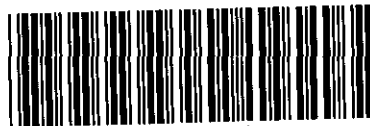


THE AMBASSADOR THEATRE GROUP (VENUES) LIMITED
UNAUDITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020

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THE AMBASSADOR THEATRE GROUP (VENUES) LIMITED

COMPANY INFORMATION

Directors	M R D Cornell S Teo N G Potter M C Lynas
Registered number	01444368
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 THEATRE GROUP (VENUES) LIMITED

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THE AMBASSADOR THEATRE GROUP (VENUES) LIMITED

STRATEGIC REPORT FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020

Introduction

The Directors present their Strategic Report on the affairs of The Ambassador Theatre Group (Venues) Limited (the "Company") for the 52 week period ended 28 March 2020 (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 theatre services and the operation of theatrical venues. The Directors do not plan any changes to the Company's principal activity at the present time.

The results for the year, which are set out on page 6, were considered satisfactory by the Directors.

Financial key performance indicators

The Directors monitor the Company's performance in a number of ways including financial key performance indicators ("KPIs"). The primary KPIs monitored by management are:

Sales

Revenue was £61,882,000 for the period, an increase of 6.2% compared to £58,295,000 for the period ended 30 March 2019. Ticket sales have increased in the year, which has also led to a small increase in auxiliary revenue streams.

Profit before tax

The Company had a pre-tax profit of £9,631,000 for the period, a decrease of 9.1% compared to profit of £10,598,000 for the period ended 30 March 2019.

Principal risks and uncertainties

The principal risk of the business is a downturn in theatre attendance. There are potential factors outside the Group's control that might impact theatre attendance such as economic slowdowns or recessions or other extraordinary events like a global pandemic or terrorist attacks. Historically, the theatre industry has proven to be resilient in the wake of unexpected events over previous periods.

The risk of a downturn in theatre attendance has increased due to the impact of COVID-19 on consumer confidence and the government's restrictions on mass gatherings.

The company's commitment is to attract customers with new material 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.

To reduce the risk of lower attendance due to the COVID-19 pandemic, we will ensure that all efforts to make our venues as safe as possible have been met so that visitors are comfortable and safe when returning to our venues.

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

THE AMBASSADOR THEATRE GROUP (VENUES) LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020

Environmental Matters

The Company recognises the importance of its environmental responsibilities, 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.

Subsequent Events

FY21 will be significantly affected by the COVID-19 pandemic, with the majority of our venues around the world potentially closed at least until Spring 2021.

Although we believe that our business will not be impacted in the long run from the COVID-19 pandemic, we have conducted an impairment review of our assets in the context of potential short-term implications. The assets with the highest risk of impairment are production assets, where although the intellectual property continues to have value in the long run, the volatility of when each production might be able to return to the stage, the cost of a relaunch, as well as the demand scenarios of audiences has been reviewed in the light of the risks of COVID-19. Depending on the re-opening challenges including the length of closure and the uncertainty of audience demand, there may be a risk of further impairment in FY21, however, a reasonable estimate cannot be made at this time.

Our teams continue to closely monitor this everchanging situation, and we are confident that once our venues have re-opened, we will see a resurgence in attendance, as the pent-up demand for live entertainment can be realised. As a business, we are already planning for this opportunity, and are excited to welcome back visitors in large numbers.

Subsequent to the year end, the group has secured additional funding which has provides liquidity to cover the foreseeable future.

This report was approved by the board on

and signed on its behalf.


S Teo
Director

17/03/2021

THE AMBASSADOR THEATRE GROUP (VENUES) LIMITED

DIRECTORS' REPORT FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020

The Directors present their report and the financial statements for the 52 week period ended 28 March 2020.

Results and dividends

The profit for the 52 week period, after taxation, amounted to £8,457,000 (2019 - £10,109,000).

An ordinary dividend of £9,500,000 (2019: £9,700,000) 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 R D Cornell
S Teo
N G Potter
M C Lynas
A Kenwright (resigned 2 February 2021)

Future developments

The directors expected renewed growth in the foreseeable future based on the known availability of future productions.

Employee involvement

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

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

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the Company's performance.

