

THE AMBASSADOR ENTERTAINMENT GROUP LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE 53 WEEK PERIOD ENDED 31 MARCH 2018



THE AMBASSADOR ENTERTAINMENT GROUP LIMITED

COMPANY INFORMATION

Directors	M Cornell S Teo M C Lynas N G Potter R Kokemueller A Kenwright
Registered number	07046007
Registered office	2nd Floor Alexander House Church Path Woking Surrey GU21 6EJ
Bankers	National Westminster Bank Plc PO Box 113 Cavell House 2A Charing Cross Road London WC2H 0PD

THE AMBASSADOR ENTERTAINMENT GROUP LIMITED

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THE AMBASSADOR ENTERTAINMENT GROUP LIMITED

DIRECTORS' REPORT FOR THE 53 WEEK PERIOD ENDED 31 MARCH 2018

The Directors present their report and the financial statements of The Ambassador Entertainment Group Limited (the "Company") for the 53 week period ended 31 March 2018 (the "period").

Principal activity

The principal activity of the Company is to act as a holding and financing company for a group of companies operating theatres, producing theatrical productions and managing the associated ticketing business. The directors do not plan any changes to the company's principal activity at the present time.

Directors


The Directors who served during the 53 week period were:

M Cornell
S Teo
M C Lynas
N G Potter
R Kokemueller
A Kenwright
D M Anderson (resigned 1 April 2017)
T McFarlane (resigned 10 November 2017)
D J Lazar (resigned 31 March 2017)

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 12 / 12 / 18 and signed on its behalf.


S Teo
Director

THE AMBASSADOR ENTERTAINMENT GROUP LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE 53 WEEK PERIOD ENDED 31 MARCH 2018

		53 week period ended 31 March 2018 £000	52 week period ended 25 March 2017 £000
	Note		
Administrative expenses		(5,454)	(8,222)
Other operating income	4	5,433	6,977
Operating loss		(21)	(1,245)
Interest receivable and similar income		1,272	1,207
Interest payable and expenses		(54)	(79)
Profit/(loss) before tax		1,197	(117)
Tax on profit/(loss)	6	-	-
Profit/(loss) for the period		1,197	(117)

There was no other comprehensive income for 2018 (2017.£nil).

The notes on pages 5 to 14 form part of these financial statements.

All results above derive from continuing operations.

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

THE AMBASSADOR ENTERTAINMENT GROUP LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018**

		31 March 2018 £000	25 March 2017 £000
	Note		
Investments	7	87,376	87,376
		87,376	87,376
Current assets			
Trade and other receivables	8	75,654	72,294
Cash and cash equivalents	9	37	135
		75,691	72,429
Trade and other payables	10	(53,892)	(51,827)
Net current assets		21,799	20,602
Net assets		109,175	107,978
Capital and reserves			
Called up share capital	11	56,436	56,436
Share premium account		46,940	46,940
Retained earnings		5,799	4,602
		109,175	107,978

The members have not required the Company to obtain an audit for the 53 week period in question in accordance with section 476 of Companies Act 2006.

The Company was entitled to exemption from 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 Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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



S Teo
Director

12 / 12 / 18

The notes on pages 5 to 14 form part of these financial statements.

THE AMBASSADOR ENTERTAINMENT GROUP LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE 53 WEEK PERIOD ENDED 31 MARCH 2018**

	Called up share capital	Share premium account	Retained earnings	Total equity
	£000	£000	£000	£000
At 26 March 2017	56,436	46,940	4,602	107,978
Profit for the 53 week period	-	-	1,197	1,197
At 31 March 2018	56,436	46,940	5,799	109,175

**STATEMENT OF CHANGES IN EQUITY
FOR THE 53 WEEK PERIOD ENDED 25 MARCH 2017**

	Called up share capital	Share premium account	Retained earnings	Total equity
	£000	£000	£000	£000
At 27 March 2016	56,436	46,940	4,719	108,095
Loss for the period	-	-	(117)	(117)
At 25 March 2017	56,436	46,940	4,602	107,978

The notes on pages 5 to 14 form part of these financial statements.

THE AMBASSADOR ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEK PERIOD ENDED 31 MARCH 2018

1. General information

The Ambassador Entertainment Group Limited (the "Company") is a company limited by shares, incorporated in England and Wales. Details of the Company's principal activity, registered office and directors can be found in the 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 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).

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

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,
- 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 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 Going concern

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

The company has net assets of £109,175,000 (2017: £107,978,000) and net current assets of £21,799,000 (2017: £20,602,000).

Having prepared forecasts to cover the 12 months subsequent to the date of signing the financial statements and also considered 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. Accordingly, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

THE AMBASSADOR ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEK PERIOD ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.4 Exemption from preparing consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of a 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.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.6 Trade and other receivables

Short term receivables 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.

2.7 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.

2.8 Trade and other payables

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

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

2.9 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.

2.10 Interest income

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

2.11 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the 53 week period in which they are incurred.

THE AMBASSADOR ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEK PERIOD ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.12 Taxation

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.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

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

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.

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.

