

Company Registration No. 5302902 (England and Wales)

HIGHLAND FLING JAPAN LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2006



Saffery Champness

CHARTERED ACCOUNTANTS

HIGHLAND FLING JAPAN LIMITED

COMPANY INFORMATION

Director	R A Squire
Secretary	H J Enright
Company number	5302902
Registered office	The Ambassadors Peacocks Centre Woking Surrey GU21 6GQ
Auditors	Saffery Champness Lion House Red Lion Street London WC1R 4GB
Bankers	National Westminster Bank plc PO Box 113 Cavell House 2A Charing Cross Road London WC2H 0PD

HIGHLAND FLING JAPAN LIMITED

CONTENTS

	Page
Director's report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 9

HIGHLAND FLING JAPAN LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2006

The director presents her report and financial statements for the year ended 30 September 2006

The company was incorporated on 2 December 2004 as Highland Fling Tour Limited and changed its name on 10 December 2004

Principal activities

The principal activity of the company is that of touring a dance production

Directors

The following directors have held office since 1 October 2005

R A Squire

L M A Bunyan

(Resigned 20 December 2005)

Auditors

Saffery Champness were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting

HIGHLAND FLING JAPAN LIMITED

DIRECTOR'S REPORT (continued) FOR THE YEAR ENDED 30 SEPTEMBER 2006

Director's responsibilities

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable her to ensure that the financial statements comply with the Companies Act 1985. She is 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.

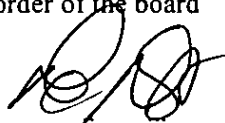
Statement of disclosure to auditor

(a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) she has taken all the steps that she ought to have taken as a director in order to make herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board



H J Enright
Secretary

4-4-07

HIGHLAND FLING JAPAN LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HIGHLAND FLING JAPAN LIMITED

We have audited the financial statements of Highland Fling Japan Limited on pages 5 to 9 for the year ended 30 September 2006. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of the director and auditors

As described in the statement of director's responsibilities on page 2, the company's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

We read the director's report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

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

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

HIGHLAND FLING JAPAN LIMITED

**INDEPENDENT AUDITORS' REPORT (continued)
TO THE MEMBERS OF HIGHLAND FLING JAPAN LIMITED**

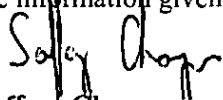
Opinion

In our opinion

the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 September 2006 and of its loss for the year then ended, and

have been properly prepared in accordance with the Companies Act 1985, and

the information given in the director's report is consistent with the financial statements


Saffery Champness

4/4/07

Chartered Accountants
Registered Auditors

Lion House
Red Lion Street
London
WC1R 4GB

HIGHLAND FLING JAPAN LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2006**

		2006	2005
	Notes	£	£
Turnover		5,000	1,498,886
Cost of sales		-	(1,017,217)
		<hr/>	<hr/>
Gross profit		5,000	481,669
Administrative expenses		(116,024)	(317,426)
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before taxation		(111,024)	164,243
Tax on (loss)/profit on ordinary activities	2	-	(49,749)
		<hr/>	<hr/>
(Loss)/profit on ordinary activities after taxation	6	<u>(111,024)</u>	<u>114,494</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

The notes on pages 7 to 9 form part of these financial statements

HIGHLAND FLING JAPAN LIMITED


BALANCE SHEET AS AT 30 SEPTEMBER 2006

	Notes	2006 £	£	2005 £	£
Current assets					
Debtors	3	38,691		72,002	
Cash at bank and in hand		22,914		234,153	
		<u>61,605</u>		<u>306,155</u>	
Creditors: amounts falling due within one year	4	<u>(58,133)</u>		<u>(191,659)</u>	
Total assets less current liabilities			<u>3,472</u>		<u>114,496</u>
Capital and reserves					
Called up share capital	5		2		2
Profit and loss account	6		<u>3,470</u>		<u>114,494</u>
Shareholders' funds - equity interests	7		<u>3,472</u>		<u>114,496</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

The notes on pages 7 to 9 form part of these financial statements

The financial statements were approved by the board on 4-4-07



R A Squire
Director

HIGHLAND FLING JAPAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2006

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

2 Taxation

	2006 £	2005 £
Domestic current year tax		
U K corporation tax	-	49,749
Current tax charge	-	49,749
Factors affecting the tax charge for the year		
(Loss)/profit on ordinary activities before taxation	(111,024)	164,243
(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2005 30.00%)	(33,307)	49,273
Effects of		
Non deductible expenses	-	476
Tax losses utilised	33,307	-
	33,307	476
Current tax charge	-	49,749

3 Debtors

	2006 £	2005 £
Trade debtors	-	3,000
Other debtors	38,691	69,002
	38,691	72,002

HIGHLAND FLING JAPAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 SEPTEMBER 2006

4	Creditors: amounts falling due within one year	2006	2005
		£	£
	Trade creditors	2,432	83,002
	Amounts owed to group undertakings and undertakings in which the company has a participating interest	55,701	6,533
	Taxation and social security	-	50,071
	Other creditors	-	52,053
		<u>58,133</u>	<u>191,659</u>
5	Share capital	2006	2005
		£	£
	Authorised		
	1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	Allotted, called up and fully paid		
	2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>
6	Statement of movements on profit and loss account		Profit and loss account
			£
	Balance at 1 October 2005		114,494
	Retained loss for the year		(111,024)
	Balance at 30 September 2006		<u>3,470</u>
7	Reconciliation of movements in shareholders' funds	2006	2005
		£	£
	(Loss)/profit for the financial year	(111,024)	114,494
	Proceeds from issue of shares	-	2
	Net (depletion in)/addition to shareholders' funds	<u>(111,024)</u>	<u>114,496</u>
	Opening shareholders' funds	114,496	-
	Closing shareholders' funds	<u>3,472</u>	<u>114,496</u>

HIGHLAND FLING JAPAN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2006**

8 Control

The ultimate parent company is The Ambassador Theatre Group Limited

9 Related party transactions

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