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INTERNATIONAL ENTERTAINMENT HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020

Registered number: 08769976

INTERNATIONAL ENTERTAINMENT HOLDINGS LIMITED

COMPANY INFORMATION

Directors

Anthony Ball

Mark Cornell

ShanMae Teo

David Leigh

Robert Sudo

Andrew Tisdale

Siniša Krnić

Registered number

08769976

Registered office

28 St. George Street

London

W1S 2FA

United Kingdom

Independent Auditor

Deloitte LLP

Statutory Auditor

London

United Kingdom

INTERNATIONAL ENTERTAINMENT HOLDINGS LIMITED

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INTERNATIONAL ENTERTAINMENT HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020

ABOUT US

International Entertainment Holdings Limited (the Company) is an international holding group majority owned by Providence Equity Partners. The principal activity of the Company is to hold companies that carry out complementary activities across the value chain of live entertainment and theatre-related activity, principally in the UK, USA, and Continental Europe (the Group). The Group considers that these markets have significant potential for growth and forms the basis for the Group's strategy of further growth and expansion.

The Company's main holding is The Ambassador Theatre Group Limited (ATG). ATG is a global leader in live entertainment and is a fully integrated operator across the entire live entertainment value chain, with activities in venue operations, ticketing, marketing services and content production. ATG operates in Germany through its subsidiary Mehrl-BB Entertainment GmbH (Mehrl-BB), which was formed by the merger of the Mehrl Group (acquired in May 2018) with the BB Entertainment Group of companies (acquired in May 2015).

OVERVIEW ON BUSINESS OPERATIONS

ATG is focused on providing a high level of service to two groups of customers; producers and audience members. By making the end-to-end "customer journey" of our audience top priority, we will ensure that our venues are the best stages for the highest quality content developed by both our own in-house as well as 3rd party producers.

Venue Operations

The aim of our venue operations division is to provide a great service to both our producers and our audience members. We generate revenues from renting our venues to productions as well as selling food and beverages to our audience members.

In order to enhance our customers' theatre going experience, we have continued to invest in improving the quality of our venues. Many of the Group's venues are historic buildings which have an important significance in their local areas. Investment in the maintenance of these buildings is central to the Group's custodianship of them for the benefits of future generations of audiences. The development and improvement of these venues to meet the needs and expectations of today's audiences and producers are equally important.

In the UK, the Group owns and operates some of the most iconic venues with 11 in London and 21 more across the regions. The Group operates 10 theatres in the USA, including two Broadway venues (the Lyric and the Hudson), and 8 theatres in other US cities, including the Curran (San Francisco), which opened in October 2019. The Group also operates 5 venues in Germany as part of the Mehrl-BB Entertainment Group.

In the West End (UK), The Lion King (Lyceum Theatre) and Wicked (Apollo Victoria Theatre) continued their hugely successful and long term runs, and we welcomed new internationally acclaimed content to our other venues including Betrayal (Harold Pinter Theatre), Ian McKellen on Stage (Harold Pinter Theatre), The Lehman Trilogy (Piccadilly Theatre), Death of a Salesman (Piccadilly Theatre), Fiddler on the Roof (Playhouse Theatre), and

Cyrano de Bergerac (Playhouse Theatre). Our regional venues in the UK also had a strong year, with premium shows such as The Lion King, Book of Mormon, and Matilda playing to full houses and excellent reviews.

For the second year in a row, growth in admissions in the US was driven by Harry Potter and the Cursed Child, and in October 2019 the Curran Theatre in San Francisco opened as the West Coast home of this show. Other highlights included hosting David Byrne's American Utopia at the Hudson Theatre on Broadway, which played to a consistently sold-out audience, as well as Plaza Suite at the Colonial (Boston) and strong Broadway musical content (which included Hamilton) across our other regional theatres.

In Germany, admissions decreased largely due to a significant number of venues closed for renovations. The Mehr! Theatre in Hamburg was closed for 11 months of this financial period as it was refurbished from a one-nighter music venue to a theatre with back of house capabilities suitable for long running musicals and plays. The Musical Dome in Cologne was closed in August and September 2019 for works to enhance the building, and the Admiralspalast (Berlin) was closed for refurbishments by the landlord which extended the side stage and refurbished the back of house spaces. Starlight Express (Bochum) continues to perform strongly having played for over 30 years and in February 2020 we opened the Mehr! Theatre (Hamburg) for the previews of Harry Potter and the Cursed Child.

Ticketing

The Group operates the largest theatre ticketing business in the UK and sells the majority of tickets to its shows through its own ticketing businesses. ATG Tickets, the Group's in-house ticketing business continues to grow across the Regional and London venues, while the ticketing agency business of the Group, LOVEtheatre.com continued to perform steadily in a competitive London marketplace. ATG Tickets has launched in the USA with tickets sold for the Colonial, Hudson and the Curran. We have invested significantly in improving our website to increase sales conversion and have also improved our customer relationship management capabilities, both of these initiatives will improve marketing investment efficacy.

Content Production

A key strategy of the Group's Content Production division is to find, secure, and produce high-quality shows for both ATG and third-party venues. The Group develops and produces new content in addition to co-producing and investing in and presenting content from independent producers.

ATG Productions enjoyed a hugely successful year, culminating in winning Producer of the Year at The Stage Awards. The Pinter at the Pinter season, which started in FY19, finished in FY20 with a stand-alone production of Betrayal (which then transferred to Broadway). Other highlights for ATG Productions included 9 to 5 The Musical (Savoy Theatre), Caroline, or Change (Playhouse Theatre), Touching the Void (Duke of York's Theatre), and Cyrano de Bergerac (Playhouse Theatre).

Sonia Friedman Productions also enjoyed a strong year, with The Inheritance transferring to Broadway (shortly after winning an Olivier Award), and Rosmersholm (Duke of York's Theatre), Uncle Vanya (Harold Pinter Theatre) and Leopoldstadt (Wyndham's Theatre) also receiving critical acclaim. The success of Harry Potter and the Cursed Child continued, opening in Melbourne, San Francisco and Hamburg, and the announcement of the show opening in Toronto for Autumn 2021.

In Germany, Mehr-BB! continued to delight European audiences with West Side Story, The Bodyguard, and their new production of Berlin Berlin. Due to COVID-19, the press launch of the German production of Harry Potter and the Cursed Child was delayed.

Marketing

The Group through its subsidiary companies of AKA Group, headquartered in London and BB Group, head-quartered in Mannheim, Germany, is able to offer a wide range of marketing services, which are in-line and complementary to the Group's overall strategy. AKA, a global entertainment marketing and media advertising agency for the live entertainment, arts and cultural industries has offices in London, Manchester, New York and Australia. AKA has continued to support the Group's strategy of developing independent yet complementary business lines to provide a full service experience to clients within the theatre and live entertainment industry. Furthermore, AKA has seen its business offering extend further afield with clients not directly linked to the live entertainment industry, such as museums, galleries, gardens and zoological centres.

Alongside its production services, Mehr-BB Group, via its subsidiary ESMS, provides marketing services for live entertainment productions in German-speaking Europe.

The directors see the Group as strongly placed for future success, with its complementary activities and operations located in each of the key theatrical markets across the world.

REVIEW OF FY20

The period to 28 March 2020 was a year of continued transformation and integration for the Group, with a review of all areas of the business to ensure the foundations of the business are sufficiently robust to support the growth aspirations of the directors and shareholders.

Up until the middle of March, FY20 was a very successful year with our world-class creative teams (ATG Productions, SFP and BB) producing high-quality and award-winning content around the world with strong ticket sales compared to full year 2019. However, in March 2020, the COVID-19 pandemic impacted the Group significantly, with all of our global venues closing by 17 March 2020.

The final month (March) of FY20 was a period of considerable uncertainty for all businesses, including ours, which warranted a response to the unprecedented impact of the COVID-19 pandemic. We recognised quickly that there were likely to be significant implications of this pandemic on ourselves, as well as all other location based entertainment businesses. Our marketing services business was also impacted as many of its clients are theatrical or location entertainment businesses, like museums and galleries. By 17 March 2020, we had closed all of our venues worldwide, in order to protect show casts and crew members, our employees and visitors. Since then, we have diligently followed all government guidelines in each relevant geography.

As a result of this pandemic, and in order to protect and manage our business, we have taken the following measures:

- created a Business Continuity Committee, which has been focused on crisis management and key decision making;
- ongoing engagement with all our stakeholders, including our shareholders and lenders;
- implementation of bi-weekly cash flow forecasts to manage liquidity at a granular level throughout the Group;
- robust scenario modelling to drive decision making;
- proactive management of rescheduling shows to future dates to minimize the level of show cancellations;
- a significant element of the Group's cost base relates to wages and salaries. Where possible, and subject to local regulations, staffing levels and hours worked have been reduced. Employees have also undertaken salary sacrifices, with the Directors drawing no salary for the period from April to June, followed by collecting a reduced salary from then on. Government support has been utilised to offset staffing costs that continue to be incurred;
- capital expenditure has been rephased or delayed; and
- actions have been taken to defer or reduce payments of fixed costs and unpaid variable costs from the pre-crisis period, including agreements with government fiscal authorities on certain tax payments.

The loss before tax for the period of £33.9 million (2019: £28.2 million) is higher than last year driven by the impact of one-off losses related to COVID-19, specifically provisions related to costs of refunds, cancelled shows and bad debt, coupled with related impairment charges booked and increased depreciation charge as a result of the first full year of accounting for all leases under IFRS16 – Leases. Loss after tax was £25.9 million (2019: £31.5 million).

Capital structure and investment

As of year-end, our senior drawn facilities were £427.4 million with an additional £5.6 million of undrawn facilities remaining. The maturity date of these facilities is 2023. Subsequent to the year end, due to the COVID-19 situation, the Group entered into discussions with our lenders for a covenant amendment. This amendment enables the Group to adjust its covenants whilst our venues are closed or limited in operations due to COVID-19, thereby reducing the risk of covenant default. As part of the amendment, a minimum liquidity covenant was introduced, which requires the business to maintain a certain level of cash.

The business continued its level of investments in property, plant and intangible assets, with £43.7 million (2019: £23.4 million) invested in property, plant and equipment (refer to note 13), £6.2 million (2019: £9.4 million) invested in software and £7.4 million (2019: £nil) invested in pre-production related costs, as part of Other Intangibles (refer to note 12).

Advanced ticket sales

Due to the COVID-19 situation, the Group has been managing its obligations with regards to refunds on advance ticket sales for the period of suspended bookings by actively rescheduling performances to future dates, issuing vouchers to use for future bookings as well as creating a temporary call centre to process and manage the increased volume of customer refund related enquiries.

