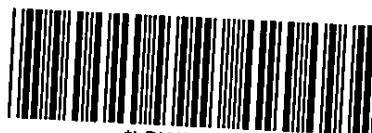


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Company Registration No. 2671052 (England and Wales)

**THE AMBASSADOR THEATRE GROUP LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 27 MARCH 2010**

WEDNESDAY



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COMPANIES HOUSE

# **THE AMBASSADOR THEATRE GROUP LIMITED**

## **COMPANY INFORMATION**

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**Directors**

H H Panter  
R A Squire  
D Blyth  
H J Enright  
M C Lynas  
P R M Kavanagh

**Secretary**

H J Enright

**Company number**

2671052

**Registered office**

The Ambassadors  
Peacocks Centre  
Woking  
Surrey  
GU21 6GQ

**Auditors**

Saffery Champness  
Lion House  
Red Lion Street  
London  
WC1R 4GB

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# THE AMBASSADOR THEATRE GROUP LIMITED

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Independent auditors' report	4 - 5
Profit and loss account	6
Balance sheet	7 - 8
Notes to the financial statements	9 - 22

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## **THE AMBASSADOR THEATRE GROUP LIMITED**

### **DIRECTORS' REPORT FOR THE PERIOD ENDED 27 MARCH 2010**

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The directors present their report and financial statements for the period ended 27 March 2010

#### **Principal activities and review of the business**

The principal activity of the company continued to be that of managing a group of companies operating theatres and producing theatrical productions

The result for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future

On 2 November 2009 the Group completed the acquisition of Live Nation (Venues) UK Limited On 3 November 2009 Live Nation (Venues) UK Limited changed its name to The Ambassador Theatre Group (Venues) Limited

#### **Results and dividends**

The results for the period are set out on page 6

The directors do not recommend payment of an ordinary dividend

#### **Environment**

The company recognises the importance of its environmental responsibilities and monitors its impact on the environment and designs and implements appropriate policies to minimise any damage that might be caused by the company's activities Initiatives designed to minimise the company's impact on the environment include recycling and reducing energy consumption wherever possible

#### **Future developments**

On 17th December 2009 The Ambassador Theatre Group Ltd was contracted to operate Aylesbury Waterside Theatre Ltd The venue formally opened on 12th October 2010

#### **Directors**

The following directors have held office since 1 October 2009

H H Panter  
R A Squire  
D Blyth  
H J Enright  
M C Lynas  
P R M Kavanagh

## **THE AMBASSADOR THEATRE GROUP LIMITED**

### **DIRECTORS' REPORT (continued) FOR THE PERIOD ENDED 27 MARCH 2010**

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#### **Employee involvement**

Details of the numbers of employees are given in Note 19 of the financial statements

Applications for employment by disabled persons are always fully considered. In the event of existing members of staff becoming disabled every effort would be made to ensure that their employment with the company continues and the appropriate support and training is available.

The company aims to keep employees informed of all relevant matters through regular staff meetings, both formal and informal, and through written communications and any staff issues are dealt with efficiently and fairly. The company feels it has a transparent and appropriate policy for employee remuneration.

#### **Disabled persons**

Applications for employment by disabled persons are always fully considered. In the event of existing members of staff becoming disabled every effort would be made to ensure that their employment with the company continues and the appropriate support and training is available.

#### **Auditors**

Saffery Champness have expressed their willingness to remain in office as auditors of the company.

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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 directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

**THE AMBASSADOR THEATRE GROUP LIMITED**

**DIRECTORS' REPORT (continued)  
FOR THE PERIOD ENDED 27 MARCH 2010**

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**Statement of disclosure to auditors**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



H J Enright

Director

01/12/2010

## **THE AMBASSADOR THEATRE GROUP LIMITED**

### **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF THE AMBASSADOR THEATRE GROUP LIMITED**

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We have audited the financial statements of The Ambassador Theatre Group Limited for the period ended 27 March 2010 set out on pages 6 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 27 March 2010 and of its profit for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

**THE AMBASSADOR THEATRE GROUP LIMITED**

**INDEPENDENT AUDITORS' REPORT (continued)**

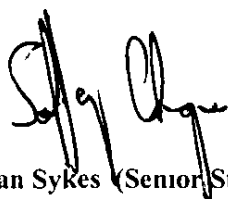
**TO THE MEMBERS OF THE AMBASSADOR THEATRE GROUP LIMITED**

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**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



