

Company Registration No. 3120328 (England and Wales)

THE AMBASSADORS THEATRE LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2000



Saffery Champness
CHARTERED ACCOUNTANTS

THE AMBASSADORS THEATRE LIMITED

COMPANY INFORMATION

Directors	Sir Eddie Kulukundis OBE H Panter P Beckwith D Beresford-Jones R Squire
Secretary	H Enright
Company number	3120328
Registered office	Fairfax House Fulwood Place Gray's Inn London WC1V 6UB
Auditors	Saffery Champness Fairfax House Fulwood Place Gray's Inn London WC1V 6UB
Bankers	Bank of Scotland The Mound Edinburgh EH1 1YZ National Westminster Bank Plc PO Box 113 Cavell House 2A Charing Cross Road London WC2H 0PD

THE AMBASSADORS THEATRE LIMITED

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THE AMBASSADORS THEATRE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2000

The directors present their report and financial statements for the year ended 30 September 2000.

Principal activities

The principal activity of the company continued to be that of running a theatre. The Theatre was relaunched as the New Ambassadors last year, presenting mainly short runs of new work and is trading successfully, with considerable critical acclaim.

Directors

The following directors have held office since 1 October 1999:

Sir Eddie Kulukundis OBE

H Panter

P Beckwith

D Beresford-Jones

R Guilleret (Resigned 23 December 2000)

R Squire

M Wilkin (Resigned 25 October 1999)

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	30 September 2000	1 October 1999
Sir Eddie Kulukundis OBE	-	-
H Panter	-	-
P Beckwith	-	-
D Beresford-Jones	-	-
R Guilleret	-	-
R Squire	-	-

Any interests the directors have in the share capital of the ultimate holding company are disclosed in the accounts of that company.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Saffery Champness be reappointed as auditors of the company will be put to the Annual General Meeting.

THE AMBASSADORS THEATRE LIMITED

DIRECTORS' REPORT (continued) FOR THE YEAR ENDED 30 SEPTEMBER 2000

Directors' responsibilities

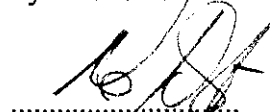
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 proper accounting records which 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 1985. 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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board



H Enright

Secretary

5 JAN/MAY 2001

THE AMBASSADORS THEATRE LIMITED

AUDITORS' REPORT

TO THE SHAREHOLDERS OF THE AMBASSADORS THEATRE LIMITED

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

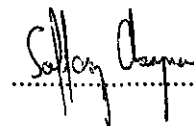
Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Saffery Champness

Chartered Accountants
Registered Auditors

30 JANUARY 2001



Fairfax House
Fulwood Place
Gray's Inn
London
WC1V 6UB

THE AMBASSADORS THEATRE LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2000**

	Notes	2000 £	1999 £
Turnover		751,956	340,246
Cost of sales		<u>(60,797)</u>	<u>(9,754)</u>
Gross profit		691,159	330,492
Administrative expenses		<u>(631,205)</u>	<u>(259,490)</u>
Operating profit	2	59,954	71,002
Other interest receivable and similar income		129	-
Interest payable and similar charges		<u>(964)</u>	<u>-</u>
Profit on ordinary activities before taxation		59,119	71,002
Tax on profit on ordinary activities	3	<u>10,747</u>	<u>(10,355)</u>
Profit on ordinary activities after taxation	9	<u>69,866</u>	<u>60,647</u>

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 6 to 9 form part of these financial statements.

THE AMBASSADORS THEATRE LIMITED

BALANCE SHEET

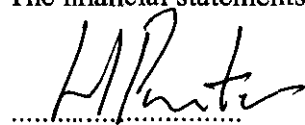
AS AT 30 SEPTEMBER 2000

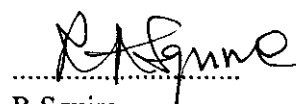
	Notes	2000 £	£	1999 £	£
Fixed assets					
Tangible assets	4		461,119		482,752
Current assets					
Stocks		2,713		1,455	
Debtors	5	738,642		435,128	
Cash at bank and in hand		80,439		68,854	
		<u>821,794</u>		<u>505,437</u>	
Creditors: amounts falling due within one year	6	<u>(570,042)</u>		<u>(305,184)</u>	
Net current assets			<u>251,752</u>		<u>200,253</u>
Total assets less current liabilities			<u>712,871</u>		<u>683,005</u>
Creditors: amounts falling due after more than one year	7		<u>(563,234)</u>		<u>(603,234)</u>
			<u>149,637</u>		<u>79,771</u>
Capital and reserves					
Called up share capital	8		2		2
Profit and loss account	9		149,635		79,769
Shareholders' funds - equity interests	10		<u>149,637</u>		<u>79,771</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The notes on pages 6 to 9 form part of these financial statements.

