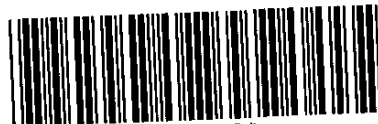


Registered number: 02671052

**THE AMBASSADOR THEATRE GROUP LIMITED**  
**UNAUDITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE 52 WEEK PERIOD ENDED 30 MARCH 2019**

*AMENDED*

TUESDAY



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18/02/2020

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## **THE AMBASSADOR THEATRE GROUP LIMITED**

### **COMPANY INFORMATION**

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<b>Directors</b>	M C Lynas N G Potter M Cornell S Teo A Kenwright
<b>Registered number</b>	02671052
<b>Registered office</b>	2nd Floor Alexander House Church Path Woking Surrey GU21 6EJ
<b>Bankers</b>	National Westminster Bank Plc PO Box 113 Cavell House 2A Charing Cross Road London WC2H 0PD

# **THE AMBASSADOR THEATRE GROUP LIMITED**

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## **THE AMBASSADOR THEATRE GROUP LIMITED**

### **STRATEGIC REPORT FOR THE 52 WEEK PERIOD ENDED 30 MARCH 2019**

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#### **Introduction**

The Directors present their Strategic Report on the affairs of The Ambassador Theatre Group Limited (the "Company") for the 52 week period to 30 March 2019 (the "period"). 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 5.

#### **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 the Company is credit risk. This risk is mitigated through longstanding 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 - Revenue was £3,315,000 for the period ended 30 March 2019 and £2,928,000 for the period ended 31 March 2018.

2) Net profit - The Company had a pre-tax profit of £9,319,000 for the period ended 30 March 2019 compared to a pre-tax profit of £5,127,000 for the period ended 31 March 2018 .

## **THE AMBASSADOR THEATRE GROUP LIMITED**

### **STRATEGIC REPORT (CONTINUED) FOR THE 52 WEEK PERIOD ENDED 30 MARCH 2019**

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#### **Environmental matters**

The Company recognises the importance of its environmental 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.

Annual Risk Management targets and objectives now require venues to complete their own Project Blackout surveys at least annually. This project identifies overnight energy waste issues and engages with senior management, venue staff and the Company's Environmental Ambassadors to implement simple 'switch off' solutions. Venues choosing to complete these surveys more often and act on their findings, driven by Environmental Ambassadors and supported by Management, are seeing considerable improvements and reductions in electricity bills.

#### **Our people**


The Company complies with all relevant legislation including that specifically targeted at preventing discrimination. Such principles are embedded through the organisation by the requisite policies. The Company is committed to ensuring the health, safety and welfare of its employees as far as is reasonably practicable. The Company seeks to ensure that statutory duties are met at all times and that it operates effective health and safety management.

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 on 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 Company's performance.

This report was approved by the board on

12 FEB 2020

and signed on its behalf.



S Teo  
Director

## **THE AMBASSADOR THEATRE GROUP LIMITED**

### **DIRECTORS' REPORT FOR THE 52 WEEK PERIOD ENDED 30 MARCH 2019**

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The Directors present their report and the financial statements for the 52 week period ended 30 March 2019.

#### **Results and dividends**

The profit for the 52 week period, after taxation, amounted to £7,790,000 (2018 - £5,217,000).

An ordinary dividend of £nil (2018: £nil) was paid during the period.

#### **Directors**

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

M C Lynas  
N G Potter  
M Cornell  
S Teo  
A Kenwright

#### **Future developments**

The Directors expect no significant changes to the Company's business at this time.

#### **Post balance sheet events**

There have been no significant events affecting the Company since the period end.

#### **Going concern**

The financial statements have been prepared on the going concern basis.

The Company has net assets of £106,236,000 (2018: £98,446,000) and net current liabilities of £91,083,000 (2018: £89,949,000) at the balance sheet date. The net current liabilities position is due primarily to intercompany balances.

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. Having prepared forecasts to cover the 12 months subsequent to the date of signing the financial statements and also considering the financial support available from the Company's ultimate UK parent, International Entertainment Holdings Limited, the directors are confident that the Company is well placed to manage its business risks.

This report was approved by the board on

12 FEB 2020

and signed on its behalf.