**Jonathan Sykes (Senior Statutory Auditor)**  
for and on behalf of Saffery Champness

2/12/10

**Chartered Accountants**  
**Statutory Auditors**

Lion House  
Red Lion Street  
London  
WC1R 4GB



**THE AMBASSADOR THEATRE GROUP LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD ENDED 27 MARCH 2010**

		<b>6 Months ended 27 March 2010 £</b>	<b>Year ended 30 September 2009 £</b>
	<b>Notes</b>		
<b>Turnover</b>	<b>2</b>	811,913	489,690
Cost of sales		(3,328)	(3,548)
<b>Gross profit</b>		808,585	486,142
Administrative expenses		(6,234,649)	(7,094,593)
Other operating income		3,903,347	5,605,442
<b>Operating loss</b>	<b>3</b>	(1,522,717)	(1,003,009)
Investment income	<b>4</b>	2,047,000	1,496,000
Other interest receivable and similar income	<b>4</b>	5,457	90,291
Interest payable and similar charges	<b>5</b>	(392,242)	(257,950)
<b>Profit on ordinary activities before taxation</b>		137,498	325,332
Tax on profit on ordinary activities	<b>6</b>	(61,005)	842
<b>Profit for the period</b>	<b>15</b>	76,493	326,174

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 9 to 22 form part of these financial statements

**THE AMBASSADOR THEATRE GROUP LIMITED**

**BALANCE SHEET  
AS AT 27 MARCH 2010**

		As at 27 March 2010	As at 30 September 2009
	Notes	£	£
<b>Fixed assets</b>			
Tangible assets	7	2,169,342	951,611
Investments	8	106,720,967	10,244,154
		<u>108,890,309</u>	<u>11,195,765</u>
<b>Current assets</b>			
Debtors amounts falling due within one year	9	12,456,014	12,507,274
Debtors amounts falling due after more than one year	9	13,599,967	13,599,967
Investments	10	460,721	668,801
Cash at bank and in hand		6,695,728	2,614,728
		<u>33,212,430</u>	<u>29,390,770</u>
<b>Creditors: amounts falling due within one year</b>	11	<u>(115,002,073)</u>	<u>(13,812,362)</u>
<b>Net current (liabilities)/assets</b>		<u>(81,789,643)</u>	<u>15,578,408</u>
<b>Total assets less current liabilities</b>		<u>27,100,666</u>	<u>26,774,173</u>
		<u>27,100,666</u>	<u>26,774,173</u>
<b>Capital and reserves</b>			
Called up share capital	14	9,983,322	9,798,138
Share premium account	15	11,438,484	11,373,668
Profit and loss account	15	5,678,860	5,602,367
<b>Shareholders' funds</b>	16	<u>27,100,666</u>	<u>26,774,173</u>

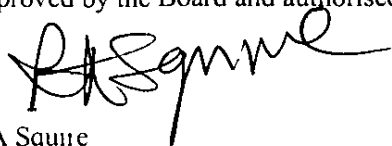
The notes on pages 9 to 22 form part of these financial statements

**THE AMBASSADOR THEATRE GROUP LIMITED**

**BALANCE SHEET (continued)  
AS AT 27 MARCH 2010**

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Approved by the Board and authorised for issue on 01/12/2010



R A Squire  
Director



H J Enright  
Director

**Company Registration No. 2671052**

## **THE AMBASSADOR THEATRE GROUP LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 27 MARCH 2010**

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#### **1 Accounting policies**

##### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group

##### **1.2 Compliance with accounting standards**

The accounts have been prepared in accordance with applicable accounting standards

##### **1.3 Turnover**

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

##### **1.4 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Leasehold improvements	20 years
Plant and machinery	4 to 10 years
Fixtures, fittings & equipment	Between 4 and 10 years

##### **1.5 Investments**

Fixed asset investments are stated at cost less provision for diminution in value  
Current asset investments are stated at the lower of cost and net realisable value

##### **1.6 Pensions**

The pension costs charged in the financial statements represent the contributions payable by the company during the period in accordance with FRS 17