The financial statements were approved by the Board on 2 JANUARY 2001


 H Panter
 Director


 R Squire
 Director

THE AMBASSADORS THEATRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2000

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

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

1.3 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:

Land and buildings Leasehold	Over the term of the lease
Fixtures, fittings & equipment	Over 4 to 10 years

1.4 Stock

Stock is valued at the lower of cost and net realisable value.

1.5 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

2 Operating profit

	2000	1999
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	37,605	31,482
Auditors' remuneration	4,700	3,000
	<u> </u>	<u> </u>

3 Taxation

	2000	1999
	£	£
Prior years		
U.K. corporation tax	<u>(10,747)</u>	<u>10,355</u>

THE AMBASSADORS THEATRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 SEPTEMBER 2000

4 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 October 1999	578,391	15,843	594,234
Additions	-	15,972	15,972
	<u>578,391</u>	<u>31,815</u>	<u>610,206</u>
At 30 September 2000	578,391	31,815	610,206
Depreciation			
At 1 October 1999	110,316	1,166	111,482
Charge for the year	31,222	6,383	37,605
	<u>141,538</u>	<u>7,549</u>	<u>149,087</u>
At 30 September 2000	141,538	7,549	149,087
Net book value			
At 30 September 2000	<u>436,853</u>	<u>24,266</u>	<u>461,119</u>
At 30 September 1999	<u>468,075</u>	<u>14,677</u>	<u>482,752</u>

On 9 June 1999, the leasehold land and buildings were valued at an open market valuation of £665,000 for existing use by an independent firm of Chartered Surveyors. This valuation has not been incorporated in these financial statements.

5 Debtors

	2000 £	1999 £
Trade debtors	59,074	93,633
Amounts owed by group undertakings and undertakings in which the company has a participating interest	623,440	230,625
Other debtors	56,128	110,870
	<u>738,642</u>	<u>435,128</u>

THE AMBASSADORS THEATRE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2000**

6	Creditors: amounts falling due within one year	2000	1999
		£	£
	Bank loans and overdrafts	388,633	-
	Trade creditors	66,575	23,353
	Amounts owed to group undertakings and undertakings in which the company has a participating interest	-	153,330
	Taxation and social security	37,069	28,414
	Other creditors	77,765	100,087
		<u>570,042</u>	<u>305,184</u>
7	Creditors: amounts falling due after more than one year	2000	1999
		£	£
	Due to fellow subsidiary	<u>563,234</u>	<u>603,234</u>
	Analysis of loans		
	Not wholly repayable within five years other than by instalments	<u>563,234</u>	<u>603,234</u>
	Loan maturity analysis		
	In five years or more	<u>563,234</u>	<u>603,234</u>
8	Share capital	2000	1999
		£	£
	Authorised		
	2 Ordinary shares of £ 1 each	<u>2</u>	<u>2</u>
	Allotted, called up and fully paid		
	2 Ordinary shares of £ 1 each	<u>2</u>	<u>2</u>
9	Statement of movements on profit and loss account		
			Profit and loss account £
	Balance at 1 October 1999		79,769
	Retained profit for the year		69,866
	Balance at 30 September 2000		<u>149,635</u>

THE AMBASSADORS THEATRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 30 SEPTEMBER 2000

10 Reconciliation of movements in shareholders' funds	2000 £	1999 £
Profit for the financial year	69,866	60,647
Opening shareholders' funds	79,771	19,124
	<u> </u>	<u> </u>
Closing shareholders' funds	<u>149,637</u>	<u>79,771</u>

11 Contingent liabilities

A Corporate Cross Guarantee exists between The Ambassadors Theatre Limited and its parent and fellow subsidiary undertakings. The National Westminster Bank Plc hold a debenture over the whole of the assets of Ambassadors Theatre Limited.

12 Control

The company is a wholly owned subsidiary of the Ambassador Theatre Group Limited, a company registered in England and Wales.

13 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.

14 Post balance sheet events

The company agreed to purchase the freehold of the Ambassadors Theatre on 14 December 2000. Completion on the purchase is anticipated in early 2001.