

Registered number: 02671052

# THE AMBASSADOR THEATRE GROUP LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE 52 WEEK PERIOD ENDED 27 MARCH 2021

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## THE AMBASSADOR THEATRE GROUP LIMITED

### COMPANY INFORMATION

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<b>Directors</b>	M C Lynas J N Oldcorn N G Potter M R D Cornell
<b>Registered number</b>	02671052
<b>Registered office</b>	2nd Floor Alexander House Church Path Woking Surrey GU21 6EJ
<b>Bankers</b>	National Westminster Bank Plc 38 Strand London WC2N 5JB

# THE AMBASSADOR THEATRE GROUP LIMITED

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**THE AMBASSADOR THEATRE GROUP LIMITED**

**STRATEGIC REPORT**  
**FOR THE 52 WEEK PERIOD ENDED 27 MARCH 2021**

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**Introduction**

The Directors present their Strategic Report on the affairs of the Company for the period ended 27 March 2021. 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**

Detailed results for the Group are included in the consolidated accounts of the Company's parent, International Entertainment Holdings Limited.

**Key Performance Indicators**

*Due to the closure of venues throughout FY21, the non-financial key performance indicators usually used to monitor the business have not been considered by management, with focus instead on cash management and cost reduction.*

*The financial key performance indicators are disclosed in the consolidated Group Annual Report and Accounts. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the Company. The performance of the Group's central functions, which includes the Company, is discussed in the Business Review sections of the Group Annual Report.*

**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 LIMITED

### STRATEGIC REPORT (CONTINUED) FOR THE 52 WEEK PERIOD ENDED 27 MARCH 2021

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#### Environmental Matters

The Group 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 Group's activities.

The Group seeks to reduce the environmental impact of its operations through responsible resource procurement and consistently strives to eliminate waste with our supply chain partners. Specifically, we are driving efficient energy procurement, diverting all of our waste from landfill and where possible, installing energy efficient systems in our venues. As an organisation our environmental impact is a key pillar of our overarching Corporate Social Responsibility strategy.

The closure of the Group's venues throughout the year caused the majority of its ongoing environmental impact initiatives to be paused. However, the closure of all venues and offices has in itself reduced the Group's environmental impact.

#### Our People

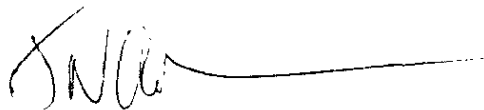
The Group complies with all relevant legislation including those specifically targeted at preventing discrimination. Such principles are embedded through the organisation by the requisite policies. The Group is committed to ensuring the health, safety and welfare of its employees as far as is reasonably practicable. The Group seeks to ensure that statutory duties are met at all times and that it operates effective health and safety management policies and procedures.

The Group's policy is to consult and discuss with employees, through unions, staff councils, meetings and company-wide surveys, 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 Group's performance.

#### Section 172 Statement

The Directors consider, both individually and collectively, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company (having regard to the stakeholders and matters set out in sections 172(1)(a-f) of the Companies Act 2006) in the decisions taken during the year. These matters are set out in detail in the International Entertainment Holdings Limited Annual Report and Financial Statements for the period ending 27 March 2021.

This report was approved by the board on 17/12/2021 and signed on its behalf.



**J N Oldcorn**  
Director

# THE AMBASSADOR THEATRE GROUP LIMITED

## **DIRECTORS' REPORT FOR THE 52 WEEK PERIOD ENDED 27 MARCH 2021**

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The Directors present their report and the financial statements for the 52 week period ended 27 March 2021.

### **Principal activity**

The principal activity of the Company continued to be that of managing a group of companies operating theatres, producing theatrical productions and managing the associated ticketing business.

### **Results and dividends**

The loss for the 52 week period, after taxation, amounted to £26,020,000 (2020: profit £4,683,000).

The directors do not propose payment of a dividend in respect of the period (2020: £nil).