##### **1.7 Deferred taxation**

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted

#### **2 Turnover**

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the United Kingdom

**THE AMBASSADOR THEATRE GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE PERIOD ENDED 27 MARCH 2010**

<b>3</b>	<b>Operating loss</b>	<b>2010</b>	<b>2009</b>
		<b>£</b>	<b>£</b>
	Operating loss is stated after charging		
	Depreciation of tangible assets	158,591	278,262
	Loss on disposal of tangible assets	43,295	-
		<u>158,591</u>	<u>278,262</u>
	<b>Auditors' remuneration</b>		
	Fees payable to the company's auditor for the audit of the company's annual accounts	5,000	2,350
	Taxation Advice	2,000	4,000
		<u>7,000</u>	<u>6,350</u>
<b>4</b>	<b>Investment income</b>	<b>2010</b>	<b>2009</b>
		<b>£</b>	<b>£</b>
	Income from shares in group undertakings	2,047,000	1,496,000
	Bank interest	5,457	90,291
		<u>2,052,457</u>	<u>1,586,291</u>
<b>5</b>	<b>Interest payable</b>	<b>2010</b>	<b>2009</b>
		<b>£</b>	<b>£</b>
	On bank loans and overdrafts	7,258	256,266
	Other interest	384,984	1,684
		<u>392,242</u>	<u>257,950</u>

**THE AMBASSADOR THEATRE GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE PERIOD ENDED 27 MARCH 2010**

<b>6 Taxation</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>Current tax charge</b>	-	-
<b>Deferred tax</b>		
Deferred tax charge/credit current year	61,005	(842)
<b>Factors affecting the tax charge for the period</b>		
Profit on ordinary activities before taxation	137,498	325,332
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2009 - 28.00%)	38,499	91,093
Effects of		
Non deductible expenses	9,767	24,110
Depreciation add back	56,528	77,913
Capital allowances	(180,120)	(69,600)
Group relief surrendered	837,464	143,417
Dividends and distributions received	(476,000)	(280,000)
Deferred revenue expenditure	(748)	-
Other tax adjustments	(285,390)	13,067
	(38,499)	(91,093)
<b>Current tax charge</b>	-	-

**THE AMBASSADOR THEATRE GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE PERIOD ENDED 27 MARCH 2010**

**7 Tangible fixed assets**

	<b>Leasehold improvements £</b>	<b>Plant and machinery £</b>	<b>Fixtures, fittings &amp; equipment £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 October 2009	56,901	1,164,748	1,278,736	2,500,385
Additions	-	-	1,419,618	1,419,618
Disposals	-	-	(108,777)	(108,777)
At 27 March 2010	56,901	1,164,748	2,589,577	3,811,226
<b>Depreciation</b>				
At 1 October 2009	30,619	697,006	821,149	1,548,774
On disposals	-	-	(65,481)	(65,481)
Charge for the period	-	56,290	102,301	158,591
At 27 March 2010	30,619	753,296	857,969	1,641,884
<b>Net book value</b>				
At 27 March 2010	26,282	411,452	1,731,608	2,169,342
At 30 September 2009	26,282	467,742	457,587	951,611

**THE AMBASSADOR THEATRE GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE PERIOD ENDED 27 MARCH 2010**

**8 Fixed asset investments**

	Shares in participating interests £	Shares in group undertakings £	Loans to group undertakings £	Total £
<b>Cost</b>				
At 1 October 2009	1,772,006	7,122,148	1,350,000	10,244,154
Additions	742,500	96,234,313	-	96,976,813
At 27 March 2010	2,514,506	103,356,461	1,350,000	107,220,967
<b>Provisions for diminution in value</b>				
At 1 October 2009	-	-	-	-
Charge for the period	500,000	-	-	500,000
At 27 March 2010	500,000	-	-	500,000
<b>Net book value</b>				
At 27 March 2010	2,014,506	103,356,461	1,350,000	106,720,967
At 30 September 2009	1,772,006	7,122,148	1,350,000	10,244,154



# THE AMBASSADOR THEATRE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 27 MARCH 2010

### 8 Fixed asset investments

(continued)