S Teo  
Director

## **THE AMBASSADOR THEATRE GROUP LIMITED**

### **ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF THE AMBASSADOR THEATRE GROUP LIMITED FOR THE 52 WEEK PERIOD ENDED 30 MARCH 2019**

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In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of The Ambassador Theatre Group Limited for the 52 week period ended 30 March 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes from the Company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the Board of Directors of The Ambassador Theatre Group Limited, as a body, in accordance with the terms of our engagement letter dated 1 May 2019. Our work has been undertaken solely to prepare for your approval the financial statements of The Ambassador Theatre Group Limited and state those matters that we have agreed to state to the Board of Directors of The Ambassador Theatre Group Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Ambassador Theatre Group Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that The Ambassador Theatre Group Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of The Ambassador Theatre Group Limited. You consider that The Ambassador Theatre Group Limited is exempt from the statutory audit requirement for the 52 week period.

We have not been instructed to carry out an audit or review of the financial statements of The Ambassador Theatre Group Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

SRLV LLP

#### **SRLV LLP**

Accountants

Elsley Court  
20-22 Great Titchfield Street  
London  
W1W 8BE  
Date:

13 FEB 2020

**THE AMBASSADOR THEATRE GROUP LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE 52 WEEK PERIOD ENDED 30 MARCH 2019**

	Note	52 week period ended 30 March 2019 £000	53 week period ended 31 March 2018 £000
Revenue	4	3,315	2,928
Cost of sales		28	15
Gross profit		3,343	2,943
Administrative expenses		(27,867)	(39,441)
Other operating income	5	16,445	14,958
Operating loss	6	(8,079)	(21,540)
Income from shares in group undertakings		22,500	27,300
Amounts written off investments		(460)	(28)
Interest receivable and similar income	8	1,664	1,282
Interest payable and similar charges	9	(6,306)	(1,887)
Profit before tax		9,319	5,127
Tax on profit	10	(1,529)	90
Profit for the financial 52 week period		7,790	5,217

There was no other comprehensive income for 2019 (2018:£NIL).

The notes on pages 9 to 28 form part of these financial statements.

All results above derive from continuing operations.

There is no material difference between the profits before tax and the profits for the financial periods stated above and their historical cost equivalents.



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

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 MARCH 2019**

		<b>30 March 2019 £000</b>	<b>31 March 2018 £000</b>
	<b>Note</b>		
<b>Fixed assets</b>			
Intangible assets	11	8,412	1,545
Property, plant and equipment	12	5,926	3,997
Fixed asset investments	13	185,203	185,203
		<u>199,541</u>	<u>190,745</u>
<b>Current assets</b>			
Trade and other receivables	14	1,120,491	386,325
Current asset investments	15	3,826	4,137
Cash at bank and in hand	16	15,863	1,254
		<u>1,139,880</u>	<u>391,716</u>
Trade and other payables	17	(1,231,863)	(481,864)
<b>Net current liabilities</b>		<u>(91,083)</u>	<u>(89,948)</u>
<b>Total assets less current liabilities</b>		<u>108,458</u>	<u>100,797</u>
Non-current payables		(1,982)	(1,981)
Other provisions	19	(240)	(370)
<b>Net assets</b>		<u>106,236</u>	<u>98,446</u>
<b>Capital and reserves</b>			
Called up share capital	20	9,983	9,983
Share premium account		57,913	57,913
Profit and loss account		38,340	30,550
		<u>106,236</u>	<u>98,446</u>

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

**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 30 MARCH 2019**

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The members have not required the Company to obtain an audit for the 52 week period in question in accordance with section 476 of Companies Act 2006.

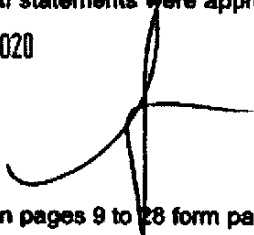
The Company was entitled to exemption from the requirement to have an audit under section 479A of the Companies Act 2006.

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.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

12 FEB 2020

S Teo  
Director

A handwritten signature in black ink, appearing to be 'S Teo', written over the printed name and date.

The notes on pages 9 to 28 form part of these financial statements.

