dormant
Savoy Theatre Limited	England and Wales	00053830	Ordinary	100%	Theatre operator
Screenstage Limited	England and Wales	04166281	Ordinary	100%	Dormant
Screenstage Productions Limited	England and Wales	04897979	Ordinary	100%	Dormant
Smart Plays Limited	England and Wales	04275951	Ordinary	100%	Dormant
Sonia Friedman Productions Limited	England and Wales	04302464	Ordinary	100%	Production company
Stoke-on-Trent Theatres Limited	England and Wales	03507468	Ordinary	100%	Theatre operator
The Ambassador Theatre Group (Venues) Limited	England and Wales	01444368	Ordinary	100%	Theatre operator
The Ambassador Theatre Group Overseas Holdings Limited	England and Wales	08458696	Ordinary	100%	Holding Company
The Duke of York's Theatre Limited	England and Wales	00592528	Ordinary	100%	Theatre operator
The Ticket Machine Group Limited	England and Wales	02638971	Ordinary	100%	Ticketing agency
Theatre Royal Brighton Limited	England and Wales	03735154	Ordinary	100%	Theatre operator
Woking Turnstyle Limited	England and Wales	02699637	Ordinary	100%	Theatre operator
Ambassador Theatre Group - NY LLC	USA	5325449	Ordinary	100%	Production company
Leisure Connect LLC	USA	4827123	Ordinary	100%	Ticketing agency
Leisure Connect USA LLC	USA	4826665	Ordinary	100%	Holding Company
Lyric Theatre LLC	USA	5318164	Ordinary	100%	Theatre operator
SFP-NY LLC	USA	5351646	Ordinary	100%	Production company
The Ambassador Theatre Group US Holdings Inc	USA	5318162	Ordinary	100%	Holding Company
Ambassador Theatre Group New York Inc	USA		Ordinary	100%	Production company
The Ambassador Theatre Group Asia Pacific Pty Limited	Australia	ACN159379 290	Ordinary	100%	Production company

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**THE AMBASSADOR THEATRE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 29 MARCH 2014**

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**12. Debtors**

	29 March 2014 £	30 March 2013 £
<b>Due after more than one year</b>		
Amounts owed by group undertakings	13,599,967	13,599,967
	<u>13,599,967</u>	<u>13,599,967</u>
<b>Due within one year</b>		
Trade debtors	34,725	297,339
Amounts owed by group undertakings	32,606,018	6,553,574
Amounts owed by undertakings in which the company has a participating interest	-	1,868,611
Other debtors	4,675,044	2,525,851
Prepayments and accrued income	568,801	457,706
Deferred tax asset (see note 15)	102,880	-
	<u>37,987,468</u>	<u>11,703,081</u>

There is 'nil' interest rate in the current or preceding period on the intercompany balances

**13. Current asset investments**

	29 March 2014 £	30 March 2013 £
Investment in shows	1,827,764	3,397,288
	<u>1,827,764</u>	<u>3,397,288</u>

**14. Creditors.**

**Amounts falling due within one year**

	29 March 2014 £	30 March 2013 £
Bank loans and overdrafts	5,862,167	-
Trade creditors	1,137,102	845,904
Amounts owed to group undertakings	164,119,506	136,761,530
Social security and other taxes	278,215	243,899
Other creditors	210,409	165,116
Accruals and deferred income	2,280,461	1,525,270
	<u>173,887,860</u>	<u>139,541,719</u>

There is 'nil' interest rate in the current or preceding period on the intercompany balances

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**THE AMBASSADOR THEATRE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 29 MARCH 2014**

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**15 Deferred taxation asset / (liability)**

	<b>29 March 2014 £</b>	<b>30 March 2013 £</b>
At beginning of period	(15,145)	(170,009)
(Released during)/charge for period	118,025	154,864
At end of period	<u>102,880</u>	<u>(15,145)</u>

The deferred taxation balance is made up as follows

	<b>29 March 2014 £</b>	<b>30 March 2013 £</b>
Accelerated capital allowances	66,865	(63,631)
Tax losses carried forward	-	11,232
Other timing differences	36,015	37,254
	<u>102,880</u>	<u>(15,145)</u>

**16 Pensions**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £382,031 (2013: £382,682).

Contributions totalling £143,585 (2013: £120,981) were payable to the fund at balance sheet date and are included in creditors.