### **Directors**

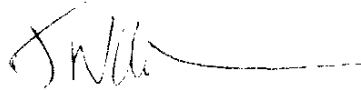
The Directors who served during the 52 week period and to the date of signing the financial statements were:

M C Lynas  
N G Potter  
M R D Cornell  
S Teo (resigned 29 June 2021)  
A L Kenwright (resigned 2 February 2021)  
J N Oldcorn (appointed 1 July 2021)

### **Post balance sheet events**

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

This report was approved by the board on 17/12/2021 and signed on its behalf.



**J N Oldcorn**  
Director

## **THE AMBASSADOR THEATRE GROUP LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE 52 WEEK PERIOD ENDED 27 MARCH 2021**

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The Directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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 to 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**

### **CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF THE AMBASSADOR THEATRE GROUP LIMITED FOR THE 52 WEEK PERIOD ENDED 27 MARCH 2021**

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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 Limited for the 52 week period ended 27 March 2021 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 Limited, as a body, in accordance with the terms of our engagement letter dated 10 August 2021. Our work has been undertaken solely to prepare for your approval the financial statements of The Ambassador Theatre Group Limited and state those matters that we have agreed to state to the Board of directors of The Ambassador Theatre Group 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 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 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 loss of The Ambassador Theatre Group Limited. You consider that The Ambassador Theatre Group 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 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



**THE AMBASSADOR THEATRE GROUP LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE 52 WEEK PERIOD ENDED 27 MARCH 2021**

	<b>Note</b>	<b>52 week period ended 27 March 2021 £000</b>	<b>52 week period ended 28 March 2020 £000</b>
Revenue	4	<b>486</b>	3,801
Cost of sales		<b>(25)</b>	(56)
<b>Gross profit</b>		<b>461</b>	3,745
Administrative expenses		<b>(42,821)</b>	(39,251)
Other operating income	5	<b>13,206</b>	19,033
<b>Operating loss</b>	6	<b>(29,154)</b>	(16,473)
Income from shares in group undertakings		-	21,300
Interest receivable and similar income	8	<b>1,544</b>	1,763
Interest payable and similar charges	9	<b>(528)</b>	(1,968)
<b>(Loss)/profit before tax</b>		<b>(28,138)</b>	4,622
Tax on (loss)/profit	10	<b>2,118</b>	61
<b>(Loss)/profit for the financial period</b>		<b>(26,020)</b>	4,683

There was no other comprehensive income for the period (2020: £nil).

The notes on pages 10 to 29 form part of these financial statements.

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

**THE AMBASSADOR THEATRE GROUP LIMITED**  
**REGISTERED NUMBER:02671052**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 27 MARCH 2021**

	Note	27 March 2021 £000	28 March 2020 £000
<b>Fixed assets</b>			
Intangible assets	11	6,341	10,748
Tangible assets	12	10,296	9,579
Investments	13	185,203	185,203
		<u>201,840</u>	<u>205,530</u>
<b>Current assets</b>			
Debtors	14	1,346,717	1,338,767
Current asset investments	15	3,060	2,583
Cash at bank and in hand	16	2,597	9,369
		<u>1,352,374</u>	<u>1,350,719</u>
Creditors: amounts falling due within one year	17	<u>(1,464,647)</u>	<u>(1,433,548)</u>
<b>Net current liabilities</b>		<b>(112,273)</b>	<b>(82,829)</b>
<b>Total assets less current liabilities</b>		<b>89,567</b>	<b>122,701</b>
Creditors: amounts falling due after more than one year	18	<u>(2,476)</u>	<u>(2,579)</u>
		<b>87,091</b>	<b>120,122</b>
<b>Provisions for liabilities</b>			
Other provisions	21	<u>(2,192)</u>	<u>(9,203)</u>
<b>Net assets</b>		<b>84,899</b>	<b>110,919</b>
<b>Capital and reserves</b>			
Called up share capital	22	9,983	9,983
Share premium account		57,913	57,913
Profit and loss account		17,003	43,023
		<u>84,899</u>	<u>110,919</u>

**THE AMBASSADOR THEATRE GROUP LIMITED**  
**REGISTERED NUMBER:02671052**  
**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 27 MARCH 2021**

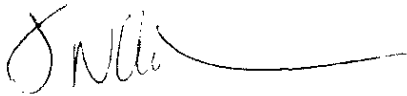
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The members have not required the Company to obtain an audit for the 52 week period in question in accordance with section 476 of Companies Act 2006.