**THE AMBASSADOR THEATRE GROUP LIMITED****STATEMENT OF CHANGES IN EQUITY  
FOR THE 52 WEEK PERIOD ENDED 30 MARCH 2019**

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	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Retained earnings</b>	<b>Total equity</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>At 26 March 2017</b>	<b>9,983</b>	<b>57,913</b>	<b>25,333</b>	<b>93,229</b>
<b>Comprehensive income for the period</b>				
<b>Profit for the period</b>	-	-	<b>5,217</b>	<b>5,217</b>
<b>Total comprehensive income for the period</b>	-	-	<b>5,217</b>	<b>5,217</b>
<b>At 1 April 2018</b>	<b>9,983</b>	<b>57,913</b>	<b>30,550</b>	<b>98,446</b>
<b>Comprehensive income for the period</b>				
<b>Profit for the period</b>	-	-	<b>7,790</b>	<b>7,790</b>
<b>Total comprehensive income for the period</b>	-	-	<b>7,790</b>	<b>7,790</b>
<b>At 30 March 2019</b>	<b>9,983</b>	<b>57,913</b>	<b>38,340</b>	<b>106,236</b>

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## **THE AMBASSADOR THEATRE GROUP LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 30 MARCH 2019**

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#### **1. General information**

The Ambassador Theatre Group Limited (the "Company") is a company incorporated in the United Kingdom under the Companies Act. Details of the Company's principal activity, registered office and directors can be found in the Strategic Report, Directors' Report and the Company Information page.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The financial statements are presented in sterling, rounded to the nearest thousand, unless otherwise indicated.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

##### **2.2 Financial reporting standard 101 - reduced disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

##### **2.3 Exemption from preparing consolidated financial statements**

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

## **THE AMBASSADOR THEATRE GROUP LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 30 MARCH 2019**

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#### **2. Accounting policies (continued)**

##### **2.4 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.

##### **2.5 Impact of new international reporting standards, amendments and interpretations**

###### **IFRS 9**

There have been no material impacts on the Company's financial statements as a result of adopting IFRS 9 from 01 April 2018.

###### **IFRS 15**

There have been no material impacts on the Company's financial statements as a result of adopting IFRS 15 from 01 April 2018.

##### **2.6 Foreign currency translation**

###### **Functional and presentation currency**

The Company's functional and presentational currency is GBP.

###### **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

##### **2.7 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### **2.8 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the Statement of Comprehensive Income 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.

## **THE AMBASSADOR THEATRE GROUP LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 30 MARCH 2019**

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#### **2. Accounting policies (continued)**

##### **2.9 Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

##### **2.10 Interest income**

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

##### **2.11 Finance costs**

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### **2.12 Borrowing costs**

All borrowing costs are recognised in the Statement of Comprehensive Income in the 52 week period in which they are incurred.

##### **2.13 Pensions**

###### **Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

## **THE AMBASSADOR THEATRE GROUP LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 30 MARCH 2019**

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#### **2. Accounting policies (continued)**

##### **2.14 Current and deferred taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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.

##### **2.15 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

The amortisation period of software is 4 years.

##### **2.16 Property, plant and equipment**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Fixtures & fittings	- 4 to 10 years
---------------------	-----------------

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

## **THE AMBASSADOR THEATRE GROUP LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 30 MARCH 2019**

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#### **2. Accounting policies (continued)**

##### **2.17 Impairment of assets**

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

##### **2.18 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

##### **2.19 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.

##### **2.20 Trade and other receivables**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### **2.21 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

##### **2.22 Trade and other payables**

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.



## **THE AMBASSADOR THEATRE GROUP LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 30 MARCH 2019**

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#### **2. Accounting policies (continued)**

##### **2.23 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

#### **3. Judgements in applying accounting policies and key sources of estimation uncertainty**

There are a limited number of judgements having a material impact on these financial statements. The primary judgements are as follows:

##### *Useful economic lives*

The useful economic lives applied when depreciating assets are derived from historical experience of replacement periods from comparable assets within the wider group, and are considered appropriate. The lives are revisited where, for example, significant gains or losses on disposal are expected or experienced. Where it becomes apparent that assets' book values are materially in excess of their market value, the assets would be assessed for impairment.

##### *Recoverability of current assets*

Current assets that are outstanding significantly after their expected recovery date are reviewed for evidence of irrecoverability. Where an asset is considered wholly or partially irrecoverable, a provision is made against the book value of the relevant asset. Where sufficient evidence of recoverability exists, no such provision is made.