**17. Operating lease commitments**

At 29 March 2014 the company had annual commitments under non-cancellable operating leases as follows

	<b>Land and buildings 29 March 2014 £</b>	<b>30 March 2013 £</b>
<b>Expiry date</b>		
Between 2 and 5 years	351,574	280,127
After more than 5 years	<u>148,965</u>	<u>148,965</u>

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**THE AMBASSADOR THEATRE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 29 MARCH 2014**

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**18 Called up share capital**

	<b>29 March 2014 £</b>	<b>30 March 2013 £</b>
<b>Allotted, called up and fully paid</b>		
9,983,072 Preferred ordinary shares of £1 each	<b>9,983,072</b>	9,983,072
25,000 "A" ordinary shares of £0.01 each	<b>250</b>	250
	<hr/> <b>9,983,322</b> <hr/>	<hr/> <b>9,983,322</b> <hr/>

The holders of the preferred ordinary shares shall be entitled, on a pari passu basis in proportion to the number of shares held

- i) to all dividends paid by the company,
- ii) to 100% of any Realised Equity Value up to and including £40,000,000,
- iii) to the balance of any Realised Equity Value in excess of £40,000,000 which is not allocated to the holders of the "A" ordinary shares in issue at the time of the Realisation

The "A" ordinary shares have the following rights

- i) the holders of the "A" ordinary shares shall not be entitled to any dividends paid by the company,
- ii) if the Realised Equity Value is £40,000,000 or less the holders the "A" ordinary shares shall not be entitled to any part of the Realised Equity Value,
- iii) if the Realised Equity Value is more than £40,000,000 the holders of the "A" ordinary shares who are employees of the company immediately before the Realisation shall be entitled, as between all members of the company, to receive in respect of each "A" ordinary share held by him/her at the time of the Realisation 1/25,000 of 25% (twenty five percent) of that part of the Realised Equity Value as exceeds £40,000,000 and the holders of the "A" ordinary shares who are not employees of the company immediately before the Realisation shall be entitled, as between all members of the company, to receive in respect of each "A" ordinary share held by him/her at the time of the Realisation the lower of (A) Fair Value at the time the holder ceased to be employed by the company or, if the board so determines (in its absolute discretion) that a value which is lower than such Fair Value is more appropriate in the circumstances, such value and (B) the Realisation Value

**19. Statement of movements on reserves**

	<b>Share premium account £</b>	<b>Profit and loss account £</b>
At 31 March 2013	<b>11,438,484</b>	<b>136,099</b>
Profit for the period	-	<b>7,538,760</b>
Dividends Equity capital	-	<b>(6,500,000)</b>
	<hr/> <b>11,438,484</b> <hr/>	<hr/> <b>1,174,859</b> <hr/>
At 29 March 2014		

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**THE AMBASSADOR THEATRE GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 29 MARCH 2014**

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**20. Dividends**

	2014 £	2013 £
Dividends paid on equity capital	<u>6,500,000</u>	<u>5,000,000</u>

**21. Reconciliation of movement in shareholders' funds**

	29 March 2014 £	30 March 2013 £
Opening shareholders' funds	21,557,905	21,484,319
Profit for the period	7,538,760	5,073,586
Dividends (Note 20)	<u>(6,500,000)</u>	<u>(5,000,000)</u>
Closing shareholders' funds	<u>22,596,665</u>	<u>21,557,905</u>

**22. Contingent liabilities**

A corporate cross guarantee of the senior debt exists between The Ambassador Theatre Group Limited, its parent ATG Finance Limited and the majority of its subsidiary undertakings. The senior debt is secured by a debenture over the whole of the assets of ATG Finance Limited and the majority of the assets of the Group.

**23. Ultimate parent undertaking and controlling party**

The company's immediate parent company is The Ambassador Entertainment Group Limited. The parent company of the smallest group for which consolidated accounts are prepared is ATG Finance Limited and the ultimate UK parent company of the largest group for which consolidated accounts are prepared and to which the company belongs is The Ambassador Theatre Group Holdings Limited. The consolidated accounts of the UK parent companies ATG Finance Limited and The Ambassador Theatre Group Holdings Limited are available from the company's registered office, 2nd floor, Alexander House, Church Path, Woking, Surrey, GU21 6EJ.

The ultimate parent company of the company is ATG Luxco S A R L (Luxembourg), which is controlled by Providence Equity Partners VII-A LP (Cayman Islands), and ultimately PEP VII-A International Ltd (Cayman Islands).

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## THE AMBASSADOR THEATRE GROUP LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 MARCH 2014

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#### 24 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with wholly owned group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company

During the period The Ambassador Theatre Group Limited received management fees from Rocky Horror Company Limited amounting to £65,000 (2013 £65,000) Howard Panter is a director of Rocky Horror Company Limited

During the period The Ambassador Theatre Group Limited received management fees from Savoy Theatre Limited amounting to £60,451 (2013 £62,981) The company is a subsidiary of Savoy Theatre Group Limited Savoy Theatre Group Limited was a joint venture between ATG London Limited and Tulbart LLC until 29 November 2013 where upon it became a 100% subsidiary of ATG London Limited ATG London Limited is a 100% subsidiary of The Ambassador Theatre Group Limited

During the period The Ambassador Theatre Group Limited received management fees from Playhouse Theatre Limited amounting to £60,451 (2013 £62,981) Playhouse Theatre Limited was a joint venture between ATG London Limited and Playhouse Theatre LLC until 29 November 2013 where upon it became a 100% subsidiary of ATG London Limited

All of the above transactions were conducted on an arms length basis