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.

Matters covered in the strategic report

A business review and details of principal risks and uncertainties facing the business are included within the Strategic Report.

Post balance sheet events

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

THE AMBASSADOR THEATRE GROUP (VENUES) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020

Going Concern

The going concern basis assessed at IEH Group level applies to the company.

As at the date of approval of these financial statements, the impact of COVID-19 on the Group's trading continues to be assessed and is subject to rapidly changing external factors, including evolving government responses to control the spread of the virus and ongoing changes in customer sentiment towards attending live entertainment events.

Due to the measures taken by governments worldwide to control the COVID-19 outbreak, the live entertainment industry came to a standstill from the second half of March 2020, with all our venues being closed for operations.

Prior to mid-March 2020, the Group had positive trading with a programming schedule of highly successful shows supporting strong operational performance across all of its territories. We were in a strong financial position with all covenants under the terms of our loans being met. Unfortunately, the closure of our venues and the absence of a firm re-opening date has resulted in a sharp drop in turnover. Our marketing services businesses are also experiencing a drop in turnover as many of our customers are in the live entertainment and cultural & heritage sectors (museums, galleries, zoos); all of which have had restrictions on their operations during COVID-19. Whilst there has been a corresponding reduction in variable costs as a result of the closure of our venues, the Group continues to have to fund its fixed cost base.

Sensitivities are run to reflect different scenarios for when theatres might be able to re-open during the 12-month period from the date of the approval of these financial statements. This is done to identify risks to liquidity and covenant compliance and enable management to formulate appropriate and timely mitigation strategies.

Based on these forecasts and other factors which may impact the Group's future liquidity position, the Directors have concluded that it is appropriate to prepare the financial statements on a going concern basis. As at the date of this report, the group has secured additional funding which has provides liquidity to cover the foreseeable future.

The Board has confidence in the Group's forecasts, its ability to manage its liquidity requirements, the status of funding, confidence in the continued support of our shareholders, and the long term potential of the business forms the basis of our preparation of the financial statements on a going concern basis.

This report was approved by the board on

and signed on its behalf.

S Teo
Director



17/03/2021

THE AMBASSADOR THEATRE GROUP (VENUES) LIMITED

CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF THE AMBASSADOR THEATRE GROUP (VENUES) LIMITED FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020

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 (Venues) Limited for the 52 week period ended 28 March 2020 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 the following website: <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 (Venues) Limited, as a body, in accordance with the terms of our engagement letter dated 22 October 2020. Our work has been undertaken solely to prepare for your approval the financial statements of The Ambassador Theatre Group (Venues) Limited and state those matters that we have agreed to state to the Board of Directors of The Ambassador Theatre Group (Venues) 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 (Venues) 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 (Venues) 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 (Venues) Limited. You consider that The Ambassador Theatre Group (Venues) 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 (Venues) 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

Chartered Accountants

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

23 March 2021

THE AMBASSADOR THEATRE GROUP (VENUES) LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020

	Note	52 week period ended 28 March 2020 £000	52 week period ended 30 March 2019 £000
Revenue	4	61,882	58,295
Cost of sales		(5,909)	(5,676)
Gross profit		55,973	52,619
Administrative expenses		(42,937)	(38,655)
Operating profit	5	13,036	13,964
Interest receivable and similar income	7	4	9
Interest payable and similar charges	8	(3,409)	(3,375)
Profit before tax		9,631	10,598
Tax on profit	9	(1,174)	(489)
Profit for the financial period		8,457	10,109
Other comprehensive income:			
Deferred tax movement relating to revaluation of tangible assets		(66)	-
Total comprehensive income for the 52 week period		8,391	10,109

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of comprehensive income.

The notes on pages 11 to 26 form part of these financial statements.