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Class	Shares held %
<b>Subsidiary undertakings</b>			
Milton Keynes Theatre Limited	England and Wales	Ordinary	100 00
Stoke-on-Trent Theatres Limited	England and Wales	Ordinary	100 00
Theatre Royal Brighton Limited	England and Wales	Ordinary	100 00
ATG London Limited	England and Wales	Ordinary	100 00
Churchill Theatre Bromley Limited	England and Wales	Ordinary	100 00
Richmond Theatre Limited	England and Wales	Ordinary	100 00
Comedy Theatre Limited	England and Wales	Ordinary	100 00
Donmar Warehouse Limited	England and Wales	Ordinary	100 00
Aylesbury Waterside Theatre Limited	England and Wales	Ordinary	100 00
Whitehall Theatre Limited	England and Wales	Ordinary	100 00
Smart Plays Limited	England and Wales	Ordinary	100 00
ATG Management Limited	England and Wales	Ordinary	100 00
Sonia Friedman Productions	England and Wales	Ordinary	100 00
Glasgow Theatres Limited	England and Wales	Ordinary	100 00
Piccadilly Theatre Limited	England and Wales	Ordinary	100 00
Phoenix Theatre Limited	England and Wales	Ordinary	100 00
New Wimbledon Theatre Limited	England and Wales	Ordinary	100 00
The Duke of York's Theatre Limited	England and Wales	Ordinary	100 00
Woking Turnstyle Limited	England and Wales	Ordinary	100 00
Natural Nylon Theatre Company Limited	England and Wales	Ordinary	100 00
Highland Fling Japan Limited	England and Wales	Ordinary	100 00
Screenstage Productions Limited	England and Wales	Ordinary	100 00
Brighton Theatre Limited	England and Wales	Ordinary	100 00
Ambassador Theatre Group US Inc	USA	Ordinary	100 00
<b>Participating interests</b>			
Screenstage Limited	England and Wales	Ordinary	50 00
Trademark Theatre Company Limited	England and Wales	Ordinary	50 00
Maidstone Productions (Playhouse) Limited	England and Wales	Ordinary	50 00
Maidstone Productions (Savoy) Limited	England and Wales	Ordinary	50 00
Savoy Theatre Limited	England and Wales	Ordinary	50 00
Savoy Theatre Holdings Limited	England and Wales	Ordinary	50 00
Porgy and Bess Limited	England and Wales	Ordinary	50 00
First Family Entertainment	England and Wales	Ordinary	50 00

# THE AMBASSADOR THEATRE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 27 MARCH 2010

### 8 Fixed asset investments

(continued)

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

		Capital and reserves 2010 £	Profit/(loss) for the year 2010 £
	Principal activity		
Milton Keynes Theatre Limited	Theatre operator	1,144,615	228,405
Stoke-on-Trent Theatres Limited	Theatre operator	(3,483,767)	27,957
Theatre Royal Brighton Limited	Theatre operator	(1,170,196)	(14,868)
ATG London Limited	Theatre operator	670,783	1,174,969
Churchill Theatre Bromley Limited	Theatre operator	213,147	120,555
Richmond Theatre Limited	Theatre operator	(325,076)	24,101
Comedy Theatre Limited	Dormant	1	-
Donmar Warehouse Limited	Dormant	1	-
Aylesbury Waterside Theatre Limited	Dormant	1	-
Whitehall Theatre Limited	Dormant	1	-
Smart Plays Limited	Production company	27,525	(33)
ATG Management Limited	Production company	(1,552)	246
Sonia Friedman Productions	Production company	(755,641)	28,543
Glasgow Theatres Limited	Theatre operator	640,044	409,096
Piccadilly Theatre Limited	Dormant	1	-
Phoenix Theatre Limited	Dormant	1	-
New Wimbledon Theatre Limited	Theatre operator	(1,440,735)	182,563
The Duke of York's Theatre Limited	Theatre operator	1,647,610	7,414
Woking Turnstyle Limited	Theatre operator	619,165	(79,163)
Natural Nylon Theatre Company Limited	Production company	(72,177)	-
Highland Fling Japan Limited	Production Company	(1,007)	(90)
Screenstage Productions Limited	Dormant	1	-
Brighton Theatre Limited	Dormant	2	-
Ambassador Theatre Group US Inc	Production company	1,722,952	(112,236)
Screenstage Limited	Production company	1	-
Trademark Theatre Company Limited	Dormant	(76,553)	(32)
Mardstone Productions (Playhouse) Limited	Theatre operator	154,113	217,040
Mardstone Productions (Savoy) Limited	Holding company	183,110	(62,778)
Savoy Theatre Limited	Theatre operator	4,808,387	264,704
Savoy Theatre Holdings Limited	Dormant	3,497,783	-
Porgy and Bess Limited	Production company	-	-
First Family Entertainment	Production partnership	4,385,000	(190,236)

**THE AMBASSADOR THEATRE GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE PERIOD ENDED 27 MARCH 2010**

<b>9 Debtors</b>	<b>2010 £</b>	<b>2009 £</b>
Trade debtors	1,578,947	80,370
Amounts owed by subsidiary undertakings	22,606,183	25,467,720
Amounts owed by participating interests	1,370,894	280
Other debtors	131,495	154,393
Prepayments and accrued income	350,463	325,474
Deferred tax asset (see note 12)	17,999	79,004
	<u>26,055,981</u>	<u>26,107,241</u>