KEY PERFORMANCE INDICATORS

Non-financial

Global Admissions	Global Occupancy	Number of tickets sold
12.3m	**68.5%**	**9.5m**
(2019: 12.0m)	(2019: 64.3%)	(2019: 9.0m)*

Financial

Revenue	*Operating profit*
£476.7m	**£2.2m**
(2019: £443.2m)	(2019: £28.3m)

*PY figure restated to include tickets sold by ATG as well as all fee generating tickets.

The directors consider the financial and operational performance and position of the business using a range of non-financial and financial metrics.

Non-Financial KPIs:

- Global admissions (number of people attending a performance that has occurred within the relevant period) have grown by 2.5% year on year. Growth in admissions are driven both by the increase in our global venue portfolio as well as the strengthening in quality of content shown in our venues.

- Global occupancy has increased by 4.2% year on year, indicating the strengthening of the quality of our content. Our global occupancy of 68.5% indicates the further headroom for growth.

- Number of tickets sold (ticket sale transactions during the relevant period that may be for performances that mature beyond the relevant period), has increased year on year by 5.5%, driven by the growth in venues as well as the improvement of the content slate in the upcoming periods.

Financial KPIs:

- Revenue has increased by £33.6 million from 2019, driven by increased sales as a result of better content in the US, and the opening of Harry Potter and the Cursed Child in San Francisco. Please refer to note 3 for geographical analysis of revenue.

- Operating profit has decreased year on year to £2.2m (2019: £28.3 million) driven primarily by the impact of COVID-19 across the theatre industry, resulting in one-off losses specifically due to provisions related to costs of refunds, cancelled shows and bad debt. The Group has also recognised impairment charges this year, vs £nil in the PY and increased depreciation charge as a result of the first full year of accounting for all leases under IFRS16 – Leases, has also contributed to the decreased profit.

FINANCIAL POSITION AND CASH FLOW

The position of the Group at the period-end is set out in the consolidated statement of financial position on pages 36 and 37, and in the related note on pages 41 to 94.

- Cash from operating activities has increased by £16.5 million driven by a year on year increase in operating cash flows before working capital movements of £28.4 million, offset by lower working capital movements of £8.2 million and higher corporation tax payments of £3.7 million.

- Investing cash flows include £54.1 million (2019: £28.5 million) of capital expenditure and intangible assets invested to improve the quality of the venues as described above and to invest in operating infrastructure and systems, offset by £1.9 million (2019: £0.3 million net investment in show) net recoupment in show investments in the period.

- Although net senior debt is higher year on year, the closing cash position of the Group is £40.1 million higher which includes an increased escrow balance of £8.8 million (2019: £7.4 million). During the period, £69.4 million (2019: Nil) was drawn on the RCF facility, resulting in £5.6 million (2019: £75 million) being unutilised at the end of the year.

Leverage and liquidity

The Group performed comfortably within its net leverage covenant throughout the period. The net leverage covenant, specifically focuses on the drawn senior debt of the Group (refer to note 19) net of cash, which at 28 March 2020 was £297.3 million (£358.0 million of senior debt plus £69.4 million of RCF, net of cash (excluding escrow) of £130.1 million) was £30.9 million higher than the prior year ending balance of £266.4 million.

Cash

As at 28 March 2020, the Group had cash and cash equivalents of £139.1 million (2019: £99.0 million), including escrow accounts which are held for use primarily in connection with specific productions. The Group also had additional available facilities of £5.6 million (2019: £75.0 million). The cash balance increased by £40.1 million in the period, of which freely available cash increased by £38.6 million.

£m	
Operating cash flows	62.2
Investing cash flows	(52.2)
Financing cash flows	28.5
Net cash flows	**38.5**
Impact of foreign exchange	1.6
Movement on cash balance	**40.1**

Financing cash flows include debt drawdowns of £69.4 million to improve immediate liquidity of the business, net of finance lease and short-term credit facility repayments of £18.0 million, and interest paid of £22.9 million.

Borrowings

The Group has total available bank facilities of £433.0 million, of which £5.6 million remains undrawn at the period end.

The senior debt is secured by a debenture over the majority of the assets of the Group. The senior facilities agreement also requires the Group to comply with certain covenants. As at 28 March 2020, the Group was in compliance with its covenants.

The Group also has other debt items, which are secured against the assets of its shareholder, of £84.4 million (2019: £82.6 million). Interest is non-cash paying and accrues at a total rate of LIBOR plus 1.5%. That debt is secured over the assets of the Group's shareholder, and the facility expires in 2023. There is a finance lease creditor of £177.2 million (2019: £89.7 million).

The maturity of the debt is shown in notes 19, 20 and 27 to the financial statements.

SUBSEQUENT EVENTS

FY21 will be significantly affected by the COVID-19 pandemic, with the majority of our venues around the world potentially closed at least until December 2020.

Although we believe that our business will not be impacted in the long run from the COVID-19 pandemic, we have conducted an impairment review of our assets in the context of potential short-term implications. The assets with the highest risk of impairment are production assets, where although the intellectual property continues to have value in the long run, the volatility of when each production might be able to return to the stage, the cost of a relaunch, as well as the demand scenarios of audiences has been reviewed in the light of the risks of COVID-19. Based on this assessment as of 28 March 2020, we have impaired our production assets by £13.1 million. Depending on the re-opening challenges including the length of closure and the uncertainty of audience demand, there may be a risk of further impairment in FY21, however, a reasonable estimate cannot be made at this time. We have taken advantage of the UK Government's Job Retention Scheme, which allowed us to continue to employ a great number of our staff, whilst reducing the financial burden on our business. In July 2020, we took the decision to begin a redundancy consultation, which led to the reduction in the number of our staff from August 2020. This decision was difficult to take but was a necessary action of the directors and shareholders to protect the ongoing nature of the business. In Germany, we have placed the majority of our employees on the Kurzarbeit program, where the government provides an "income replacement" rate of 60-67% of the employee's salary.

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

Subsequent to the year end, the directors have continued to seek alternative sources of finance. On 11 September 2020, the shareholders of the Group have signed a definitive agreement to secure funding which is intended for the Group. As of the date of these financial statements, negotiations remain ongoing with the Group's shareholders as to the extent and timing of funds that will be made available to the Group.

FUTURE DEVELOPMENTS

The strong fundamentals that underpin the theatrical industry combined with the quality of our portfolio of venues contribute to the Directors' confidence in the long term growth of the business in future years. In order to withstand the current challenges of COVID-19, the Group will continue to judiciously monitor its cost base in order to reduce its liquidity requirements whilst ensuring that we are adequately prepared for a speedy return to operations.

PRINCIPAL RISK AND UNCERTAINTIES

The Group's risks are monitored and managed through a framework of policies, procedures and internal controls. Policies and procedures are subject to board approval and ongoing review by management. The directors consider the following to be the Group's principal operational and financial risks as at the date of this report.

Operational Risks	*Description*	*Mitigation*	Direction of risk from prior year
Pandemic risks affecting venue operations	Government regulations may impact our ability to open our venues if there is considered to be a pandemic risk. The COVID-19 pandemic has led to the forced closure of our venues worldwide. We are subject to government regulation regarding the ability to operate during a pandemic (such as COVID-19).	*We are constantly monitoring the situation and* are in direct contact with national and local government in each of the geographies where we operate. We are conducting thorough planning and safety protocols in order to be able to open safely when restrictions are lifted.	*The risk in comparison* with prior years has increased due to the impact of COVID 19. In addition to the Government closures, the risks associated with operating our venues safely to mitigate the spread of COVID-19 and maintain the health and safety of our staff and visitors to the venues has increased. These risks have been mitigated by measures adopted by the Group to ensure the safety of staff and visitors, including: enhanced cleaning, protocols on venue entry, enabling track and trace capabilities, facilitating contactless modes of payment and service.
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*	The Group's aim is to attract customers with high quality productions and manage dark periods through nurturing and developing *strong relationships* with show producers and	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.

	global pandemic or terrorist attacks. Historically, the theatre industry has proven to be resilient in the wake of unexpected events over previous periods.	investing in the development of new show content. To reduce the risk of lower attendance due 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.	
Building safety	Serious incidents leading to guests, staff members or contractors being harmed as a result of: - a failure to follow safety management systems; - inadequate maintenance and management of buildings, infrastructure and vegetation; or - sub-standard build quality, asset degradation, fire, flood, storm or utility failure.	- Regular performance reviews by Board Committee with a specific mandate for this area. • Ownership of health and safety risks by line management. • Competent operational and engineering staff monitor and inspect facilities in accordance with a planned programme, backed up by professional HSS teams. - Annual risk register and action planning processes. Regular internal and independent external auditing and review regimes. • Contractor selection, approval and monitoring by in-house qualified project managers.	Building safety risks have increased due to the additional obligation to mitigate the spread of COVID-19. This risk is mitigated by increased health and safety measures that have been implemented by the Group to ensure that Government safety guidance is met.

Lack of available opportunities for value creation	Acquisitions and new business ventures may not yield expected results if potential synergies and value creation opportunities are not successfully realised.	Management has significant experience of acquisition and integration activity and works with third party advisors to ensure that appropriate due diligence is carried out prior to acquisition, and that local laws and regulations are followed. Detailed, cross-functional plans are created to ensure that newly acquired businesses are effectively and efficiently integrated into the Group.	Risk remains the same as previous years. Downturns in the markets can result in an increase for acquisition opportunities however the risk associated with ensuring that such opportunities yield value remains the same.
Cyber security	The rapid pace of change in technology has evolved the Group's operations but it has also created a sophisticated and complex set of security issues.	Threat management tools which were rolled out across the Group are continuously reviewed and maintained by internal and external third party specialists.	The risk of cyber security attacks during the COVID-19 Pandemic has increased as noted by the National Cyber Security Centre; however due to the mitigation measures implemented, our risk remains the same.
BREXIT	The UK left the EU on 31 January 2020. There is now an 11-month transition period during which the trade deal is to be agreed. A 'no deal' BREXIT remains a real possibility. In the event of a 'no deal' BREXIT, the UK would automatically lose access to the single market and the customs union. The key risk areas for the Group in relation to a no deal BREXIT are:	We are constantly monitoring the situation and audits have been completed to determine: **Workforce:** The Group's number of workers from the EU are not significant enough for any notable impact. At this stage we continue to consider how best to support workers from the	The risk in comparison with prior years has increased due to: - A trade deal not having been agreed yet - The transition period expiring at the end of 2020 - The impact on the EU Withdrawal Agreement in the event that the Internal Market Bill is passed.

Access to goods: EU imported goods may be in short supply or significantly more expensive to purchase in a 'No Deal' BREXIT.