##### *Recoverable amount of investments in subsidiaries*

The book value of investments in subsidiaries is determined by comparing the book value, being historical purchase price, to recoverable amount, being the higher of value in use and fair value less costs to sell. Value in use is determined by reference to forecast economic benefits expected to flow from the investment in future, and is therefore judgemental.

#### **4. Revenue**

All turnover arose within the United Kingdom.

**THE AMBASSADOR THEATRE GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 52 WEEK PERIOD ENDED 30 MARCH 2019**

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**5. Other operating income**

	<b>52 week period ended 30 March 2019 £000</b>	<b>53 week period ended 31 March 2018 £000</b>
Management fees from subsidiaries	16,445	14,958
	<u>16,445</u>	<u>14,958</u>

The Company received £16.4m (2019: £15.0m) in management fees from its subsidiaries.

**6. Operating loss**

The operating loss is stated after charging:

	<b>52 week period ended 30 March 2019 £000</b>	<b>53 week period ended 31 March 2018 £000</b>
Depreciation of property, plant and equipment	1,172	749
Amortisation of intangible assets	890	1,548
Exchange differences	(4,862)	8,704
Admin - staff costs	11,803	8,060

The Directors are not remunerated directly by the Company and are remunerated by the Company's intermediate parent company, International Entertainment Investments Ltd. It is not possible to disaggregate directors' remuneration in respect of services to the Company.

# THE AMBASSADOR THEATRE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 30 MARCH 2019

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### 7. Employees

Staff costs were as follows:

	52 week period ended 30 March 2019 £000	53 week period ended 31 March 2018 £000
Wages and salaries	10,743	7,090
Social security costs	731	682
Cost of defined contribution scheme	329	288
	<u>11,803</u>	<u>8,060</u>

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

	52 week period ended 30 March 2019 No.	53 week period ended 31 March 2018 No.
Administration	<u>136</u>	<u>136</u>

### 8. Interest receivable

	52 week period ended 30 March 2019 £000	53 week period ended 31 March 2018 £000
Other interest receivable	1,864	1,282
	<u>1,864</u>	<u>1,282</u>

**THE AMBASSADOR THEATRE GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 52 WEEK PERIOD ENDED 30 MARCH 2019**

**9. Interest payable and similar charges**

	<b>52 week period ended 30 March 2019 £000</b>	<b>53 week period ended 31 March 2018 £000</b>
Bank interest payable	<b>6,306</b>	<b>615</b>
Loans from group undertakings	<b>-</b>	<b>1,272</b>
	<b><u>6,306</u></b>	<b><u>1,887</u></b>

**10. Taxation**

	<b>52 week period ended 30 March 2019 £000</b>	<b>53 week period ended 31 March 2018 £000</b>
<b>Corporation tax</b>		
Current tax on profits for the year	<b>1,407</b>	<b>-</b>
<b>Total current tax</b>	<b><u>1,407</u></b>	<b><u>-</u></b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<b>122</b>	<b>(90)</b>
<b>Total deferred tax</b>	<b><u>122</u></b>	<b><u>(90)</u></b>
<b>Taxation on profit of ordinary activities</b>	<b><u>1,529</u></b>	<b><u>(90)</u></b>

**THE AMBASSADOR THEATRE GROUP LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 52 WEEK PERIOD ENDED 30 MARCH 2019****10. Taxation (continued)****Factors affecting tax charge for the period**

The tax assessed for the period is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	<b>52 week period ended 30 March 2019 £000</b>	<b>53 week period ended 31 March 2018 £000</b>
Profit on ordinary activities before tax	<b>9,319</b>	<b>5,127</b>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	<b>1,771</b>	<b>715</b>
Effects of:		
Expenses not deductible for tax purposes	<b>1,354</b>	<b>69</b>
Effect of rate change on deferred tax	<b>5</b>	<b>(90)</b>
Dividends from UK companies	<b>(4,275)</b>	<b>(5,187)</b>
Prior year adjustment	<b>165</b>	<b>59</b>
Group relief	<b>2,509</b>	<b>4,344</b>
Total tax charge for the period	<b>1,529</b>	<b>(90)</b>

**Factors that may affect future tax charges**

The Finance Act 2016 provides for reductions in the main rate of corporation tax from 19% to 17% from 1 April 2020.