Amounts falling due after more than one year and included in the debtors above are

	<b>2010 £</b>	<b>2009 £</b>
Amounts owed by group undertakings	<u>13,599,967</u>	<u>13,599,967</u>

<b>10 Current asset investments</b>	<b>2010 £</b>	<b>2009 £</b>
Other unlisted investments	<u>460,721</u>	<u>668,801</u>

Current asset investments represent investments in shows

**THE AMBASSADOR THEATRE GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE PERIOD ENDED 27 MARCH 2010**

<b>11 Creditors: amounts falling due within one year</b>	<b>2010 £</b>	<b>2009 £</b>
Bank loans and overdrafts	496,830	4,062,552
Trade creditors	298,865	523,436
Amounts owed to parent and fellow subsidiary undertakings	102,951,927	-
Amounts owed to subsidiary undertakings	7,668,006	7,035,113
Amounts owed to participating interests	-	1,503
Corporation tax	55,106	-
Other taxes and social security costs	1,005,468	838,536
Other creditors	98,321	68,137
Accruals and deferred income	2,427,550	1,283,085
	<u>115,002,073</u>	<u>13,812,362</u>
Debt due in one year or less	<u>-</u>	<u>3,875,000</u>

The bank loans and overdrafts are secured by a charge over the whole of the assets of The Ambassador Theatre Group Limited

**12 Provisions for liabilities**

The deferred tax asset (included in debtors, note 9) is made up as follows:

	<b>2010 £</b>	
Balance at 1 October 2009	(79,004)	
Profit and loss account	61,005	
Balance at 27 March 2010	<u>(17,999)</u>	
	<b>2010 £</b>	<b>2009 £</b>
Accelerated capital allowances	157,793	26,183
Other timing differences	(175,792)	(105,187)
	<u>(17,999)</u>	<u>(79,004)</u>

**THE AMBASSADOR THEATRE GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE PERIOD ENDED 27 MARCH 2010**

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**13 Pension and other post-retirement benefit commitments**  
**Defined contribution**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Contributions payable by the company for the period	<u>122,914</u>	<u>392,230</u>

**THE AMBASSADOR THEATRE GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE PERIOD ENDED 27 MARCH 2010**

<b>14 Share capital</b>	<b>2010 £</b>	<b>2009 £</b>
<b>Authorised</b>		
10,499,750 Preferred ordinary shares of £1 each	10,499,750	10,499,750
25,000 "A" ordinary shares of 1p each	250	250
	<u>10,500,000</u>	<u>10,500,000</u>
<b>Allotted, called up and fully paid</b>		
9,797,888 preferred ordinary shares of £1 each	9,983,072	9,798,138
25,000 "A" ordinary shares of 1p each	250	-
	<u>9,983,322</u>	<u>9,798,138</u>

On 2 November 2009 the company issued 184,934 preferred ordinary shares of £1 each for £1 35 per share

The holders of the preferred ordinary shares shall be entitled, on a pari passu basis in proportion to the number of shares held -

- i) to all dividends paid by the Company,
- ii) to 100% of any Realised Equity Value up to and including £40,000,000,
- iii) to the balance of any Realised Equity Value in excess of £40,000,000 which is not allocated to the holders of the "A" ordinary shares in issue at the time of the Realisation

The "A" ordinary shares have the following rights -

- i) the holders of the "A" ordinary shares shall not be entitled to any dividends paid by the company,
- ii) if the Realised Equity Value is £40,000,000 or less the holders of the "A" ordinary shares shall not be entitled to any part of the Realised Equity Value,
- iii) if the Realised Equity Value is more than £40,000,000 the holders of the "A" ordinary shares who are employees of the Company immediately before the Realisation shall be entitled, as between all members of the Company, to receive in respect of each "A" ordinary share held by him/her at the time of the Realisation 1/25,000 of 25% (twenty five percent) of that part of the Realised Equity Value as exceeds £40,000,000 and the holders of the "A" ordinary shares who are not employees of the Company immediately before the Realisation shall be entitled, as between all members of the Company, to receive in respect of each "A" ordinary share held by him/her at the time of the Realisation the lower of (A) Fair Value at the time the holder ceased to be employed by the company or, if the board so determines (in its absolute discretion) that a value which is lower than such Fair Value is more appropriate in the circumstances, such value and (B) the Realisation Value