THE AMBASSADOR THEATRE GROUP (VENUES) LIMITED
REGISTERED NUMBER:01444368

STATEMENT OF FINANCIAL POSITION
AS AT 28 MARCH 2020

	Note	28 March 2020 £000	30 March 2019 £000
Fixed assets			
Property, plant and equipment	11	44,304	42,914
Fixed asset investments	12	1,499	1,499
		45,803	44,413
Current assets			
Inventories	13	383	306
Trade and other receivables	14	868,791	692,959
Cash and cash equivalents	15	6,714	6,240
		875,888	699,505
Trade and other payables	16	(833,847)	(656,580)
Net current assets		42,041	42,925
Total assets less current liabilities		87,844	87,338
<i>Non-current payables</i>	17	(62,499)	(61,048)
Deferred taxation	19	(965)	(816)
Other provisions	20	(409)	(394)
Net assets		23,971	25,080
Capital and reserves			
Called up share capital	21	-	-
Share premium account		14,574	14,574
Revaluation reserve		5,520	5,586
Profit and loss account		3,877	4,920
		23,971	25,080

THE AMBASSADOR THEATRE GROUP (VENUES) LIMITED
REGISTERED NUMBER:01444368

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 28 MARCH 2020

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

S Teo
Director



17/03/2021

The notes on pages 11 to 26 form part of these financial statements.

THE AMBASSADOR THEATRE GROUP (VENUES) LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020**

	Called up share capital £000	Share premium account £000	Revaluation reserve £000	Retained earnings £000	Total equity £000
At 1 April 2018	-	14,574	5,586	4,511	24,671
Comprehensive income for the period					
Profit for the period	-	-	-	10,109	10,109
Total comprehensive income for the period	-	-	-	10,109	10,109
Dividends	-	-	-	(9,700)	(9,700)
Total transactions with owners	-	-	-	(9,700)	(9,700)
At 31 March 2019	-	14,574	5,586	4,920	25,080
Comprehensive income for the period					
Profit for the period	-	-	-	8,457	8,457
Deferred tax movement	-	-	(66)	-	(66)
Dividends	-	-	-	(9,500)	(9,500)
Total transactions with owners	-	-	-	(9,500)	(9,500)
At 28 March 2020	-	14,574	5,520	3,877	23,971

THE AMBASSADOR THEATRE GROUP (VENUES) LIMITED**ANALYSIS OF NET DEBT
FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020**

	At 31 March 2019 £000	Cash flows £000	At 28 March 2020 £000
Cash at bank and in hand	6,240	474	6,714
Finance leases	(61,048)	(1,679)	(62,727)
	<hr/>	<hr/>	<hr/>
	(54,808)	(1,205)	(56,013)
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THE AMBASSADOR THEATRE GROUP (VENUES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020

1. General information

The Ambassador Theatre Group (Venues) 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 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.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

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 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 Going concern

The financial statements have been prepared on a going concern basis, details of which can be found on page 4 in the Directors' Report.

THE AMBASSADOR THEATRE GROUP (VENUES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020

2. Accounting policies (continued)

2.4 Revenue

Revenue primarily represents the amounts due to the Company from the sale of tickets and from providing theatre related services including venue use, bar and merchandise sales and sponsorship, excluding value added tax, credit card commission and ticket agent commission. Theatre related services are recognised in the period to which the services relate.

2.5 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:

Freehold property	- 40 to 50 years
Long Term Leasehold Property	- Over the term of the lease
Short Term Leasehold Property	- Over the term of the lease
Fixtures & fittings	- 4 to 10 years, or over the period to the end of the lease of the theatre if this is shorter
Right of use assets	- Over the term of the lease

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.

2.6 Revaluation of property

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Statement of Financial Position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Statement of Comprehensive Income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

THE AMBASSADOR THEATRE GROUP (VENUES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020

2. Accounting policies (continued)

2.8 Inventories

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. *Work in progress and finished goods include labour and attributable overheads.*

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.9 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.

2.10 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.

2.11 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets

The Company classifies all of its financial assets as loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade and receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Statement of Comprehensive Income. *On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.*

Financial liabilities

The Company classifies all of its financial liabilities as liabilities at amortised cost.

THE AMBASSADOR THEATRE GROUP (VENUES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020

2. Accounting policies (continued)

2.11 Financial instruments (continued)

At amortised cost

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Statement of Financial Position.

2.12 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.

2.13 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.