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 17/12/2021.



**J N Oldcorn**  
Director

*The notes on pages 10 to 29 form part of these financial statements.*

**THE AMBASSADOR THEATRE GROUP LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE 52 WEEK PERIOD ENDED 27 MARCH 2021**

	Called up share capital £000	Share premium account £000	Retained earnings £000	Total equity £000
At 30 March 2019	9,983	57,913	38,340	106,236
<b>Comprehensive income for the period</b>				
Profit for the period	-	-	4,683	4,683
<b>Total comprehensive income for the period</b>	-	-	4,683	4,683
At 28 March 2020	9,983	57,913	43,023	110,919
<b>Comprehensive income for the period</b>				
Loss for the period	-	-	(26,020)	(26,020)
<b>Total comprehensive income for the period</b>	-	-	(26,020)	(26,020)
<b>At 27 March 2021</b>	<b>9,983</b>	<b>57,913</b>	<b>17,003</b>	<b>84,899</b>

# THE AMBASSADOR THEATRE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 27 MARCH 2021

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### 1. General information

The Ambassador Theatre Group 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 Strategic Report, 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 financial statements are presented in sterling, rounded to the nearest thousand, unless otherwise indicated.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

#### 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;
  - 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 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its ultimate parent undertaking established under the law of any part of the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

#### 2.4 Going concern

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

## **THE AMBASSADOR THEATRE GROUP LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 27 MARCH 2021**

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#### **2. Accounting policies (continued)**

##### **2.5 Foreign currency translation**

###### **Functional and presentation currency**

The Company's functional and presentational currency is GBP.

###### **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

##### **2.6 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### **2.7 Operating 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.

## THE AMBASSADOR THEATRE GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 27 MARCH 2021

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#### 2. Accounting policies (continued)

##### 2.8 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

##### 2.9 Government grants

Government grants are measured at the fair value of the asset received or receivable. Grants are accounted under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the consolidated statement of comprehensive income in the same period as the related expenditure.

##### 2.10 Interest income

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

##### 2.11 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.

##### 2.12 Borrowing costs

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

##### 2.13 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.

## THE AMBASSADOR THEATRE GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 27 MARCH 2021

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#### 2. Accounting policies (continued)

##### 2.14 Current and deferred taxation

The tax expense for the 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.

##### 2.15 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

*The amortisation period of software is 4 years.*

##### 2.16 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:

Fixtures & fittings	- 4 to 10 years
Right of use assets	- over the period 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.



## THE AMBASSADOR THEATRE GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 27 MARCH 2021

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#### 2. Accounting policies (continued)

##### 2.17 Impairment of assets

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

##### 2.18 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

##### 2.19 Investment in shows and co-production arrangements

Investments in shows are stated at cost less provisions for any amounts which the directors do not believe are recoverable.

##### 2.20 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.

##### 2.21 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.

##### 2.22 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.

## THE AMBASSADOR THEATRE GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 27 MARCH 2021

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#### 2. Accounting policies (continued)

##### 2.23 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.

#### 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.

##### *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.

#### 4. Revenue

All turnover arose within the United Kingdom and was derived from the Company's principal activity.

**THE AMBASSADOR THEATRE GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE 52 WEEK PERIOD ENDED 27 MARCH 2021**

**5. Other operating income**

	<b>52 week period ended 27 March 2021 £000</b>	52 week period ended 28 March 2020 £000
Management fees from subsidiaries	<b>11,235</b>	19,033
Government grants receivable	<b>1,971</b>	-

During the year, the Company received £11.2m (2020: £19.0m) in management fees from its subsidiaries.