Access to labour: EU nationals who arrived before or during the transitional period have safeguards in place to allow them to remain in the UK; however for EU nationals arriving after the transition period, may need to apply for visas as per nationals from other countries. Data transfers.

The UK Government has stated that it will permit transfers of personal data from the UK to those Member States remaining in the EU.

In the event of a 'no deal', the UK will automatically become a "third country" (i.e. a country outside the EEA). At this point, the Group will need to ensure that there are GDPR compliant mechanism in order to continue to allow data transfers from the EU to the UK.

EU to make sure they have all the information they need.

Food and Beverage: The main areas of risk are in the wine, beer and coffee categories which are either manufactured or imported from the EU. To mitigate against the risk of unavailability of supply or steep increases in price, the Group has worked with its main suppliers to ensure that non- EU products are available.

Data Transfers: The UK Government is currently expecting that an adequacy decision will be made in respect of the UK to allow transfers of data to continue. The process for obtaining the adequacy decision is on going. In the meantime, the Group continues to audit its data transfers and seeks to use, where appropriate, other GDPR compliant mechanisms for the transfer of data.

Tax: Following completion of the audit, consideration has been given to the impact on Withholding Tax on any future dividends, royalties or interest received from Germany post Brexit. The UK/Germany Double Tax Convention provides for reduced rates on interest, royalties

Tax: The main risks for the Group include:

- *Customs*
- VAT changes
- Withholding tax

and dividends so the Group is not reliant on the Parent Subsidiary Directive for reducing these taxes.

The Group has also obtained its EROI number to ensure transactions with Europe post-Brexit can take place.

The Group does not anticipate any immediate material VAT changes but continues to monitor the situation.

Financial Risks	Description	Mitigation	Direction of risk from prior year
Liquidity risk	Liquidity risk is the risk that cash may not be available to pay obligations when they fall due. Please refer to the going concern disclosure on page 26 to 28.	The Group has significantly reduced its costs during the dark time, coupled with bi-weekly monitoring of cash forecasts by each affiliate. The Group also must meet a minimum liquidity threshold, which was negotiated as part of the covenant amendment with the external Lenders. The Group is managing its liquidity by raising additional capital to fund the business during an extended dark period.	Liquidity risk in our business has increased significantly compared to previous years as a result of the closure of venues, due to the COVID-19 pandemic.
Interest rate risk	The Group has significant levels of floating rate borrowings and is therefore exposed to the impact of interest rate fluctuations.	The Group monitors its exposure to this risk on a regular basis and works closely with the shareholders to govern the level of debt that the business should be exposed to, while considering the cost/benefit of entering into interest rate swap arrangements.	While overall financial markets are more volatile compared to a year ago, the level of risk on the interest rate has not changed.
Foreign exchange risk	Foreign exchange risk is the risk of volatility due to a change in foreign currency exchange rates.	The Group's activities, particularly within the USA, Germany and Australia, expose it to an element of financial risk of change in foreign currency exchange rates. The US dollar	Foreign exchange risk has not increased for the Group from the prior year.

		exposure acts as a natural hedge for our US-*backed investors and the Euro and Australian* Dollar exposure is limited.	
Credit risk	Credit risk is the risk that a counterparty will be unable to pay amounts in full when due.	The majority of ticket sales are to the general public who pay for their tickets in advance of shows taking place, and there is therefore limited credit risk attached to these sales. There are also sales via third party agents, with whom the Group has long standing *relationships. There is close monitoring of* debtors who fail to pay within the Group's contractual payment terms. Cash is invested with a number of different banking partners, thereby reducing the risk of concentration.	There is increased credit risk with counterparties that may be adversely impacted by COVID 19. *In order to mitigate* these risks, we review terms of engagement in order to reduce any credit risk as well as credit scoring any new customers or suppliers that we engage with.

Financial risk management is discussed further in note 27.

CORPORATE AND SOCIAL RESPONSIBILITY

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.

As reported in the 2019 annual report, venues are required to complete their own *Project Blackout* surveys at least annually. The project identifies overnight energy waste issues and engages with senior management, venue staff and the Group's Environmental Ambassadors to implement simple "switch off" solutions. Results of the surveys highlight continued installation of LED bulbs, including sensor controls, with some venues progressing to quarterly mini-blackout surveys. In the US, the Lyric Theatre and Kings Theatre, both use LED bulbs in lobbies and the auditorium. There are programmed night modes around the venues to reduce energy consumption. Procedural and behavioural change remains the focus for continual improvement for energy efficiency.

The UK Facilities team delivered a refurbishment of our Charing Cross Road office, which provided increased seating capacity and lowered the energy usage as a result of switching to LED lighting.

Our People

Number of employees at 28 March 2020	Women	Men	Total
Directors of the company	1	4	**5**
Other senior management	24	40	**64**
Employees	3,507	2,912	**6,419**

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.

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.

The Group continues to run its "Be a Star" and "Be a Star Manager" training programmes, focusing on Front of House and Box Office staff from when they join the Group, developing their skills to improve customer experience, and further along the line, the key aspects of people management. The Group also runs a two year "Rising Star" programme for some of our highest potential junior staff as well as a leadership course for senior managers "Leading Lights". In FY20, we launched our sixth cohort of Rising Stars, and a third Leading Lights class.

The Group's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

We continue to support internal engagement initiatives such as International Women's Day, Pride and Mental Health Awareness week, with more people getting involved in all geographies.

Social and Community Involvement

The Group recognises that regional theatres, both in the UK and USA, are rooted in the heart of their local communities.

Many of the UK regional theatres have Creative Learning departments which take a leading role in contributing to the social cohesion of their communities in partnership with charities, trusts and organisations nationwide, including several local authorities and further education partners. Over the course of a year, Creative Learning can boast more than 70 000 participants of all ages and abilities throughout the UK.

People of a wide variety of ages and abilities participate in the Group's Creative Learning activities. Often inspired by the productions at venues, these can include workshops with visiting companies, backstage tours and pre-show talks, and also Youth Theatres, summer schools and classes for adults. In addition to this, many regional venues are used for several weeks a year by local amateur production companies.

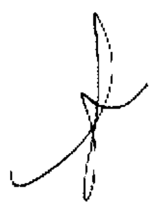
On Broadway, Lyric Theatre hosts an autism friendly performance of Harry Potter and the Cursed Child, enlightening more than 900 children and adults who are diagnosed with an autism spectrum disorder or other sensitivity issues and their families and friends. Partnering with Theatre Development Fund (TDF), slight adjustments to the production have been made so that the show is presented in a friendly, supportive environment. Hudson Theatre hosts the 52nd St. Project at a performance of David Byrne's American Utopia. Founded in 1981, the 52nd Street Project is a community-based arts organization, with a mission to bring together kids from Hell's Kitchen in Manhattan with theater professionals to create original theater offered free to the general public. Teenagers from the organization's songwriting group enjoyed the show and were delightedly surprised by a "Meet & Greet" with David and the entire band after the performance. The evening also served as a fundraiser for the Project where money raised would support the beloved non-profit organization.

CAUTIONARY STATEMENT

The Strategic Report has been prepared solely to provide information to shareholders to assess how the directors have performed their duty to promote the success of the Group. The report contains certain forward-looking statements, which are made by the directors in good faith based on the information available to them at the time that the report was signed, but are subject to inherent uncertainties underlying any forward-looking information and as such should be treated with caution.

APPROVAL

This report was approved and authorised for issue by the Board of Directors on 23 September 2020 and signed on its behalf by:



ShanMae Teo
Director

INTERNATIONAL ENTERTAINMENT HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020

RESPECT OF THEIR PERFORMANCE OF THEIR STATUTORY DUTIES IN ACCORDANCE WITH SECTION 172(1) COMPANIES ACT 2006

The Board of Directors of International Entertainment Holdings Limited consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its stakeholders as a whole (having regard to the stakeholders and matters set out in section 172(1) (a f) of the Act) in the decisions taken during the period ended 28 March 2020.

S172(1) A "*The likely consequence of any decision in the long term*"

The Directors have taken the decisions that they believe best support IEH's strategic ambitions. More information can be found under 'Future Developments' on page 8.

S172(1) B "The interest of the Group's employees"

The Directors recognise that IEH employees are fundamental and core to our business and the delivery of our strategic ambitions. An annual employee 'Company Day' delivered in London provides a briefing on the Group's performance and allows individuals to raise questions and concerns. The Group monitors its employee's commitment to its guiding framework by asking members of senior management to submit an annual declaration confirming whether they have complied with the Group's Code of Conduct.

If any employee wishes to highlight any potential breaches to the Code of Conduct, they can contact the independent whistleblowing services provider and a formal investigation follows, with anonymous reporting to the Audit Committee. Annual employee engagement surveys are performed to highlight areas of *improvement in communication of the Group's purpose. The Board considers the results of all employee* engagement surveys a good barometer of the workforce's confidence in the Group's strategic direction, optimism in the future and career opportunities.

More information can be found under 'Our People' on page 16.

S172(1) C "The need to foster the Group's business relationships with suppliers, customers and others"

The Group's stakeholders are customers, producers, suppliers, employees, shareholders and lenders and the Board recognises the need to regularly review the identity of its stakeholders as it makes decisions. The Board promotes accountability and transparency with all stakeholders.

The Group's fundamental belief in promoting the public good is demonstrated and supported by our Senior Leadership's active engagement across industry bodies and our stakeholder community.

The Group tracks customer satisfaction in several ways. A comprehensive Mystery Shopper Programme is in place with regular visits to all UK venues providing scores and practical feedback across Customer Engagement, Service Excellence, Theatre Presentation and Selling Skills. This process is run by an external company to ensure independence. The findings are used to improve customer engagement with knowledge being shared across all of our business. Online we continuously track and report on customer interactions and sentiment across social media. In August 2020 our Trust Pilot score reached 4.2 stars out of a possible 5 and 70% of the overall reviews rate us as 'Excellent' or 'Great'.

The Group produces Gender Pay Reporting and Payment Practices and Performance Reporting, both of which are published externally. The additional analysis required to conduct this reporting has highlighted some areas on which the Group needs to improve. The Group welcomes these changes as it is looking to constantly improve in its engagement with all stakeholders. The Group communicates openly with the Chair of the pension trustee, who is independent of the Group. The trustees comprise individuals nominated by both the pension scheme members and the Group. These relationships are key to ensuring that the decisions made by both the Group and the scheme reflect the interest of all stakeholders.

S172(1) D "The impact of the Group's operations on the community and the environment"

The Directors recognise the importance of their environmental responsibilities. More details can be found under 'Environmental matters' on page 16 and 'Community Involvement' on page 17.