**THE AMBASSADOR THEATRE GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 52 WEEK PERIOD ENDED 30 MARCH 2019**

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**11. Intangible assets**

	<b>Software £000</b>
<b>Cost</b>	
At 1 April 2018	<b>6,754</b>
Additions	<b>7,757</b>
At 30 March 2019	<b>14,511</b>
<b>Amortisation</b>	
At 1 April 2018	<b>5,209</b>
Charge for the year	<b>890</b>
At 30 March 2019	<b>6,099</b>
<b>Net book value</b>	
At 30 March 2019	<b>8,412</b>
At 31 March 2018	<b>1,545</b>

**THE AMBASSADOR THEATRE GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 52 WEEK PERIOD ENDED 30 MARCH 2019**

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**12. Property, plant and equipment**

	<b>Fixtures &amp; fittings £000</b>
<b>Cost</b>	
At 1 April 2018	<b>7,353</b>
Additions	<b>3,101</b>
At 30 March 2019	<b>10,454</b>
<b>Depreciation</b>	
At 1 April 2018	<b>3,356</b>
Charge for the period	<b>1,172</b>
At 30 March 2019	<b>4,528</b>
<b>Net book value</b>	
At 30 March 2019	<b>5,926</b>
At 31 March 2018	<b>3,997</b>

**THE AMBASSADOR THEATRE GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 52 WEEK PERIOD ENDED 30 MARCH 2019**

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**13. Fixed asset investments**

	<b>Investments in subsidiary companies £000</b>
<b>Cost or valuation</b>	
At 1 April 2018	<b>198,417</b>
	<hr/>
At 30 March 2019	<b>198,417</b>
	<hr/>
<b>Impairment</b>	
At 1 April 2018	<b>13,214</b>
	<hr/>
At 30 March 2019	<b>13,214</b>
	<hr/>
<b>Net book value</b>	
At 30 March 2019	<b>185,203</b>
	<hr/>
At 31 March 2018	<b>185,203</b>
	<hr/>



**THE AMBASSADOR THEATRE GROUP LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 52 WEEK PERIOD ENDED 30 MARCH 2019****14. Trade and other receivables**

	30 March 2019 £000	31 March 2018 £000
Due after more than one year		
Amounts owed by group undertakings	47,480	44,981
Due within one year		
Trade receivables	(5)	265
Amounts owed by group undertakings	1,069,065	334,905
Amounts owed by joint ventures and associated undertakings	30	80
Other receivables	4	4,045
Prepayments and accrued income	3,365	1,376
Deferred taxation	552	673
	<u>1,120,491</u>	<u>386,325</u>

Amounts owed by group undertakings that are considered financing arrangement carry interest at 4.5% plus libor per annum. All other amounts owed by group undertakings are unsecured, interest free and repayable on demand.

**15. Current asset investments**

	30 March 2019 £000	31 March 2018 £000
Investments in shows	3,626	4,137
	<u>3,626</u>	<u>4,137</u>

**16. Cash and cash equivalents**

	30 March 2019 £000	31 March 2018 £000
Cash at bank and in hand	15,863	1,254
Less: bank overdrafts	-	(750)
	<u>15,863</u>	<u>504</u>

# **THE AMBASSADOR THEATRE GROUP LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 30 MARCH 2019**

### **17. Trade and other payables**

	<b>30 March 2019 £000</b>	<b>31 March 2018 £000</b>
Bank overdrafts	-	750
Trade creditors	3,049	1,490
Amounts owed to group undertakings	1,214,413	472,184
Other taxation and social security	4,316	383
Other creditors	689	107
Accruals and deferred income	8,596	6,751
	<b>1,231,063</b>	<b>481,665</b>

Amounts owed to group undertakings that are considered financing arrangement carry interest at 4.5% plus libor per annum. All other amounts owed by group undertakings are unsecured, interest free and repayable on demand.