2.14 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

THE AMBASSADOR THEATRE GROUP (VENUES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020

2. Accounting policies (continued)

2.15 Leases: the Company as lessee

IFRS 16 leases

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date. The estimated useful lives of the right-of-use assets are determined on the same basis as those of property, plant and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. The liability is subsequently adjusted for any re-measurement of the lease liability resulting from reassessments or lease modifications.

The Company presents right-of-use assets in 'property, plant and equipment' and lease liabilities in 'finance leases' in the statement of financial position.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.16 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.

2.17 Borrowing costs

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

2.18 Interest income

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

THE AMBASSADOR THEATRE GROUP (VENUES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020

2. Accounting policies (continued)

2.19 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.

2.20 Current and deferred taxation

The tax expense for the 52 week 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.

THE AMBASSADOR THEATRE GROUP (VENUES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020

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.

4. Revenue

All of the Company's revenue in the year arose within the United Kingdom from its principal activity of theatre services and the operation of theatrical venues. The classes of business are considered to be sufficiently similar and interdependent that separate disclosure is not required.

5. Operating profit

The operating profit is stated after charging:

	52 week period ended 28 March 2020 £000	52 week period ended 30 March 2019 £000
Depreciation of tangible fixed assets	3,793	3,350
Admin - staff costs	21,170	19,808

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

THE AMBASSADOR THEATRE GROUP (VENUES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020

6. Employees

Staff costs were as follows:

	52 week period ended 28 March 2020 £000	52 week period ended 30 March 2019 £000
Wages and salaries	19,518	18,350
Social security costs	1,300	1,197
Cost of defined contribution scheme	352	261
	21,170	19,808

The average monthly number of employees, including the Directors, during the 52 week period was as follows:

	52 week period ended 28 March 2020 No.	52 week period ended 30 March 2019 No.
Theatre services	1,321	1,214

7. Interest receivable

	52 week period ended 28 March 2020 £000	52 week period ended 30 March 2019 £000
Other interest receivable	4	9
	4	9

THE AMBASSADOR THEATRE GROUP (VENUES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020

8. Interest payable and similar charges

	52 week period ended 28 March 2020 £000	52 week period ended 30 March 2019 £000
Bank interest payable	21	21
Lease interest payable	3,388	3,354
	<u>3,409</u>	<u>3,375</u>

9. Taxation

	52 week period ended 28 March 2020 £000	52 week period ended 30 March 2019 £000
Corporation tax		
Current tax on profits for the year	1,365	274
Adjustments in respect of previous periods	(274)	-
Total current tax	<u>1,091</u>	<u>274</u>
Deferred tax		
Origination and reversal of timing differences	83	215
Total deferred tax	<u>83</u>	<u>215</u>
Taxation on profit on ordinary activities	<u>1,174</u>	<u>489</u>

THE AMBASSADOR THEATRE GROUP (VENUES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020

9. Taxation (continued)

Factors affecting tax charge for the period

The tax assessed for the period is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	52 week period ended 28 March 2020 £000	52 week period ended 30 March 2019 £000
Profit on ordinary activities before tax	9,631	10,598
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	1,830	2,014
Effects of:		
Expenses not deductible for tax purposes	305	250
Adjustments to tax charge in respect of prior periods	(298)	182
Changes in deferred tax not recognised	-	(46)
Effect of rate changes on deferred tax	(20)	(4)
Group relief	(643)	(1,907)
Total tax charge for period	1,174	489

10. Dividends

	28 March 2020 £000	30 March 2019 £000
Dividends payable	9,500	9,700
	9,500	9,700

THE AMBASSADOR THEATRE GROUP (VENUES) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020**

11. Property, plant and equipment

	Freehold property £000	Long Term Leasehold Property £000	Short Term Leasehold Property £000	Fixtures & fittings £000	Right of use assets £000	Total £000
Cost or valuation						
At 31 March 2019	36,096	14,587	8,560	34,842	-	94,085
Additions	-	-	-	3,890	1,293	5,183
At 28 March 2020	36,096	14,587	8,560	38,732	1,293	99,268
Depreciation						
At 31 March 2019	18,030	7,015	7,617	18,510	-	51,172
Charge for the period on owned assets	764	284	206	2,359	-	3,613
Charge for the period on right-of-use assets	-	-	-	-	179	179
At 28 March 2020	18,794	7,299	7,823	20,869	179	54,964
Net book value						
At 28 March 2020	17,302	7,288	737	17,863	1,114	44,304
At 30 March 2019	18,066	7,572	944	16,332	-	42,914