S172(1) E "The desirability of the company maintaining a reputation for high standards of business conduct"

The Group has zero tolerance for modern slavery, bribery and other forms of corruption. We implement and enforce effective systems to counter modern slavery, bribery and corruption and have internal policies in place to educate our employees about how to recognise and deal with these issues so as to ensure compliance with laws.

We remain committed to combatting modern slavery, bribery and corruption by:

- Auditing our supply chains;
- Training our staff to recognise these issues;
- Monitoring potential risk across our business.

We have a dedicated whistleblowing service for our employees to report misconduct or unethical practices and have a policy which clearly sets out how members of staff can raise any concerns which they may have.

Details of our code of conduct and modern slavery can be found on the ATG website:

https://www.atg.co.uk/corporate-information

https://www.atg.co.uk/atg-modern-slavery-and-human-trafficking-statement

S172(1) F "The need to act fairly as between members of the company"

At every Board meeting, the Directors review with the management team, the progress against strategic priorities and the changing shape of the business portfolio.

This collaborative approach by the Board, together with the Board's approval of the Group strategy, helps it to promote the long-term success of the Group. Board decisions are taken against the backdrop of what it considers to be in the best interest of the long-term financial success of the Group and its stakeholders, including shareholders, employees, the community and environment, our suppliers and customers.

Principal decisions

We outline some of the principal decisions made by the Board over the year and explain how the Directors have considered various stakeholders over the course of decision-making.

1. **Harry Potter Hamburg**

   The Board approved the refurbishment of our theatre in Hamburg in order to convert it from a one nighter music venue to a theatre capable of housing long running sit down musicals and plays. The Board also approved that the first production for the Hamburg theatre would be the play Harry Potter and the Cursed Child. As a groundbreaking show, the Board considered it important to be able to make this play available to non English speakers. German speaking fans are able to attend the show which is presented in German without having to travel to other regions. The members of the Board were satisfied that the refurbishment and hosting of the show would result in a long-term positive effect for the Group and would bring with it further opportunities for growth by enhancing our reputation as a producer and venue operator. The Board also considered the impact of the show on its employees, noting that a new long running show such as this would create more job opportunities for staff.

2. **Harry Potter Tokyo**

   The Board approved the venture to partner with our key Japanese counterparts to present Harry Potter and The Cursed Child in Tokyo in Japanese. The Board considered it important to be able to make this play available to the large fanbase in Japan. The members of the Board were satisfied that the producing of the show would result in a long-term positive effect for the Group and would bring with it further opportunities for growth by improving our relations with partners in the Japanese market.

3. **In-house F&B development**

   In 4 of our venues in the US, we previously engaged a third-party operator to provide F&B services. The Board considered it prudent to bring this operation in-house. Bringing the operations in-house has allowed us to make use of economies of scale in terms of purchasing which drives returns for shareholders and has the potential to reduce cost for customers whilst improving the service offering in terms of the range and quality of products that we are able to provide. This has also allowed the Group to create further synergies with the existing venue teams in those venues making it easier for venues to manage their own budgets.

4. **The development and roll-out of our new ticketing front end system known as Bolt**

   As an e-commerce business it is important to continue to evolve to retain customers. The members of the Board were satisfied that the development and roll-out of the Bolt platform was an important step for the Group to take to improve the user experience for our customers. Improved conversion rates as a result of the improved user experience would in turn drive higher returns for our producing partners and our shareholders.

5. **Introduction of a Chief Security Information Officer**

   As an e-commerce business which handles large volumes of customer data, it was deemed prudent to appoint a Chief Security Information Officer to continue to build on the IT security programs that are currently on-going within the business. The members of the Board were satisfied that the appointment would result in a long-term positive effect for the Group. Key considerations included:

   - Ensuring security of customer data
   - Reinforcing confidence in our systems for our partners
   - Mitigating security risks and data breaches which can damage the brand and reputation of our business which could ultimately depress earnings for shareholders, and
   - Ensuring that a culture of security and awareness is embedded across our business and in particular for employees who are the ears and eyes of our business.

6. **COVID-19 Pandemic Response**

   As of the middle of March 2020, lockdowns in the UK, Germany and the USA had been imposed by their respective governments. This action in the UK whilst taken one week prior to the government imposed UK-wide lockdown, was deemed prudent and necessary in order to help control the spread of COVID 19 and protect the health and safety of our employees, customers, producing partners' company and crew and contractors who enter our premises.

   In response to the COVID-19 Pandemic and prior to our closure on 17 March 2020, the Board had already tasked its Business Continuity Committee to focus on implementing our business continuity plans. The pre-closure actions implemented by the Business Continuity Committee ensured that all non-venue based work could continue remotely including our contact centres which have been key to maintaining contact with our affected customers.

   This committee continues to work on crisis management and key decision making in order to ensure that our business remains robust despite the challenging climate we continue to operate in.

INTERNATIONAL ENTERTAINMENT HOLDINGS LIMITED

DIRECTORS' BIOGRAPHIES

Mark Cornell, Chief Executive Officer

Mark Cornell was appointed Group CEO of the Ambassador Theatre Group in May 2016. Prior to this he was Managing Director of Sotheby's Europe and preceding that, spent 10 years at LVMH, including President and Chief Executive Officer of Moet Hennessy USA and Chief Executive Officer of Krug Champagne. Mark has vast experience in managing large organisations, as well as successfully leading consumer-orientated brands in the UK, Europe and the USA.

Anthony Ball, Non-Executive Chairman

Anthony Ball became Chairman of International Entertainment Holdings Limited in December 2016 and has been a senior advisor of Providence Equity Partners since 2013. He has had a long and successful career in the media and entertainment industries in the UK and internationally, as chairman of Kabel Deutschland from 2005 to 2013 and as CEO of BSkyB, the largest pay TV broadcaster in Europe. Prior to this, he was the CEO of the News Corporation/Liberty Media joint venture, Fox/Liberty Networks, which included the FX Networks, Fox Sports Net and over 20 regional sports channels throughout the U.S. He is a non executive director of BT Group and chairman of Portland Communications. Anthony received a MBA from Kingston University and has been awarded honorary doctorates from both Middlesex University and Kingston University.

Sinisa Krnic, Non-Executive Director, Providence Equity Partners

Sinša Krnić is a director at Providence Equity Partners, based in London and is responsible for European tax structuring and compliance. Prior to joining Providence in 2007, Sinsa worked at Deloitte for nine years and most recently served as a director in the mergers and acquisitions tax group. Sinisa received a Master of Physics from Oxford University.

David Leigh, Non-Executive Director

David Leigh joined the International Entertainment Holdings Limited board as a non-executive director in October 2015. He is CEO at Alexander Mann Solutions, a role he has held since November 2019. Prior to joining Alexander Mann, David was CEO of Study Group, and prior to that was CEO of SHL. Prior to SHL, he was on the Executive Committee of Groupe Steria, with responsibility for Business Process Outsourcing. David's earlier background was in private equity (iFormation Group, a joint venture between Goldman Sachs, General Atlantic Partners and the Boston Consulting Group), consulting (McKinsey & Co) and law (Herbert Smith). David has an MA in Social and Political Sciences from Cambridge University and a post-graduate legal qualification from the College of Law, London.

ShanMae Teo, Chief Financial Officer

Before joining the executive team in June 2016, ShanMae was a non-executive director of the Company and a director at Providence Equity Partners. Prior to joining Providence Equity Partners in 2007, ShanMae was a consultant at Bain & Company in London, where she focused on projects for private equity and corporate clients in industries including communications and information services, consumer products and utilities. Prior to Bain, she was with M/C Venture Partners, a venture capital firm focused on communications services investments. Previously, ShanMae worked at Aaero and Salomon Smith Barney. ShanMae received a Master of Business Administration from INSEAD and a Bachelor of Science from Boston College.

Robert Sudo, Non-Executive Director, Providence Equity Partners

Robert Sudo is a managing director at Providence Equity Partners. He is also a director of Bitė, Closer Still Media, HSE24, MasMovil and Voila Limited. Prior to joining Providence Equity Partners in 2004, Robert worked as an analyst for Goldman Sachs in mergers and acquisitions and corporate finance. He received a Diploma in Business Administration from HHL Leipzig Graduate School of Management.

Andrew Tisdale, Non-Executive Director, Providence Equity Partners

Andrew Tisdale is a managing director at Providence Equity Partners. He is also a director of Crime Communication, Closer Still Media and HSE24. Prior to joining Providence Equity Partners in 2008, Andrew was global co head of the media and communications group and a member of Morgan Stanley's management committee for investment banking. During his 18 year tenure at Morgan Stanley, Andrew held various roles within investment banking, including co head of the media and communications group for North and South America and, subsequently, the same role for Europe, the Middle East and Africa. He also led Morgan Stanley's investment banking activities in Brazil. Andrew received a Master of Business Administration from the University of North Carolina at Chapel Hill and a Bachelor of Arts from Vanderbilt University. He currently serves on the Board of Advisors for the Yale School of Drama.

INTERNATIONAL ENTERTAINMENT HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020

The Directors present their report and the audited financial statements for the period ended 28 March 2020. The directors consider the annual report and financial statements to comply substantially with all aspects of the "Guidelines for Disclosure and Transparency in Private Equity".

DIRECTORS

The directors who served during the period and to the date of signing the financial statements (except as noted) were:

Anthony Ball

Mark Cornell

Siniša Krnić

David Leigh

Robert Sudo

ShanMae Teo

Andrew Tisdale

The biographies of the current directors are presented on page 23 to 24.

The Group is majority owned by Providence Equity Partners through its investment funds, Providence Equity Partners VII A LP and Providence VII Global Holdings LP. Providence Equity Partners is a global alternative investment firm established in 1989 focused on education, media, communications, and information investments. The firm's private equity platform specialises in sector focused buyout transactions and growth capital investments. Providence Equity Partners made its investment in the Group through IE Luxco S.à.r.l.

DIRECTORS' INDEMNITIES

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

RESULTS AND DIVIDENDS

The loss for the period after taxation amounted to £25.9 million (2019: £31.5 million).

No dividends have been paid during the current period (2019: £10.9 million). No dividends are proposed in respect to the current period.

GOING CONCERN BASIS

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

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

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

In order to preserve liquidity and mitigate the impact of the fixed cost base during the crisis period, the Directors of the Group have taken the following measures:

- created a Business Continuity Committee, which has been focused on crisis management and key decision making;
- ongoing engagement with all our stakeholders, including our shareholders and lenders;
- implementation of bi-weekly cash flow forecasts to manage liquidity at a granular level throughout the Group;
- robust scenario modelling to drive decision making;
- proactive management of rescheduling shows to future dates to minimize the level of show cancellations and therefore refunds;
- a significant element of the Group's cost base relates to wages and salaries. Where possible, and subject to local regulations, staffing levels and hours worked have been reduced. Employees, including senior management and directors, have also undertaken salary sacrifices. Government support both in the UK in the form of the Job Retention Scheme and in the Germany in the form of the Kurzarbeit program has been utilised to offset staffing costs that continue to be incurred;
- capital expenditure has been rephased and prioritized on essential maintenance; and
- actions have been taken to defer or permanently reduce payments of fixed costs and unpaid variable costs from the pre-crisis period, including agreements with Government fiscal authorities on certain tax payments.