During the year, the Company received £1,971,000 (2020: £nil) under the Coronavirus Job Retention Scheme, a government grant that allows employers to place staff on temporary leave and claim the cost of up to 80% of employees' payroll cost. There are no unfulfilled conditions or other contingencies attached to the grant.

**6. Operating loss**

The operating loss is stated after charging:

	<b>52 week period ended 27 March 2021 £000</b>	52 week period ended 28 March 2020 £000
Depreciation of property, plant and equipment	<b>3,041</b>	2,798
Amortisation of intangible assets	<b>1,554</b>	1,470
Exchange differences	<b>6,854</b>	(1,537)
Admin - staff costs	<b>11,046</b>	12,405
Management fee to parent	<b>(3,167)</b>	(4,686)
Government grants	<b>(1,971)</b>	-

The Directors are not remunerated directly by the Company and 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.

During the year, the Company incurred expenses of £3.2m (2020: £4.7m) in relation to management support from its intermediate parent company, International Entertainment Investments Limited.

**THE AMBASSADOR THEATRE GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**7. Employees**

Staff costs were as follows:

	<b>52 week period ended 27 March 2021 £000</b>	<b>52 week period ended 28 March 2020 £000</b>
Wages and salaries	9,849	10,905
Social security costs	827	1,027
Cost of defined contribution scheme	370	473
	<b>11,046</b>	<b>12,405</b>

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

	<b>52 week period ended 27 March 2021 No.</b>	<b>52 week period ended 28 March 2020 No.</b>
Venue	4	-
Administration	120	207
	<b>124</b>	<b>207</b>

**8. Interest receivable**

	<b>52 week period ended 27 March 2021 £000</b>	<b>52 week period ended 28 March 2020 £000</b>
Other interest receivable	1,544	1,763

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**9. Interest payable and similar charges**

	<b>52 week period ended 27 March 2021 £000</b>	52 week period ended 28 March 2020 £000
Bank interest payable	<b>480</b>	1,877
Lease interest payable	<b>48</b>	91
	<b>528</b>	1,968

**10. Taxation**

	<b>52 week period ended 27 March 2021 £000</b>	52 week period ended 28 March 2020 £000
<b>Total current tax</b>	<b>-</b>	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	<b>(2,118)</b>	(61)
<b>Total deferred tax</b>	<b>(2,118)</b>	(61)
<b>Taxation on loss on ordinary activities</b>	<b>(2,118)</b>	(61)

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**10. Taxation (continued)**

**Factors affecting tax charge for the period**

The tax assessed for the period is higher than (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	<b>52 week period ended 27 March 2021 £000</b>	52 week period ended 28 March 2020 £000
Profit on ordinary activities before tax	<b>(28,138)</b>	4,622
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	<b>(5,346)</b>	878
<b>Effects of:</b>		
Expenses not deductible for tax purposes	<b>614</b>	53
Effect of rate change on deferred tax	-	(66)
Dividends from UK companies	-	(4,047)
Prior year adjustment	<b>439</b>	(6)
Group relief	<b>2,175</b>	3,127
<b>Total tax credit for the period</b>	<b>(2,118)</b>	(61)

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NOTES TO THE FINANCIAL STATEMENTS  
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11. Intangible assets

	Software £000
<b>Cost</b>	
At 28 March 2020	18,317
Disposals	(9,049)
At 27 March 2021	<u>9,268</u>
<b>Amortisation</b>	
At 28 March 2020	7,569
Charge for the year	1,554
On disposals	(6,195)
At 27 March 2021	<u>2,928</u>
<b>Net book value</b>	
At 27 March 2021	<u><u>6,340</u></u>
At 28 March 2020	<u><u>10,748</u></u>

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**12. Property, plant and equipment**