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	28 March 2020 £000	30 March 2019 £000
Historic cost	30,510	30,510

THE AMBASSADOR THEATRE GROUP (VENUES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020

12. Fixed asset investments

	Investments in subsidiary companies £000
Cost	
At 31 March 2019	1,499
At 28 March 2020	1,499
Net book value	
At 28 March 2020	1,499
At 30 March 2019	1,499

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Principal activity	Class of shares	Holding
First Family Entertainment LLP	Production company	Not applicable	50%

13. Inventories

	28 March 2020 £000	30 March 2019 £000
Finished goods and goods for resale	383	306
	383	306

THE AMBASSADOR THEATRE GROUP (VENUES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020

14. Trade and other receivables

	28 March 2020 £000	30 March 2019 £000
Trade receivables	4	215
Amounts owed by group undertakings	853,766	689,410
Other receivables	12,718	602
Prepayments and accrued income	2,303	2,702
	<u>868,791</u>	<u>692,959</u>

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

15. Cash and cash equivalents

	28 March 2020 £000	30 March 2019 £000
Cash at bank and in hand	6,714	6,240
	<u>6,714</u>	<u>6,240</u>

16. Trade and other payables

	28 March 2020 £000	30 March 2019 £000
Trade payables	3,887	8,032
Amounts owed to group undertakings	821,631	640,744
Corporation tax	1,365	274
Other taxation and social security	323	370
Obligations under finance lease	229	-
Other payables	852	1,240
Accruals and deferred income	5,560	5,920
	<u>833,847</u>	<u>656,580</u>

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

THE AMBASSADOR THEATRE GROUP (VENUES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020

17. Non-current payables

	28 March 2020 £000	30 March 2019 £000
Net obligations under leases	62,499	61,048
	62,499	61,048

The weighted average incremental borrowing rate applied to measure lease liabilities is 7.84% (2019: 5.3% to 5.8%).

18. Leases: Company as lessee

Lease liabilities are due as follows:

	28 March 2020 £000	30 March 2019 £000
Within one year	2,850	2,716
Between 1-5 years	11,687	11,344
Over 5 years	270,754	279,198
	285,291	293,258

The present value of minimum lease payments is analysed as follows:

	28 March 2020	30 March 2019
Within one year	2,838	508
Between 1-5 years	9,963	1,807
Over 5 years	48,835	58,733
	61,636	61,048

THE AMBASSADOR THEATRE GROUP (VENUES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020

19. Deferred taxation

	2020 £000
At beginning of year	(816)
Charged to profit or loss	(83)
Charged to other comprehensive income	(66)
At end of year	(965)

The provision for deferred taxation is made up as follows:

	28 March 2020 £000	30 March 2019 £000
Fixed asset timing differences	(15)	72
Other timing differences	75	71
Revaluation of property	(1,025)	(959)
	(965)	(816)

The closing deferred tax liability as at 28 March 2020 has been calculated at 19% reflecting the tax rate at which the deferred tax asset is expected to be utilised in future periods.

20. Provisions

	Dilapidation provision £000
At 31 March 2019	394
Charged to profit or loss	15
At 28 March 2020	409

The Company continues to provide for the expected level of dilapidations for certain theatres. The adequacy of the provisions are periodically reviewed to ensure that they will meet the final obligations.

THE AMBASSADOR THEATRE GROUP (VENUES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020

21. Share capital

	28 March 2020 £	30 March 2019 £
Allotted, called up and fully paid		
200 (2019 - 200) Ordinary shares of £1.00 each	200	200

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

22. Contingent liabilities

A corporate cross guarantee of the senior debt exists between The Ambassador Theatre Group (Venues) Limited, its intermediate parent International Entertainment Finance Limited and the majority of that company's 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.

23. Pension commitments

The Company operates a defined contributions 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 £352,000 (2019: £261,000). Contributions totalling £40,000 (2019: £28,000) were payable to the fund at the balance sheet date and are included in creditors.

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 (2019: £nil).

25. Controlling party

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

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.