INTERNATIONAL ENTERTAINMENT HOLDINGS LIMITED
DIRECTORS' REPORT (continued)
FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020

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

Based on these forecasts and other factors which may impact the Group's future liquidity position, the Directors have concluded that it is appropriate to prepare the financial statements on a going concern basis. However, given that the COVID 19 situation continues to evolve, there exists a material uncertainty related to events or conditions that may cast significant doubt about the Group's ability to continue as a going concern.

The events or conditions are as follows:

- The funding requirement for the next 12 months ranges significantly based on the re-opening scenarios for theatres, in terms of re-opening dates, potential restrictions on how our venues can operate (i.e. social distancing requirements), and the level of demand from audiences. At present, governments in cities where we operate continue to advise that theatrical venues either should remain closed or only allowed to be open virtually or with social distancing measures;
- The Group holds £433 million of committed facilities which are subject to net leverage and liquidity covenants. There is a reduced risk of default on the net leverage covenant, due to a recent amendment which allows for an adjustment to net leverage covenant testing whilst theatres are closed by governments due to COVID-19. However, the Group is also subject to a minimum liquidity covenant.

The Group has net current liabilities of £168.7 million (2019: £117.9 million) and net assets of £49.0 million (2019: £69.9 million) at the period-end date. Net current liabilities include advanced ticket sales of £142.4 million (2019: £139.0 million), which represents ticket sales for shows that have yet to mature with a portion of this amount due to flow to the Group. Excluding advance ticket sales and non-refundable grants, the Group has liabilities due within one year of £187.0 million (2019: £124.1 million) which are exceeded by current assets of £206.5 million. (2019: £163.3 million).

The Group holds cash reserves, excluding required escrow accounts, in its bank accounts of £69.8 million as at the date of approval of these financial statements. The Group has received an equity commitment of £50 million from its shareholders, of which £30 million has been drawn, with £20 million of undrawn availability. If we are allowed to open in December 2020 without any social distancing and ticket sales rebound in November, the Group will have sufficient cash to meet the minimum liquidity covenant. If our re-opening is delayed beyond December with a corresponding delay in ticket sales, additional funding would be required.

In order to mitigate the risks highlighted above, the Directors are engaging with the Group's shareholders and lenders to explore funding solutions. As of September 11, the shareholders of the Group have signed a definitive agreement to secure funding which is intended for the Group. As at the date of this report, there is no commitment of funds to the Group but negotiations with the shareholders are advanced and the Directors have a reasonable expectation that these will conclude shortly. If the re-opening date for theatres without social distancing due to COVID-19 is delayed beyond December 2020 and in the unlikely scenario where additional funding does not occur, there is a risk that the Group may breach the minimum liquidity covenant during the 12 month going concern assessment period. If there is a breach of such covenant and such breach is not cured by the shareholders pursuant to the cure right under the financing documents, then the lenders could request that the loans be repaid.

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

MATTERS COVERED IN THE STRATEGIC REPORT

Certain matters (post balance sheet events, future developments, principal risks and uncertainties and employee matters) are discussed within the Strategic Report and incorporated into the Directors' Report by reference.

AUDITOR

Each of the persons who is a director at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

This report was approved and authorised for issue by the Board of Directors on 23 September 2020 and signed on its behalf:

ShanMae Teo

Director

Registered office

28 St. George Street, London

W1S 2FA, United Kingdom

INTERNATIONAL ENTERTAINMENT HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITY STATEMENT

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

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

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 directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;

- the Strategic Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the annual report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's performance, business model and strategy.

This responsibility statement was approved by the Board of Directors on 23 September 2020 and is signed on its behalf by:

ShanMae Teo
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTERNATIONAL ENTERTAINMENT HOLDINGS LIMITED

Report on the audit of the financial statements

Opinion

In our opinion:

- the financial statements of International Entertainment Holdings Limited (the 'parent company') and its subsidiaries (the 'group') give a true and fair view of the state of the group's and of the parent company's affairs as at 28 March 2020 and of the Group's loss for the period then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated statement of comprehensive income;
- the consolidated and parent company statements of financial position;
- the consolidated and parent company statements of changes in equity;
- the consolidated statement of cash flows;

  the related notes 1 to 31.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1 in the financial statements, which indicates that due to the uncertainty driven by the ongoing COVID-19 pandemic, the Group's future liquidity position and compliance with its liquidity covenant is uncertain. This is due to uncertainty around venue re-opening dates, potential restrictions on how the Group's venues will be able to operate, and the level of demand from audiences. The Directors are undertaking negotiations to raise additional funding by December 2020, however this has not been secured at the date of approval of the financial statements. As stated in note 1, these events or conditions, along with the other matters as set forth in note 1 to the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not qualified or otherwise modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

We have nothing to report in respect of these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTERNATIONAL ENTERTAINMENT HOLDINGS LIMITED (continued)

Use of our report

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 auditor's 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.

HWilaman

Helen Wilaman ACA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London
United Kingdom

23 September 2020

INTERNATIONAL ENTERTAIMENT HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020

	Note	**52 week period ended 28 March 2020**	52 week period ended 30 March 2019
		£'000	£'000
Revenue	3	**476,747**	443,180
Cost of sales		**(189,248)**	(199,674)
Gross profit		**287,499**	243,506
Administrative expenses		**(284,575)**	(214,810)
Share of results of associates and joint ventures	11	**(702)**	(371)
Operating profit	4	**2,222**	28,325
Other gains and losses	4	**-**	(17,249)
Finance income	7	**1,344**	1,314
Finance costs	8	**(37,473)**	(40,628)
Loss before tax		**(33,907)**	(28,238)
Taxation	9	**7,982**	(3,266)
Loss for the period		**(25,925)**	(31,504)
Attributable to:			
Owners of the Company		**(25,925)**	(31,504)
Comprehensive income			
Loss for the period		**(25,925)**	(31,504)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**5,195**	9,622
Items that will not be reclassified subsequently to profit or loss:			
Remeasurements of post-employment benefit obligations		**241**	-
Total comprehensive loss for the period		**(20,489)**	(21,882)
Attributable to:			
Owners of the Company		**(20,489)**	(19,526)
Non-controlling interests		**-**	(2,356)
Total comprehensive loss for the period		**(20,489)**	(21,882)

All activity relates to continuing operations.

There are no material differences between the losses for the periods disclosed above and their historical cost equivalents. The accompanying notes form part of and are to be read in conjunction with these financial statements.

INTERNATIONAL ENTERTAINMENT HOLDINGS LIMITED
CONSOLIDATED AND COMPANY STATEMENTS OF FINANCIAL POSITION
AS AT 52 WEEK PERIOD ENDED 28 MARCH 2020

		Consolidated		Company	
		28 March 2020	30 March 2019	**28 March 2020**	30 March 2019
		£'000	£'000	**£'000**	£'000
Investments	10,31	**4,356**	4,129	**262,575**	262,575
Interests in associates and joint ventures	11,31	**1,519**	1,673	-	-
Goodwill	12	**372,730**	368,475	-	-
Intangible assets	12	**16,328**	11,945	-	-
Property, plant and equipment	13	**430,905**	331,463	-	-
Deferred tax assets	22	**11,567**	4,713	-	-
Non-current trade and other receivables	16	**23,318**	28,689	-	-
Non-current assets		**850,724**	751,087	**262,575**	262,575
Inventories	14	**1,044**	1,262	-	-
Investments in shows	15	**3,794**	5,511	-	-
Trade and other receivables	16	**62,554**	57,560	-	-
Cash and cash equivalents	17	**139,065**	98,956	-	-
Current assets		**206,456**	163,289	-	-
Total assets		**1,067,180**	914,376	**262,575**	**262,575**
Trade and other payables	18	**260,816**	264,308	**10,900**	10,900
Borrowings	19	**69,370**	-	-	-
Obligations under finance leases	20	**19,474**	4,169	-	-
Provisions	21	**25,483**	12,686	-	-
Current liabilities		**375,143**	281,163	**10,900**	**10,900**
Net current liabilities		**(168,687)**	(117,874)	**(10,900)**	**(10,900)**
Borrowings	19	**456,670**	451,102	-	-
Obligations under finance leases	20	**157,706**	85,522	-	-
Deferred tax liabilities	22	**28,699**	26,656	-	-
Non-current liabilities		**643,075**	563,280	-	-
Total liabilities		**1,018,218**	844,443	**10,900**	**10,900**
Net assets		**48,962**	69,933	**251,675**	**251,675**

INTERNATIONAL ENTERTAINMENT HOLDINGS LIMITED

CONSOLIDATED AND COMPANY STATEMENTS OF FINANCIAL POSITION

AS AT 52 WEEK PERIOD ENDED 28 MARCH 2020

		Consolidated		**Company**	
		28 March 2020 £'000	30 March 2019 £'000	**28 March 2020 £'000**	30 March 2019 £'000
Share capital	23	**262**	262	**262**	262
Share premium account		**251,414**	251,414	**251,413**	251,413
Translation reserve		**27,483**	22,288	**-**	-
Accumulated deficit		**(230,197)**	(204,031)	**-**	-
Total equity attributable to owners of the Company		**48,962**	69,933	**251,675**	**251,675**

The Company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Statement of Comprehensive Income and related notes. The result for the year dealt with in the financial statements of the Company was £nil (2019: £nil).