	Freehold property £000	Fixtures & fittings £000	Right of use assets £000	Total £000
<b>Cost</b>				
At 28 March 2020	-	15,382	1,523	16,905
Additions	87	-	-	87
Disposals	-	(857)	-	(857)
At 27 March 2021	<u>87</u>	<u>14,525</u>	<u>1,523</u>	<u>16,135</u>
<b>Depreciation</b>				
At 28 March 2020	-	6,704	622	7,326
Charge for the period on owned assets	-	2,598	-	2,598
Charge for the period on right-of-use assets	-	-	443	443
Disposals	-	(4,528)	-	(4,528)
At 27 March 2021	<u>-</u>	<u>4,774</u>	<u>1,065</u>	<u>5,839</u>
<b>Net book value</b>				
At 27 March 2021	<u>87</u>	<u>9,751</u>	<u>458</u>	<u>10,296</u>
At 28 March 2020	<u>-</u>	<u>8,678</u>	<u>901</u>	<u>9,579</u>

The net book value of land and buildings may be further analysed as follows:

	<b>27 March 2021 £000</b>	28 March 2020 £000
Freehold	<u>87</u>	-
	<u>87</u>	-



THE AMBASSADOR THEATRE GROUP LIMITED

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13. Fixed asset investments

	Investments in subsidiary companies £000
<b>Cost or valuation</b>	
At 28 March 2020	194,617
At 27 March 2021	194,617
<b>Impairment</b>	
At 28 March 2020	9,414
At 27 March 2021	9,414
<b>Net book value</b>	
At 27 March 2021	185,203
At 28 March 2020	185,203

The directly and indirectly held subsidiaries are listed in note 27.

**THE AMBASSADOR THEATRE GROUP LIMITED**

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**14. Trade and other receivables**

	<b>27 March 2021 £000</b>	28 March 2020 £000
<b>Due after more than one year</b>		
Amounts owed by group undertakings	<b>45,558</b>	49,102
<b>Due within one year</b>		
Trade receivables	<b>121</b>	397
Amounts owed by group undertakings	<b>1,285,009</b>	1,269,487
Amounts owed by joint ventures and associated undertakings	<b>30</b>	30
Other receivables	<b>11,828</b>	17,003
Prepayments and accrued income	<b>1,440</b>	2,135
Deferred taxation	<b>2,731</b>	613
	<b><u>1,346,717</u></b>	<u>1,338,767</u>

Amounts owed by group undertakings that are considered financing arrangements carry interest at 4.5% plus libor per annum. All other amounts owed by group undertakings are unsecured, interest free and repayable on demand.

**15. Current asset investments**

	<b>27 March 2021 £000</b>	28 March 2020 £000
Investments in shows	<b><u>3,060</u></b>	<u>2,583</u>

**16. Cash and cash equivalents**

	<b>27 March 2021 £000</b>	28 March 2020 £000
Cash at bank and in hand	<b><u>2,597</u></b>	<u>9,369</u>

**THE AMBASSADOR THEATRE GROUP LIMITED**

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**17. Trade and other payables**

	<b>27 March 2021 £000</b>	28 March 2020 £000
Trade creditors	<b>1,673</b>	3,529
Amounts owed to group undertakings	<b>1,449,665</b>	1,420,677
Other taxation and social security	-	528
Obligations under lease contracts	-	282
Other creditors	<b>527</b>	868
Accruals and deferred income	<b>12,782</b>	7,664
	<b><u>1,464,647</u></b>	<b><u>1,433,548</u></b>

Amounts owed to group undertakings that are considered financing arrangements carry interest at 4.5% plus libor per annum. All other amounts owed by group undertakings are unsecured, interest free and repayable on demand.

**18. Creditors: Amounts falling due after more than one year**

	<b>27 March 2021 £000</b>	28 March 2020 £000
Net obligations under leases	<b>495</b>	598
Other creditors	<b>1,981</b>	1,981
	<b><u>2,476</u></b>	<b><u>2,579</u></b>

The weighted average incremental borrowing rate applied to measure lease liabilities is 7.84%.

