

THE AMBASSADOR THEATRE GROUP OVERSEAS HOLDINGS LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE 53 WEEK PERIOD ENDED 31 MARCH 2018

THURSDAY



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COMPANIES HOUSE

THE AMBASSADOR THEATRE GROUP OVERSEAS HOLDINGS LIMITED

COMPANY INFORMATION

| | |
|--------------------------|--|
| Directors | M R D Cornell S Teo M C Lynas A Kenwright |
| Registered number | 08458696 |
| Registered office | 2nd Floor Alexander House Church Path Woking Surrey GU21 6EJ |

THE AMBASSADOR THEATRE GROUP OVERSEAS HOLDINGS LIMITED

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THE AMBASSADOR THEATRE GROUP OVERSEAS HOLDINGS LIMITED

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

The directors present their report and the financial statements of The Ambassador Theatre Group Overseas Holdings Limited (the "Company") for the 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 in the United States. 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 R D Cornell
S Teo
M C Lynas
A Kenwright

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

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 THEATRE GROUP OVERSEAS HOLDINGS 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 | | |
| Interest receivable and similar income | 6,075 | 5,878 |
| Profit before tax | 6,075 | 5,878 |
| Profit for the financial 53 week period | 6,075 | 5,878 |

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

The notes on pages 5 to 9 form part of these financial statements.

THE AMBASSADOR THEATRE GROUP OVERSEAS HOLDINGS LIMITED

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

| | Note | 31 March 2018 \$000 | 25 March 2017 \$000 |
|-----------------------------|------|---------------------------|---------------------------|
| Investments | 5 | 13,000 | 13,000 |
| | | <u>13,000</u> | <u>13,000</u> |
| Current assets | | | |
| Trade and other receivables | 6 | 142,091 | 136,016 |
| | | <u>142,091</u> | <u>136,016</u> |
| Current liabilities | | | |
| Trade and other payables | 7 | (45,562) | (45,562) |
| | | <u>(45,562)</u> | <u>(45,562)</u> |
| Net current assets | | <u>96,529</u> | <u>90,454</u> |
| Net assets | | <u>109,529</u> | <u>103,454</u> |
| Capital and reserves | | | |
| Share premium account | | 88,946 | 88,946 |
| Retained earnings | | 20,583 | 14,508 |
| | | <u>109,529</u> | <u>103,454</u> |

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



12/12/18

S Teo
Director

The notes on pages 5 to 9 form part of these financial statements.

THE AMBASSADOR THEATRE GROUP OVERSEAS HOLDINGS LIMITED

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

| | Share premium account \$000 | Retained earnings \$000 | Total equity \$000 |
|-------------------------------|--|--|-------------------------------|
| At 26 March 2017 | 88,946 | 14,508 | 103,454 |
| Profit for the 53 week period | - | 6,075 | 6,075 |
| At 31 March 2018 | 88,946 | 20,583 | 109,529 |

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

| | Share premium account \$000 | Profit and loss account \$000 | Total equity \$000 |
|-------------------------|--|--|-------------------------------|
| At 27 March 2016 | 88,946 | 8,630 | 97,576 |
| Profit for the period | - | 5,878 | 5,878 |
| At 25 March 2017 | 88,946 | 14,508 | 103,454 |

The notes on pages 5 to 9 form part of these financial statements.

THE AMBASSADOR THEATRE GROUP OVERSEAS HOLDINGS LIMITED

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

1. General information

The Ambassador Theatre Group Overseas Holdings 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 United States dollar, rounded to the nearest thousand, except where otherwise indicated. United States dollar is determined as the functional currency of the Company since its subsidiaries are registered in, and primarily trade within the United States.

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 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 Going concern

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

The Company has net assets of \$109,529,000 and net current assets of \$96,529,000

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.

THE AMBASSADOR THEATRE GROUP OVERSEAS HOLDINGS 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 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.

2.7 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.

2.8 Interest income

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

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. Employees

The directors are not remunerated directly by the Company but 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 OVERSEAS HOLDINGS LIMITED

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

5. Investments

| | Investments in subsidiary companies \$000 |
|--------------------------|--|
| Cost or valuation | |
| At 26 March 2017 | 13,000 |
| At 31 March 2018 | 13,000 |
| Net book value | |
| At 31 March 2018 | 13,000 |
| At 25 March 2017 | 13,000 |

Subsidiaries

100% of the ordinary share capital of all subsidiaries is owned directly or indirectly unless otherwise indicated (all incorporated in the 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 |
| 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 |
| The Ambassador Theatre Group US Holdings, Inc | | Holding company |

6. Trade and other receivables

| | 31 March 2018 \$000 | 25 March 2017 \$000 |
|------------------------------------|------------------------------------|------------------------------------|
| Amounts owed by group undertakings | 142,091 | 136,016 |

THE AMBASSADOR THEATRE GROUP OVERSEAS HOLDINGS LIMITED

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

6. Trade and other receivables (continued)

| | |
|-----------------------|-----------------------|
| <u>142,091</u> | <u>136,016</u> |
|-----------------------|-----------------------|

The intercompany loan balance bears interest at a rate which fluctuates in line with LIBOR, is unsecured and repayable on demand.

7. Trade and other payables

| | 31 March 2018 \$000 | 25 March 2017 \$000 |
|------------------------------------|------------------------------------|------------------------------------|
| Amounts owed to group undertakings | 45,562 | 45,562 |
| | <u>45,562</u> | <u>45,562</u> |

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

8. Share capital

| | 31 March 2018 \$ | 25 March 2017 \$ |
|---|---------------------------------|---------------------------------|
| Shares classified as equity | | |
| Allotted, called up and fully paid | | |
| 6 Ordinary shares of £1 each | <u>10</u> | <u>10</u> |

9. Contingent liabilities

A corporate cross guarantee of the senior debt 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.

10. 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 (52 week period ended 26 March 2016: \$nil).

THE AMBASSADOR THEATRE GROUP OVERSEAS HOLDINGS LIMITED

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

11. Controlling party

The Company's immediate parent company is The Ambassador Theatre 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.