The financial statements of were approved by the Board of Directors and authorised for issue on 23 September 2020. They were signed on its behalf by:

ShanMae Teo

Registered Number 08769976

Director

INTERNATIONAL ENTERTAINMENT HOLDINGS LIMITED

CONSOLIDATED AND COMPANY STATEMENT OF CHANGES IN EQUITY

AS AT 52 WEEK PERIOD ENDED 28 MARCH 2020

Consolidated:

	Share Capital	Share Premium Account	Translation reserve	Accumulated losses	Total	Non-controlling interest	Total Equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2018	262	262,314	12,666	(172,527)	102,715	2,356	105,071
Loss for the period	-	-	-	(31,504)	(31,504)	-	(31,504)
Dividends paid		(10,900)		-	(10,900)	-	(10,900)
Other comprehensive (expense) for the period	-	-	9,622	-	9,622	(2,356)	7,266
Balance at 30 March 2019	262	251,414	22,288	(204,031)	69,933	-	69,933
Loss for the period	-	-	-	(25,925)	(25,925)	-	(25,925)
Other comprehensive income/(expense) for the period	-	-	5,195	(241)	4,954	-	4,954
Balance at 28 March 2020	262	251,414	27,483	(230,197)	48,962	-	48,962

INTERNATIONAL ENTERTAINMENT HOLDINGS LIMITED

CONSOLIDATED AND COMPANY STATEMENT OF CHANGES IN EQUITY

AS AT 52 WEEK PERIOD ENDED 28 MARCH 2020

Company:

	Share Capital	Share Premium Account	Total
	£'000	£'000	£'000
Balance at 31 March 2018	**262**	**262,313**	**262,575**
Dividends paid	-	(10,900)	**(10,900)**
Balance at 30 March 2019 and 28 March 2020	**262**	**251,413**	**251,675**

INTERNATIONAL ENTERTAINMENT HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020

		For the 52 week period ended 28 March 2020 £'000	For the 52 week period ended 30 March 2019 £'000
Net cash generated from operating activities	24	**62,235**	45,685
Acquisition of subsidiaries, net of cash acquired		-	(54,861)
Acquisition of assets		-	(2,430)
Purchases of property, plant and equipment		*(40,923)*	(19,169)
Purchases of intangible assets		*(13,144)*	(9,352)
Non-cash movement on Leasehold improvement disposal		-	(14,997)
Net investment in shows		*1,855*	(273)
Net cash used in investing activities		**(52,212)**	(101,082)
New bank loans raised		*69,370*	100,000
Dividends paid		-	(10,900)
Repayments of borrowings		-	(9,076)
Repayment of obligations under finance leases		*(18,028)*	(4,253)
Interest received		*22*	1,220
Interest paid		*(22,917)*	(7,616)
Financing fees paid		-	(5,057)
Net cash generated by financing activities		**28,447**	64,318
Net increase in cash and cash equivalents		**38,470**	8,921
Cash and cash equivalents at beginning of period		**98,956**	86,749
Net increase in cash and cash equivalents		**38,470**	8,921
Foreign exchange gain on cash		**1,639**	3,286
Cash and cash equivalents at end of period	17	**139,065**	98,956

There is no cash held in the Company and as such no Company Statement of Cash Flows have been presented.

The accompanying notes form part of and are to be read in conjunction with these financial statements.

INTERNATIONAL ENTERTAINMENT HOLDINGS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020

General information

International Entertainment Holdings Limited (the "Group") is a private Company limited by shares, incorporated in the United Kingdom under the Companies Act and is registered in England and Wales. The address of the registered office is 28 St. George Street London, W1S 2FA, United Kingdom.

The principal activities of the Company and its subsidiaries (the Group) and the nature of the Group's operations are set out in in the strategic reports on pages 1 to 22.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the group operates.

Adoption of new and revised standards

Amendments to IFRSs that are mandatorily effective for the current period

In the current year, the Group has applied amendments to IFRSs and a new Interpretation issued by the *International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that* begins on or after 1 January 2019.

In the current year, the Group has applied IFRS 16 (as issued by the IASB in January 2016) that is effective for annual periods that begin on or after 1 January 2019. IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets.

The date of initial application of IFRS 16 for the Group is 31 March 2019. The Group has applied IFRS 16 using the simplified transition approach, with no restatement of the comparative information.

New and revised IFRSs in issue but not yet effective:

At the date of authorisation of these financial statements the Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

- Amendments to IAS 1 Classification of liabilities as current or Non-current
- Amendments to IAS 3 – Reference to the Conceptual Framework
- Amendments to IAS 16 - Property, Plant and Equipment: Proceeds before intended use
- Amendments to IAS 37 - Onerous Contracts - Costs of fulfilling a contract
- IFRS 16 – COVID-19 Related Rent concessions
- IFRS 17 - Insurance contracts

Annual improvements to IFRS standards 2018 – 2020 (IFRS 1, IFRS 9, IFRS 16, IAS 41)

The Directors are currently evaluating the impact of the adoption of all other standards, amendments and interpretations but do not expect them to have a material impact on the Group operation or results.

1. Significant accounting policies

Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). The financial statements have also been prepared in accordance with IFRSs adopted by the European Union and therefore the Group financial statements comply with Article 4 of the EU IAS Regulation.

The Company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Statement of Comprehensive Income and related notes. The profit for the year dealt with in the financial statements of the Company was £nil (2019: £nil).

The financial statements have been prepared on the historical cost basis, except for financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

Operating results

The operating results include transactions up to and including the Saturday on or preceding 31 March of each period.

Going concern

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

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

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

In order to preserve liquidity and mitigate the impact of the fixed cost base during the crisis period, the Directors of the Group has taken the following measures:

- created a Business Continuity Committee, which has been focused on crisis management and key decision making;
- ongoing engagement with all our stakeholders, including our shareholders and lenders;
- implementation of bi-weekly cash flow forecasts to manage liquidity at a granular level throughout the Group;
- robust scenario modelling to drive decision making;
- proactive management of rescheduling shows to future dates to minimize the level of show cancellations and therefore refunds;
- a significant element of the Group's cost base relates to wages and salaries. Where possible, and subject to local regulations, staffing levels and hours worked have been reduced. Employees, including senior management and directors have also undertaken salary sacrifices. Government support both in the UK in the form of the Job Retention Scheme and in the Germany in the form of the Kurzarbeit program has been utilised to offset staffing costs that continue to be incurred;
- capital expenditure has been rephased and prioritized on essential maintenance; and

- actions have been taken to defer or permanently reduce payments of fixed costs and unpaid variable costs from the pre-crisis period, including agreements with Government fiscal authorities on certain tax payments.

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

Based on these forecasts and other factors which may impact the Group's future liquidity position, the Directors have concluded that it is appropriate to prepare the financial statements on a going concern basis. However given that the COVID-19 situation continues to evolve, there exists a material uncertainty related to events or conditions that may cast significant doubt about the Group's ability to continue as a going concern.

The events or conditions are as follows:

- The funding requirement for the next 12 months ranges significantly based on the re-opening scenarios for theatres, in terms of re-opening dates, potential restrictions on how our venues can operate (i.e. social distancing requirements), and the level of demand from audiences. At present, governments in cities where we operate continue to advise that theatrical venues either should remain closed or only allowed to be open virtually or with social distancing measures;
- The Group holds £433 million of committed facilities which are subject to net leverage and liquidity covenants. There is a reduced risk of default on the net leverage covenant, due to a recent amendment which allows for an adjustment to net leverage covenant testing whilst theatres are closed by governments due to COVID-19. However, the Group is also subject to a minimum liquidity covenant.

The Group has net current liabilities of £168.7 million (2019: £117.9 million) and net assets of £49.0 million (2019: £69.9 million) at the period-end date. Net current liabilities include advanced ticket sales of £142.4 million (2019: £139.0 million), which represents ticket sales for shows that have yet to mature with a portion of this amount due to flow to the Group. Excluding advance ticket sales and non-refundable grants, the Group has liabilities due within one year of £187.0 million (2019: £124.1 million) which are exceeded by current assets of £206.5 million, (2019: £163.3 million).

The Group holds cash reserves, excluding required escrow accounts, in its bank accounts of £69.8 million as at the date of approval of these financial statements. The Group has received an equity commitment of £50 million from its shareholders, of which £30 million has been drawn, with £20 million of undrawn availability. If we are allowed to open in December 2020 without any social distancing and ticket sales rebound in November, the Group will have sufficient cash to meet the minimum liquidity covenant. If our re-opening is delayed beyond December with a corresponding delay in ticket sales, additional funding would be required.

In order to mitigate the risks highlighted above, the Directors are engaging with the Group's shareholders and lenders to explore funding solutions. As of September 11, the shareholders of the Group have signed a definitive agreement to secure funding which is intended for the Group. As at the date of this report, there is no commitment of funds to the Group but negotiations with the shareholders are advanced and the Directors have a reasonable expectation that these wil conclude shortly. If the re opening date for theatres without social distancing due to COVID 19 is delayed beyond December 2020 and in the unlikely scenario where additional funding does not occur, there is a risk that the Group may breach the minimum liquidity covenant during the 12 month going concern assessment period. If there is a breach of such covenant and such breach is not cured by the shareholders pursuant to the cure right under the financing documents, then the lenders could request that the loans be repaid.

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

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved when the Company has the power over the investee, is exposed or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

The results of subsidiaries acquired or disposed of during the period are included in the Consolidated Statement of Comprehensive Income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests are initially measured at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Business Combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value. Acquisition-related costs are recognised in profit or loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquire (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during a maximum period which cannot exceed one year from the acquisition date about facts and circumstances that existed at the acquisition date. Where changes occur to contingent consideration that is classified as an asset or liability, that do not qualify as measurement period adjustments, the contingent consideration is remeasured at subsequent reporting dates with the corresponding gain or loss being recognised in profit or loss. To the extent that the terms of contingent consideration arrangements include service conditions, consideration is treated as a cost of employment and is recognised over the period to which the service conditions relate.

The Group reports provisional amounts until the measurement period is completed.

Investments

Investments in subsidiaries are valued at cost less provision for impairment.

Associates and joint arrangements

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities (i.e. activities that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control. Joint arrangements are classified into two types - joint operations and joint ventures.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement. The type of joint arrangement is assessed by considering its rights and obligations, by considering the structure and legal form of the arrangement, the contractual terms agreed to by the parties to the arrangement and, when relevant, other facts and circumstances.

The assets and liabilities (and related revenues and expenses) of joint operations are recognised in proportion to the interest in the arrangement.

The results and assets and liabilities of associates and joint ventures are incorporated in these financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognised in the consolidated Statement of Financial Position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Goodwill

Goodwill is not amortised but is reviewed for impairment at least annually.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Impairment of non-current assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. Goodwill is reviewed for impairment at least annually.

For the purpose of impairment testing, goodwill is allocated, at acquisition, to the cash generating units (CGUs) or group of units that are expected to benefit from that business combination.

An impairment loss is recognised if the carrying amount of the asset under consideration exceeds its recoverable amount. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Investments in shows and co-production arrangements

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

Production arrangements are reviewed on a production by production basis and treated based on the principles outlined above as either a subsidiary, an associate or joint venture or joint arrangement.

Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation and accumulated impairments. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, on a straight-line basis over their expected useful lives as follows:

Freehold buildings	40 to 50 years
Leasehold property	Shorter of leasehold term and useful life of 40 to 50 years
Fixtures and fittings	4 - 10 years, or over the period to the end of the lease of the theatre if this is shorter

No depreciation is applied to the cost of assets in the course of construction. Freehold land is not depreciated.