**19. Leases: Company as lessee**

Lease liabilities are due as follows:

	<b>27 March 2021 £000</b>	28 March 2020 £000
Within one year	<b>129</b>	282
Between 1-5 years	<b>324</b>	-
Over 5 years	-	598
	<b><u>453</u></b>	<b><u>880</u></b>

**THE AMBASSADOR THEATRE GROUP LIMITED**

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**20. Deferred taxation**

	<b>27 March 2021 £000</b>	28 March 2020 £000
At beginning of year	613	552
Charged to profit or loss	2,118	61
<b>At end of year</b>	<b>2,731</b>	<b>613</b>

The deferred tax asset is made up as follows:

	<b>27 March 2021 £000</b>	28 March 2020 £000
Fixed asset timing differences	(61)	528
Other short term timing differences	119	85
Losses	2,673	-
	<b>2,731</b>	<b>613</b>

The closing deferred tax liability as at 27 March 2021 has been calculated at 19% reflecting the tax rate at which the deferred tax asset is expected to be utilised in future periods.

**21. Provisions**

	<b>52 week period ended 27 March 2021 £000</b>	52 week period ended 28 March 2020 £000
<b>Dilapidation provision</b>		
At beginning of the period	250	240
Charged to profit or loss	41	10
<b>At end of the period</b>	<b>291</b>	<b>250</b>
<b>Ticketing and Refunds provision</b>		
At beginning of the period	8,953	-
Charged to profit or loss	(7,052)	8,953
<b>At end of the period</b>	<b>1,901</b>	<b>8,953</b>

The Company continues to provide for the expected level of dilapidations for certain theatres. Ticketing and refunds provision relate to expected costs to be borne by the business specifically in relation to cancelled programmes and refund of tickets. The adequacy of the provisions is periodically reviewed to ensure that they will meet the final obligations.

## THE AMBASSADOR THEATRE GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 27 MARCH 2021

#### 22. Share capital

	<b>27 March 2021 £000</b>	<b>28 March 2020 £000</b>
<b>Allotted, called up and fully paid</b>		
9,983,323 Ordinary shares of £1 each	<b>9,983</b>	9,983

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

#### 23. Contingent liabilities

A corporate cross guarantee of senior debt borrowed by International Entertainment Investments Limited exists between the Company, International Entertainment Finance Limited and the majority of its subsidiary undertakings. The senior debt is secured by a debenture over the whole of the assets of The Ambassador Theatre Group Limited and the majority of the assets of the International Entertainment Finance Limited Group.

#### 24. Pension commitments

The Company operates a defined contribution pension 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 £370,000 (2020: £473,000).

Contributions totalling £80,000 (2020: £132,000) were outstanding at the balance sheet date and are included in other payables.

#### 25. 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 (2020: £nil).

#### 26. Controlling party

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

# THE AMBASSADOR THEATRE GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 27 MARCH 2021

### 27. Listing of subsidiary entities, associates and joint ventures and investments

#### Subsidiaries

100% of the ordinary share capital of all subsidiaries is owned directly or indirectly unless otherwise indicated. Where indicated, shareholdings are effective ownership percentages as held by the parent.

#### Incorporated in United Kingdom

All subsidiaries have taken the s479a exemption from audit unless exempt from audit in any case.

Subsidiary undertaking	% Shares held	Principal activity
<b>Direct investments</b>		
ATG Entertainment Limited		Holding company
ATG London Limited		Theatre operator and
ticketing agent		
ATG Management Limited		Dormant
ATG Productions Limited		Production company
ATG WOTV Limited		Production company
Aylesbury Waterside Theatre Limited		Theatre operator
Churchill Theatre Bromley Limited		Theatre operator
First Family Entertainment LLP		Production company
Glasgow Theatres Limited		Theatre operator
Highland Fling Japan Limited		Dormant
London Turnstyle Limited		Dormant
Milton Keynes Theatre Limited		Theatre operator
New Wimbledon Theatre Limited		Theatre operator
Richmond Theatre Limited		Theatre operator
Screenstage Limited		Dormant
Screenstage Productions Limited		Dormant
Smart Plays Limited		Dormant
Sonia Friedman Productions Limited		Production company
Stoke-on-Trent Theatres Limited		Theatre operator
The Ambassador Theatre Group (Venues) Limited		Theatre operator
The Ambassador Theatre Group Overseas Holdings Limited		Holding company
The Duke of York's Theatre Limited		Theatre operator
The Ticket Machine Group Limited		Ticketing agency
Theatre Management Holdings Limited		Holding company
Theatre Management Limited		Theatre operator
Theatre Royal Brighton Limited		Theatre operator
Woking Turnstyle Limited		Theatre operator
<b>Indirect Investments</b>		
G.S Lashmar Limited	90%	Dormant
London Theatre Club Limited		Dormant
Playhouse Theatre Limited		Theatre operator
Savoy Theatre Group Limited		Holding company
Savoy Theatre Holdings Limited		Dormant
Savoy Theatre Limited		Theatre operator
SFP Dreams Limited		Production company
SFP Shows Limited		Production company
SFP Sunny Limited		Production company