4. Other operating income

	53 week period ended 31 March 2018 £000	52 week period ended 25 March 2017 £000
Management fee income	5,454	6,977
Foreign exchange difference	(21)	-
	<u>5,433</u>	<u>6,977</u>

5. Employees

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

THE AMBASSADOR ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 53 WEEK PERIOD ENDED 31 MARCH 2018

6. Taxation

	53 week period ended 31 March 2018 £000	52 week period ended 25 March 2017 £000
Total current tax	-	-

Factors affecting tax charge for the period

The tax assessed for the 53 week period is higher than (2017 - higher than) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

	53 week period ended 31 March 2018 £000	52 week period ended 25 March 2017 £000
Profit on ordinary activities before tax	1,196	-
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	227	(23)
Effects of:		
Group relief	(227)	23
Total tax charge for the period	-	-

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 ENTERTAINMENT GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 53 WEEK PERIOD ENDED 31 MARCH 2018**

7. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 26 March 2017	87,376
At 31 March 2018	<u>87,376</u>
Net book value	
At 31 March 2018	<u>87,376</u>
At 25 March 2017	<u>87,376</u>

The directly and indirectly held subsidiaries are listed in note 15.

8. Trade and other receivables

	31 March 2018 £000	25 March 2017 £000
Amounts owed by group undertakings	72,007	72,007
Other receivables	3,647	259
Prepayments and accrued income	-	28
	<u>75,654</u>	<u>72,294</u>

All amounts owed by group undertakings are unsecured, interest free and repayable on demand.

9. Cash and cash equivalents

	31 March 2018 £000	25 March 2017 £000
Cash at bank and in hand	37	135
Less: bank overdrafts	(84)	-
	<u>(47)</u>	<u>135</u>

THE AMBASSADOR ENTERTAINMENT GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 53 WEEK PERIOD ENDED 31 MARCH 2018**

10. Trade and other payables

	31 March 2018 £000	25 March 2017 £000
Bank overdrafts	84	-
Amounts owed to group undertakings	53,760	51,754
Accruals and deferred income	48	73
	<u>53,892</u>	<u>51,827</u>

All amounts owed to group undertakings are unsecured, interest free and repayable on demand.

11. Share capital

	31 March 2018 £	25 March 2017 £
Shares classified as equity		
Allotted, called up and fully paid		
320,941 A Ordinary shares of £0.10 each	32,094	32,094
91,648 B Ordinary shares of £0.10 each	9,165	9,165
104,209 C Ordinary shares of £0.10 each	10,421	10,421
10,547 D Ordinary shares of £0.10 each	1,055	1,055
563,832,181 E Ordinary shares of £0.10 each	56,383,218	56,383,218
	<u>56,435,953</u>	<u>56,435,953</u>

12. Contingent liabilities

A corporate cross guarantee of the senior debt borrowed by International Entertainment Investments Limited exists between the Company, 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.

13. 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 (2017: £nil).

THE AMBASSADOR ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEK PERIOD ENDED 31 MARCH 2018

14. Controlling party

The Company's immediate parent company is International Entertainment Investments Limited. The parent company of the smallest and largest group in which the Company's results are consolidated is International Entertainment Holdings Limited, a company incorporated in England and Wales. The consolidated financial statements are available from the parent company's registered office of 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 ENTERTAINMENT GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEK PERIOD ENDED 31 MARCH 2018

15. Listing of subsidiary entities, associates and joint ventures and investments

100% of the ordinary share capital of all subsidiaries is owned directly or indirectly unless otherwise indicated.

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
Direct investments		
The Ambassador Theatre Group Limited		Holding and production company
Indirect Investments		
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
G.S Lashmar Limited	90%	Dormant
Glasgow Theatres Limited		Theatre operator
Highland Fling Japan Limited		Dormant
London Theatre Club Limited		Dormant
London Turnstyle Limited		Dormant
Milton Keynes Theatre Limited		Theatre operator
New Wimbledon Theatre Limited		Theatre operator
Playhouse Theatre Limited		Theatre operator
Richmond Theatre Limited		Theatre operator
Savoy Theatre Group Limited		Holding company
Savoy Theatre Holdings Limited		Dormant
Savoy Theatre Limited		Theatre operator
Screenstage Limited		Dormant
Screenstage Productions Limited		Dormant
Smart Plays Limited		Dormant
Sonia Friedman Productions Limited		Production company
SFP Dreams Limited		Production company
SFP Shows Limited		Production company
SFP Sunny 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 Royal Brighton Limited		Theatre operator
Woking Turnstyle Limited		Theatre operator

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NOTES TO THE FINANCIAL STATEMENTS FOR THE 53 WEEK PERIOD ENDED 31 MARCH 2018

Incorporated in USA

Subsidiary undertaking	% Shares held	Principal activity
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.

Subsidiary undertaking	% Shares held	Principal activity
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

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

Associates and Joint Venutures

Name	Incorporated	% Shares held	Principal activity
Girl Perfect Holdings Limited	United Kingdom	50%	Production company
Girl Perfect Limited	United Kingdom	50%	Prpduction company
HP West End Limited	United Kingdom	25%	Production company

THE AMBASSADOR ENTERTAINMENT GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 53 WEEK PERIOD ENDED 31 MARCH 2018**

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

Name	Incorporated	% Shares held	Principal activity
Deutsche Eintrittskarten TKS GmbH	Germany	0.02%	Ticketing agency
Cieven 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.