Intangible assets

Intangible assets all have finite lives and are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives and is recognised in the administrative expenses line item.

The amortisation period for software is 4 years. The estimated life of other intangible assets is considered on an asset-by-asset basis and is up to 10 years.

Inventory

Inventory is valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items.

Financial instruments

Financial assets and financial liabilities are recognised in the Consolidated Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, other than financial assets and financial liabilities at fair value through profit or loss ("FVTPL"), are added to, or deducted from, the fair value of the financial assets or financial liabilities on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and escrow-type accounts. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the Statement of cash flows.

Trade receivables and accrued income

Trade receivables and accrued income are classified as loans and receivables and are measured at amortised cost using the effective interest method, less any impairment. Since trade receivables and accrued income are typically due within one year, and the effect of any effective interest is immaterial, this equates to initial carrying value less any impairment.

Borrowings

Loans and Borrowings are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest rate is a method of calculating the amortised cost of a financial liability and of allocated interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, *where appropriate, a shorter period to the net carrying amount on initial recognition.*

Trade payables and accruals

Trade payables and accruals are classified as loans and receivables and are measured at amortised cost using the effective interest method. Since trade payables and accruals are typically due within one year, and the effective of any effective interest is immaterial, this equates to initial carrying value.

Financial guarantees

Financial guarantee contracts are accounted for as insurance contracts.

Deferred income

Amounts received by the Group for services performed in future are classified as deferred income and recognised in the Consolidated Statement of Comprehensive Income when the service is performed.

Retirement benefits

Payments to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Where there are defined benefit schemes, if a retirement benefit obligation arises, it is recognised at fair value net of any scheme assets, in the Consolidated Statement of Financial Position. Finance charges on the unwinding of discounted scheme obligations are recognised in the Consolidated Statement of Comprehensive Income, with any actuarial differences arising being recognised in Other Comprehensive Income.

Revenue

Revenue is recognised at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes. Revenue for the Group comprises several elements, including:

Venue rental and production related services

Charges to productions in respect of services provided (such as venue rental and staffing, brochure production and accounting services) are recognised net of sales taxes as those services are provided.

Revenue from production-related services is recognised at the date of performance of the show, until which time it is held on the Statement of Financial Position as Deferred Income.

Promotional services

The Group acts as promoter for self-produced shows and shows produced by third parties. Revenue from these services is recognised at fair value of consideration received, net of sales taxes, at the date of performance of the show.

Marketing services

Revenue from the provision of marketing services is recognised at the fair value of the consideration received or receivable. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Marketing services revenue is recognised net of sales taxes over the period that services are provided, or as recoverable costs are incurred, in accordance with the terms of the contractual agreement. When recorded marketing services revenue exceeds the amounts invoiced to client, the excess is classified as accrued income.

Ticket sales

Revenue from ticket sales represents the revenue earned from commissions, credit card charges and similar charges. This revenue is recognised at the date the ticket is sold.

Revenue from ticket sales where the Group is acting as selling agent (whether for its own theatres or for other UK venues) includes booking fees, commissions, and similar additional income charged at the point of sale. These amounts are recognised net of any sales taxes at the transaction date. Such revenue is recognised as an agent rather than principal transaction, and so excludes the face value of the tickets sold.

Retail sales

Revenue from concession sales to customers at the Group's venues is recognised net of sales taxes at the point of sale.

Other revenue

The Group provides various other services on an ad hoc basis, all of which are related to its principal activity. Related revenue is recognised at fair value over the period that such services are performed and performance obligations are met.

Joint operations

In relation to co-production arrangements, where a controlling or joint operation interest is held, revenue includes the Group's share of revenue for the production. Where no controlling interest is held turnover represents net income from productions. Where equity accounting is applied, the share of profit or loss is disclosed in the "share of results of associates and joint ventures" line.

Government grants

Income from government grants is recognised as deferred income and released to the Consolidated Statement of Comprehensive Income as the attached conditions are satisfied. Where the grant relates to procurement of an asset, the amount received is released to the Consolidated Statement of Comprehensive Income over the useful life of the asset against associated depreciation.

A material grant related to assets is presented in the statement of financial position as a deduction from the carrying value of the related asset, with a consequent reduction in the annual charge for depreciation.

Finance Leases

Finance leases are those where substantially all of the risks and rewards of ownership are assumed by the Group.

Assets held under finance leases are recognised as assets of the Group at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the Consolidated as a finance lease obligation.

The finance element of the rental payment is charged to the Consolidated Statement of Comprehensive Income as interest payable in order to reflect the imputed cost of finance on the net obligation outstanding in each period.

IFRS 16 Leases

The Group 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 Group's incremental borrowing rate. The liability is subsequently adjusted for any re measurement of the lease liability resulting from reassessments or lease modifications.

The Group 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 Group 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 Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Foreign currencies

For the purpose of the consolidated financial statements, the results and financial position of each Group Company are expressed in pounds sterling, which is the functional currency of the Company, and the presentational currency for the consolidated financial statements.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Such exchange gains and losses are recognised in profit or loss. Foreign exchange gains or losses on loans that are effectively investment instruments, such as where a parent Company makes a loan with no repayment terms to a subsidiary holding Company as part of acquisition consideration, are recognised in other comprehensive income.

Results of overseas subsidiaries are translated at average monthly rates. Assets and liabilities of overseas subsidiaries are translated at the rate ruling at the balance sheet date. Such exchange differences arising are recognised in the translation reserve and the Statement of Changes in Equity.

Operating profit

Operating profit is stated after the share of results of associates but before finance income and costs, other gains and losses and taxes.

Finance income

Finance income is recognised in profit or loss in the period in which they are earned.

Finance costs

Finance costs are recognised in profit or loss in the period in which they are incurred.

Other gains and losses

Other gains and losses are recognised in profit or loss in the period in which they are incurred.

Pre-Production related costs

Expenses incurred prior to a production going live and are directly attributable to the production of the show are categorised into either property plant and equipment and depreciated over the assumed useful life of the show, or 'Other non-tangible assets', which are released to the Profit and Loss over the show's useful life based upon the ratio of the current period's revenues to the estimated total revenues (Total Production Revenue) for each production. Where estimates of total Production Revenue decreases, amortization of pre-production costs may be accelerated. Conversely, if estimates of Total Production Revenues were to increase then amortization of costs may be slowed.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Current tax is based on taxable profit for the period calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill, from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit or investments in subsidiaries and associates, and interests in joint ventures, where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial period end date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements

Going concern basis

In order to assess whether it is appropriate for the Group to be reported as a going concern, the Directors apply judgement, having undertaken appropriate enquiries and having considered the business activities and the Group's principal risks and uncertainties to therefore conclude that the accounts be prepared on a going concern basis. Refer to page 26 for our detailed assessment.

Key sources of estimation uncertainty

Carrying value of non-current assets

Impairment

The Group assesses the carrying values of property, plant and equipment, and intangible assets annually. Recoverability is dependent upon assumptions and estimates regarding market conditions, future cash flows and discount rates, known as at the 28 March 2020. A material change in assumptions may significantly impact the potential impairment of these assets.

A reasonably possible change in the dark period to 6 months creates an impairment of £5.7 million in marketing services cash generating unit and reduces headroom in other CGUs to 24%, 118%, 23%,and 164%, for UK, US, BB, Mehr of the carrying value respectively. Further detail can be found in note 12.

Provisions

Refunds and ticketing provision - provision for potential costs related to refunds and ticketing as a result of all venues being closed was based on the limited amount of data and the short window between the venues going dark and the year end. A reasonable change in assumptions may significantly impact the level of provisions booked, which was based on information available as at 28 March 2020.

3. Revenue

The Group's revenue from external customers by classification is detailed below:

	52 week period ended 28 March 2020	52 week period ended 30 March 2019
	£'000	£'000
Venue Rental and Production Related Services	**230,068**	224,497
Promotional & Marketing Services	**115,478**	114,184
Ticket and Retail Sales	**119,547**	95,124
Other	**11,654**	9,375
Total revenue	**476,747**	443,180

The Group's revenue from external customers by geographical location is detailed below:

	52 week period ended 28 March 2020	52 week period ended 30 March 2019
	£'000	£'000
United Kingdom	**213,847**	207,985
Rest of Europe	**123,473**	124,326
North America	**129,441**	100,252
Asia	**9,986**	10,617
Total revenue	**476,747**	443,180

4. Net Loss for the Period

Net loss for the period has been arrived at after charging/ (crediting):

		52 week period ended 28 March 2020	52 week period ended 30 March 2019
		£'000	£'000
Depreciation of property, plant and equipment	13	**21,439**	16,852
Depreciation charge for right-of-use assets - Buildings	13	**8,759**	-
Amortisation of intangible fixed assets	12	**1,974**	2,872
Impairment of property, plant and equipment	13	**7,154**	-
Impairment of intangible assets	12	**7,776**	-
Impairment of long term debtor		**8,967**	-
Operating lease charges		**2,151**	10,372
Staff costs	6	**137,810**	121,184
Finance income	7	**(1,344)**	(1,314)
Finance costs	8	**30,926**	40,628
Interest expense on IFRS 16 lease liabilities	8	**6,547**	-
Other gains and losses		-	17,249

In the prior year, other gains and losses relate primarily to the unwind of the US tax credit structure, which was entered into in order to rebuild the Saenger Theatre, following its destruction during the passage of Hurricane Katrina in New Orleans. The unwind resulted in a net non-cash one-off loss of £17.2 million, which comprised of a one-off loss of £20.6 million as the value of the property (£31.0 million) was higher than the notes payable balance of (£10.4 million), which was waived by the City of New Orleans upon transfer of the property. This loss was offset by a net gain of £3.4 million from the initial transfer-in of the assets following the initial trigger of the unwind by the involved third parties.