### **18. Deferred taxation**

	<b>2019 £000</b>	<b>2018 £000</b>
At beginning of year	673	583
Charged to profit or loss	(121)	90
At end of year	<b>552</b>	<b>673</b>

The deferred tax asset is made up as follows:

	<b>30 March 2019 £000</b>	<b>31 March 2018 £000</b>
Fixed asset timing differences	551	556
Other short term timing differences	1	118
	<b>552</b>	<b>673</b>

The closing deferred tax liability as at 31 March 2018 has been calculated at 17% reflecting the tax rate at which the deferred tax asset is expected to be utilised in future periods.

## THE AMBASSADOR THEATRE GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 30 MARCH 2019

#### 19. Provisions

	Dilapidations £000
At 1 April 2018	370
Charged to profit or loss	(130)
At 30 March 2019	<u>240</u>

#### 20. Share capital

	30 March 2019 £000	31 March 2018 £000
Allotted, called up and fully paid		
9,983,323 (2018 - 9,983,323) Ordinary shares of £1 each	<u>9,983</u>	<u>9,983</u>

There is a single class of ordinary share. There are no restrictions on the distribution of dividends and repayment of capital.

#### 21. Contingent liabilities

A corporate cross guarantee of the senior debt borrowed by International Entertainment Investments Limited exists between the Company, its parent International Entertainment Finance Limited and the majority of its subsidiary undertakings. The senior debt is secured by a debenture over the whole of the assets of International Entertainment Finance Limited and the majority of the assets of the Group.

#### 22. Pension commitments

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 £329,000 (2018: £288,000).

Contributions totalling £122,000 (2018: £102,000) were outstanding at the balance sheet date and are included in other payables.

## THE AMBASSADOR THEATRE GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 30 MARCH 2019

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#### 23. Commitments under operating leases

At 30 March 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	30 March 2019 £000	31 March 2018 £000
Not later than 1 year	668	674
Later than 1 year and not later than 5 years	1,631	1,310
Later than 5 years	1,582	1,726
	<u>3,881</u>	<u>3,710</u>

#### 24. Related party transactions

The Company has taken advantage of exemptions available under paragraph 8(k) of FRS 101 not to disclose transactions with related parties which are wholly owned members of the same group. As such, there were no related party transactions during the period requiring disclosure (2018: £nil).

#### 25. Controlling party

The Company's immediate parent company is The Ambassador Entertainment Group Limited. The ultimate UK parent company to which the Company belongs is International Entertainment Holdings Limited. The consolidated accounts of the UK parent company International Entertainment Holdings Limited are available from the company's registered office, 28 St. George Street, London, W1S 2FA.

The Company's ultimate parent company is IE Luxco S.a.r.l (Luxembourg), which is controlled by Providence Equity Partners VII-A-LP (Cayman Islands) and Providence VII Global Holdings LP (Cayman Islands), which the directors consider to be the Company's ultimate controlling parties.

# THE AMBASSADOR THEATRE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 30 MARCH 2019

### 26. Listing of subsidiary entities, associates and joint ventures and investments

#### Subsidiaries

100% of the ordinary share capital of all subsidiaries is owned directly or indirectly unless otherwise indicated. Where indicated, shareholdings are effective ownership percentages as held by the parent.

#### Incorporated in United Kingdom

All subsidiaries have taken the s479a exemption from audit unless exempt from audit in any case.

Subsidiary undertaking	% Shares held	Principal activity
<b>Direct investments</b>		
ATG Entertainment Limited		Holding company
ATG London Limited		Theatre operator and ticketing agent
ATG Management Limited		Dormant
ATG Productions Limited		Production company
ATG WOTV Limited		Production company
Aylesbury Waterside Theatre Limited		Theatre operator
Churchill Theatre Bromley Limited		Theatre operator
First Family Entertainment LLP		Production company
Glasgow Theatres Limited		Theatre operator
Highland Fling Japan Limited		Dormant
London Turnstyle Limited		Dormant
Milton Keynes Theatre Limited		Theatre operator
New Wimbledon Theatre Limited		Theatre operator
Richmond Theatre Limited		Theatre operator
Screenstage Limited		Dormant
Screenstage Productions Limited		Dormant
Smart Plays Limited		Dormant
Sonia Friedman Productions Limited		Production company
Stoke-on-Trent Theatres Limited		Theatre operator
The Ambassador Theatre Group (Venues) Limited		Theatre operator
The Ambassador Theatre Group Overseas Holdings Limited		Holding company
The Duke of York's Theatre Limited		Theatre operator
The Ticket Machine Group Limited		Ticketing agency
Theatre Management Holdings Limited		Holding company
Theatre Management Limited		Theatre operator
Theatre Royal Brighton Limited		Theatre operator
Woking Turnstyle Limited		Theatre operator
<b>Indirect investments</b>		
G.S Lashmar Limited	90%	Dormant
London Theatre Club Limited		Dormant
Playhouse Theatre Limited		Theatre operator
Savoy Theatre Group Limited		Holding company
Savoy Theatre Holdings Limited		Dormant
Savoy Theatre Limited		Theatre operator
SFP Dreams Limited		Production company
SFP Shows Limited		Production company
SFP Sunny Limited		Production company