## THE AMBASSADOR THEATRE GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 27 MARCH 2021

#### **Incorporated in USA**

<b>Subsidiary undertaking</b>	<b>% Shares held</b>	<b>Principal activity</b>
ACE Theatrical Group LLC		Management Services
Arts Center Enterprises LLC		Theatre operator
Arts Center Enterprises – Brooklyn LLC		Theatre operator
Arts Center Enterprises – New Orleans LLC		Theatre operator
Ambassador Theatre Group – NY LLC		Production company.
ATG Tickets US, LLC		Ticketing agency
Hudson Theatre, LLC		Theatre operator
Kings Theatre Developer, LLC		Venue development
Kings Theatre Manager, LLC		Managing member
Hudson Theatre, LLC		Theatre operator
Lyric Theatre, LLC		Theatre operator
Majestic Presents, LLC		Promotions company
Saenger Aggregator Leverage Lender, LLC	90%	Financing company
Saenger Theatre Developer, Inc		Venue Development
Saenger Theatre Manager, LLC		Managing Member
Saenger Theatre Partnership, Ltd		Dormant
SFP-NY LLC,		Production company
Sundance Productions, Inc	90%	Production company
The Ambassador Theatre Group US Holdings, Inc		Holding company

#### **Incorporated in Germany**

The following subsidiaries have elected to apply the exemption available under §264, section 3 of the German Commercial Code and have not prepared and published financial statements under German GAAP because they are included as fully consolidated subsidiaries in the International Entertainment Holdings Limited group financial statements.

<b>Subsidiary undertaking</b>	<b>% Shares held</b>	<b>Principal activity</b>
BB Entertainment Holding GmbH		Holding company
BB Group GmbH	90%	Holding/Management
services		
BB Promotion GmbH	90%	Promotions company
Bodyguard Verwaltungs GmbH	90%	Holding company
Bodyguard Musical GmbH & Co KG	90%	Production company
ESMS GmbH	90%	Marketing services
Fandango Musical GmbH	90%	Production company

#### **Incorporated in Australia**

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

## THE AMBASSADOR THEATRE GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEK PERIOD ENDED 27 MARCH 2021

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#### Associates and Joint Ventures

Name	Incorporated	% Shares held	Principal activity
Girl Perfect Holdings Limited	United Kingdom	50%	Production company
Girl Perfect Limited	United Kingdom	50%	Production company
HP West End Limited	United Kingdom	25%	Production company
JB UK Touring Limited	United Kingdom	0%	Production company
Priscilla Tour UK Limited	United Kingdom	0%	Production company
Saenger Theatre Redevelopment Company LLC	USA	20%	Venue Development
Intershow Merchandise GmbH	Germany	50%	Production company
ISM Show AG	Switzerland	50%	Production company

#### Other investments

Name	Incorporated	% Shares held	Principal activity
Deutsche Eintrittskarten TKS GmbH	Germany	0.02%	Ticketing agency
Cieven Investments Limited	United Kingdom	10%	Production company
Kings Theatre Redevelopment Company LLC	USA	1.08%	Venue Development
Saenger Theatre Master Tenant LLC	USA	0.01%	Theatre operator

Details of all group registered offices are included in the consolidated financial statements of International Entertainment Holdings Limited.