## THE AMBASSADOR THEATRE GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 27 MARCH 2010

#### 15 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 October 2009	11,373,668	5,602,367
Profit for the period	-	76,493
Premium on shares issued during the period	64,816	-
Balance at 27 March 2010	<u>11,438,484</u>	<u>5,678,860</u>

#### 16 Reconciliation of movements in shareholders' funds

	2010 £	2009 £
Profit for the financial period	76,493	326,174
Proceeds from issue of shares	250,000	-
Net addition to shareholders' funds	326,493	326,174
Opening shareholders' funds	<u>26,774,173</u>	<u>26,447,999</u>
Closing shareholders' funds	<u>27,100,666</u>	<u>26,774,173</u>

#### 17 Contingent liabilities

A Corporate Cross Guarantee exists between The Ambassador Theatre Group Limited, and its subsidiary undertakings. The bank holds a debenture over the whole of the assets of The Ambassador Theatre Group Limited.

**THE AMBASSADOR THEATRE GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)  
FOR THE PERIOD ENDED 27 MARCH 2010**

<b>18 Directors' emoluments</b>	<b>2010 £</b>	<b>2009 £</b>
Emoluments for qualifying services	2,034,984	1,199,648
Company pension contributions to money purchase schemes	126,882	222,151
	<u>2,161,866</u>	<u>1,421,799</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 6 (2009 - 6)

Emoluments disclosed above include the following amounts paid to the highest paid director

Emoluments for qualifying services	465,458	313,190
Company pension contributions to money purchase schemes	23,017	45,023
	<u>488,475</u>	<u>358,213</u>

**19 Employees**

**Number of employees**

The average monthly number of employees (including directors) during the period was

	<b>2010 Number</b>	<b>2009 Number</b>
Management and administration	<u>77</u>	<u>76</u>

**Employment costs**

	<b>2010 £</b>	<b>2009 £</b>
Wages and salaries	2,836,006	2,998,802
Social security costs	254,704	351,467
Other pension costs	122,914	392,230
	<u>3,213,624</u>	<u>3,742,499</u>

**20 Control**

The company's immediate parent company is The Ambassador Entertainment Group Limited, which is controlled by Exponent Private Equity LLP. The company has no ultimate controlling party.



## THE AMBASSADOR THEATRE GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE PERIOD ENDED 27 MARCH 2010

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#### 21 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

During the period The Ambassador Theatre Group Limited received management fees from Rocky Horror Company Limited amounting to £32,500 (2009 £65,000) Howard Panter is a director of Rocky Horror Company Limited

There was a loan outstanding with Exponent Private Equity Partners GP II, LP at 27 March 2010 of £30,367,397 The loan and additional accrued interest were repaid in full on 15 October 2010 £1,585,667 was charged by Exponent Equity Partners GP II, LP in relation to the acquisition for an Advisory Fee and an Arrangement Fee together with £133,742 of deal costs C M Graham and J R Lenane are LLP designated members and S R Davidson a LLP member of Exponent Private Equity LLP a company which is under common control with Exponent Private Equity Partners GP II, LP

During the period The Ambassador Theatre Group Limited received management fees from Savoy Theatre Limited amounting to £25,861 (2009 £89,427) The company is a subsidiary of Maidstone Productions (Savoy) Ltd Maidstone Productions (Savoy) Ltd is a joint venture between ATG London Limited and Tulbart LLC ATG London Limited is a 100% subsidiary of The Ambassador Theatre Group Limited

During the period The Ambassador Theatre Group Limited received management fees from Maidstone Productions (Playhouse) Limited amounting to £29,234 (2009 £58,468) Maidstone Productions (Playhouse) Limited is a joint venture between The Ambassador Theatre Group Limited and Playhouse Theatre LLC

The company had the following balances due from joint venture companies at 27 March 2010  
Maidstone Productins (Savoy) Limited £1,451,653 (2009 £1,451,653) Trademark Theatre Company Limited £84,084 (2009 £84,081) Screenstage Limited £455,143 (2009 £398,046)

#### 22 Post balance sheet events

The Ambassador Theatre Group Ltd, agreed on 22 September 2010 to release the following subsidiaries from various intra-group debts owed to it in consideration for the allotment and issue to it of 1 Ordinary Share of £1 with a Share Premium

Theatre Royal Brighton Ltd	Share Premium of £1,399,999
Richmond Theatre Ltd	Share Premium of £699,999
New Wimbledon Theatre Ltd	Share Premium of £1,799,999
Stoke-on-Trent Theatres Ltd	Share Premium of £3,799,999
Sonia Friedman Productions Ltd	Share Premium of £749,999