# **THE AMBASSADOR THEATRE GROUP LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 30 MARCH 2019**

### **Incorporated in USA**

<b>Subsidiary undertaking</b>	<b>% Shares held</b>	<b>Principal activity</b>
ACE Theatrical Group LLC		Management Services
Arts Center Enterprises LLC		Theatre operator
Arts Center Enterprises – Brooklyn LLC		Theatre operator
Arts Center Enterprises – New Orleans LLC		Theatre operator
Ambassador Theatre Group – NY LLC		Production company
ATG Tickets US, LLC		Ticketing agency
Hudson Theatre, LLC		Theatre operator
Kings Theatre Developer, LLC		Venue development
Kings Theatre Manager, LLC		Managing member
Hudson Theatre, LLC		Theatre operator
Lyric Theatre, LLC		Theatre operator
Majestic Presents, LLC		Promotions company
Saenger Aggregator Leverage Lender, LLC	90%	Financing company
Saenger Theatre Developer, Inc		Venue Development
Saenger Theatre Manager, LLC		Managing Member
Saenger Theatre Partnership, Ltd		Dormant
SFP-NY, LLC		Production company
Sundance Productions, Inc	90%	Production company
The Ambassador Theatre Group US Holdings, Inc		Holding company

### **Incorporated in Germany**

The following subsidiaries have elected to apply the exemption available under §264, section 3 of the German Commercial Code and have not prepared and published financial statements under German GAAP because they are included as fully consolidated subsidiaries in the International Entertainment Holdings Limited group financial statements.

<b>Subsidiary undertaking</b>	<b>% Shares held</b>	<b>Principal activity</b>
BB Entertainment Holding GmbH		Holding company
BB Group GmbH	90%	Holding/Management services
company		
BB Promotion GmbH	90%	Promotions company
Bodyguard Verwaltungs GmbH	90%	Holding company
Bodyguard Musical GmbH & Co KG	90%	Production company
ESMS GmbH	90%	Marketing services
Fandango Musical GmbH	90%	Production company

### **Incorporated in Australia**

<b>Subsidiary undertaking</b>	<b>% Shares held</b>	<b>Principal activity</b>
The Ambassador Theatre Group Asia Pacific Pty Limited		Production company

**THE AMBASSADOR THEATRE GROUP LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 52 WEEK PERIOD ENDED 30 MARCH 2019****Associates and Joint Ventures**

<b>Name</b>	<b>Incorporated</b>	<b>% Shares held</b>	<b>Principal activity</b>
Girl Perfect Holdings Limited	United Kingdom	50%	Production company
Girl Perfect Limited	United Kingdom	50%	Production company
HP West End Limited	United Kingdom	25%	Production company
JB UK Touring Limited	United Kingdom	0%	Production company
Priscilla Tour UK Limited	United Kingdom	0%	Production company
Saenger Theatre Redevelopment Company LLC	USA	20%	Venue Development
Intershow Merchandise GmbH	Germany	50%	Production company
ISM Show AG	Switzerland	50%	Production company

**Other investments**

<b>Name</b>	<b>Incorporated</b>	<b>% Shares held</b>	<b>Principal activity</b>
Deutsche Eintrittskarten TKS GmbH	Germany	0.02%	Ticketing agency
Cleven Investments Limited	United Kingdom	10%	Production company
Kings Theatre Redevelopment Company LLC	USA	1.08%	Venue Development
Saenger Theatre Master Tenant LLC	USA	0.01%	Theatre operator

Details of all group registered offices are included in the consolidated financial statements of International Entertainment Holdings Limited.