5. Auditor's remuneration

The analysis of the auditor's remuneration is as follows:

	52 week period ended 28 March 2020	52 week period ended 30 March 2019
	£'000	£'000
Fees payable to the Company's auditor and their associates for the audit of:		
The consolidated and parent financial statements	**418**	308
The subsidiary financial statements	**65**	59
Total audit fees	**483**	367
Taxation compliance services	**71**	63
Taxation advisory services	**10**	25
Total non-audit fees	**81**	88
Total	**484**	455

6. Staff costs

The average monthly number of employees (including executive directors) was:

	52 week period ended 28 March 2020	52 week period ended 30 March 2019
Executive directors	**5**	5
Venue staff	**4,349**	4,041
Other	**1,526**	1,368
Total monthly average number of employees	**5,880**	5,414

Their aggregate remuneration comprised:	**£'000**	£'000
Wages and salaries	**125,666**	110,438
Social security costs	**9,703**	9,039
Other pension costs	**2,441**	1,707
Total aggregate remuneration	**137,810**	121,184

6. Staff costs (continued)

Remuneration of directors and key management personnel

The remuneration of the directors and key management personnel of the Group is set out below:

	52 week period ended 28 March 2020	52 week period ended 30 March 2019
	£'000	£'000
Remuneration of directors:		
Salaries, fees, bonuses, and benefits in kind	**1,501**	1,570
Money purchase pension contributions	**20**	20
Total remuneration of directors	**1,521**	1,590
Remuneration of directors and key management personnel:		
Remuneration	**3,687**	3,664
Social security contributions	**513**	540
Pension	**60**	55
Total remuneration of key management personnel	**4,260**	4,259

Key management personnel are those who have significant influence over the operational running of the business. During the period, retirement benefits were accruing to 2 (2019: 2) directors in respect of defined contribution schemes.

The highest paid director received remuneration of £935, 000 (2019: £1,072,500). The value of the Company's contributions paid to a defined contribution scheme in respect of that individual amounted to £10,000 (2019: £10,000).

During the period, directors and key management personnel received total compensation for loss of office totaling £nil (2019: £nil), on which social security of £nil (2019: £nil) was paid by the Group.

Pensions

The Group operates defined contribution pension schemes. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £2,441,000 (2019: £1,707,000). Contributions totaling £360,000 (2019: £86,000) were payable to the fund at the balance sheet date.

Employee benefit trust

The Group has no direct employee share scheme or share-based payment arrangement. However, certain employees of the Group have acquired an interest in the equity of the holding Company via an employee benefit trust in both the current and prior periods.

7. Finance income

	52 week period ended 28 March 2020	52 week period ended 30 March 2019
	£'000	£'000
Interest income	1,324	1,294
Unwinding of discount on long term receivables and payables	20	20
Finance income	**1,344**	1,314

8. Finance costs

	52 week period ended 28 March 2020	52 week period ended 30 March 2019
	£'000	£'000
Interest on loans from parent undertakings	1,841	1,799
Interest on bank overdrafts and loans	20,348	13,747
Interest on obligations under finance leases	11,504	4,919
Amortisation of financing fees	3,780	1,502
Fair value losses on financial instruments	-	18,661
Finance costs	**37,473**	40,628

Intercompany related loans incurred interest charges of Libor plus 5.0% margin.

9. Taxation

Analysis of tax (credit) / charge in the period

		52 week period ended 28 March 2020	52 week period ended 30 March 2019
Current tax		**£'000**	£'000
Tax charge on loss for the period		431	4,065
Prior year tax adjustment		(4,570)	-
Foreign tax in the period		967	-
Total current tax		**(3,172)**	4,065
Deferred tax	22		
Deferred tax credit current year		(8,333)	(583)
Change in tax rate		2,760	-
Adjustments in respect of prior periods		763	(216)
Total deferred tax		**(4,810)**	(799)
Tax on loss		**(7,982)**	3,266

Corporation tax is calculated at 19% (2019: 19%) of the estimated taxable profit for the period. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

There is Nil income tax impact (2019: Nil) for items within other comprehensive income.

9. Taxation (continued)

The charge for the period can be reconciled to the Consolidated Statement of Comprehensive Income as follows:

	52 week period ended 28 March 2020 £'000	52 week period ended 30 March 2019 £'000
Loss before tax	**(33,907)**	(28,238)
Loss multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	**(6,442)**	(5,365)
Effects of:		
Expenses not deductible for tax purposes	3,564	10,001
Adjustments to tax charge in respect of prior periods	(3,807)	(216)
Effect of different rate for deferred tax	2,760	(84)
Effect of overseas tax rates	(3,402)	259
Theatre tax credit	(935)	(1,345)
Other reconciling differences	280	16
Tax (credit) /charge for the period	**(7,982)**	3,266

The closing UK deferred tax liability as at 28 March 2020 has been calculated at 19%, as the rate reduction recognised last year has been reversed, reflecting the tax rate at which the deferred tax liability is expected to become payable.

Deferred tax liabilities have not been recognised in respect of retained earnings of overseas subsidiaries. Retained earnings of overseas subsidiaries are expected to be reinvested indefinitely or remitted to the UK free from further taxation. Deferred tax assets on carried forward unutilised losses in Australia of £2,097,000 (2019: £2,270,000) have not been recognised.

There are carried forward unutilised tax losses in the UK of £351,000 (2019: £351,000) resulting in a deferred tax asset which has not been recognised. None of these losses have an expiry date.

The tax debtor in the UK is £5,037,000 and the creditor for Germany is £1,849,000. There is a deferred tax liability of £28,699,000 and a deferred tax asset of £11,568,000.

10. Investments

The directly and indirectly held subsidiaries are listed in note 31.

Group	As at 52 week period ended 28 March 2020	As at 52 week period ended 30 March 2019
	£'000	£'000
Cost and Net book value		
Listed investments	1	1
Unlisted investments	4,355	4,128
Investments	**4,356**	4,129

Company	As at 52 week period ended 28 March 2020	As at 52 week period ended 30 March 2019
	£'000	£'000
Cost and Net book value		
Subsidiary investments	262,575	262,575
Investments	**262,575**	262,575

The Group's unlisted investments relate to its investment in Kings Theatre Redevelopment Company LLC, a company incorporated in the United States of America of which the Group owns 1.08%.

11. Interests in associates and joint ventures – Group

	As at 52 week period ended 28 March 2020	As at 52 week period ended 30 March 2019
	£'000	£'000
Interests in joint ventures	**515**	394
Interests in associates	**1,004**	1,279
Interests in associates and joint ventures	**1,519**	1,673

Joint Ventures

The Group has interests in several individually immaterial Joint Ventures which take the form of both productions and businesses. Each investment is structured as a separate vehicle and the Group has a residual interest in the net assets of the investment. Accordingly, the Group has classified its interests as joint ventures. For some of the productions, the Group is entitled to less than 50% of the production earnings however the production agreement requires unanimous consent in decision making resulting in joint control.

The following table analyses, in aggregate, the carrying amount and share of total comprehensive income of these Joint Ventures.

The following companies have a year-end date different to the Group's accounting financial year end of 28 March 2020:

- HP West End: 31 October 2020
- JB UK Tour II: 31 December 2020
- Train Times SF LP: 31 December 2020
- Train Times Broadway LP: 31 December 2020

This is as a result of the entities not falling under IEHL and therefore structure is put in place in line with shareholder's expectations.

For the purposes of applying the equity method of accounting, the financial statements of HP West End (for the year ended 31 October 2019), and JB UK Tour II, Train Tme SF LP, Train Times Broadway LP (for the year ended 31 December 2019) have been used.

The joint ventures are not restricted in their ability to transfer funds to the Group in the form of cash dividends, or to repay loans or advances by the entity.

11. Interests in associates and joint ventures – Group (continued)

	As at 52 week period ended 28 March 2020	As at 52 week period ended 30 March 2019
	£'000	£'000
Carrying amount of interests in Joint Ventures	**515**	394
Share of total comprehensive income	**(702)**	(371)

Associates

	As at 52 week period ended 28 March 2020	As at 52 week period ended 30 March 2019
	£'000	£'000
Carrying amount of interests in Associates	**1,004**	1,279
Share of total comprehensive income	**-**	-

INTERNATIONAL ENTERTAINMENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020

12. Intangible assets – Group

	Software £'000	Assets under construction £'000	Other - Intangibles £'000	Total Intangible Assets £'000	Goodwill £'000	Total £'000
Cost						
At 31 March 2018	7,931	-	6,560	**14,491**	294,903	**309,394**
Additions	9,352		-	**9,352**		**9,352**
Recognised on acquisition of a subsidiary						
- Mehrl Entertainment GmbH	538	-	-	**538**	38,692	**39,230**
- ACE SL LLC	-	-	-	**-**	36,947	**36,947**
- Theatre Management Holdings Limited	-	-	-	**-**	5,255	**5,255**
Exchange differences	(902)	-	(62)	**(964)**	157	**(807)**
At 30 March 2019	**16,919**	**-**	**6,498**	**23,417**	**375,954**	**399,371**
Additions	2,929	3,292	7,447	**13,668**	-	**13,668**
Transfers	3,222	(3,222)		**-**		**-**
Exchange differences	2	-	462	**464**	4,565	**5,029**
At 28 March 2020	**23,073**	**70**	**14,407**	**37,550**	**380,519**	**418,069**
Accumulated amortisation and impairment						
At 31 March 2018	6,119	-	2,676	**8,795**	7,629	**16,424**
Charge for the 53 week period	2,147	-	725	**2,872**	-	**2,872**
Exchange differences	(1)	-	(194)	**(195)**	(150)	**(345)**
At 30 March 2019	**8,265**	**-**	**3,207**	**11,472**	**7,479**	**18,951**
Charge for the 52 week period	1,541	-	433	**1,974**	-	**1,974**
Impairment	-	-	7,776	**7,776**	-	**7,776**
Exchange differences	-	-	-	**-**	310	**310**
At 28 March 2020	**9,806**	**-**	**11,416**	**21,222**	**7,789**	**29,011**
Carrying amount						
At 28 March 2020	**13,267**	**70**	**2,991**	**16,328**	**372,730**	**389,058**
At 30 March 2019	**8,654**	**-**	**3,291**	**11,945**	**368,475**	**380,420**

The amount of expenditures recognised in the carrying amount of assets under construction is £3.3 million (2019: £Nil).

Other intangible assets relate to show rights costs and pre-production related costs.

12. Intangible assets – Group (continued)

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (CGUs) or group of units that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated to the following Groups of CGUs:

	At 28 March 2020 £'000
United Kingdom	254,446
USA	62,033
Mainland Europe	42,673
AKA	13,578
Total goodwill	**372,730**

The Group tests goodwill, intangible assets and all Property, plant and equipment annually for impairment, or more frequently if there are indications that goodwill might be impaired. The recoverable amounts of the CGUs and the group of units are determined from value in use calculations.

The impairment reviews for United Kingdom, USA, Mainland Europe and AKA do not indicate any impairment against goodwill, however it did indicate impairment charges as follows:

- Other Intangibles (Mainland Europe) - £7.8 million
- Property Plant & Equipment (refer to note 13):
  - Mainland Europe - £6.1 million
  - United Kingdom- £1.8m

12. Intangible assets – Group (continued)

The key assumptions and resulting attributes of the impairment review are as follows:

£Ms	United Kingdom	USA	Mainland Europe: BB	Mainland Europe: Mehrl	Marketing Services
Goodwill	254.4	62.0	3.0	39.6	13.6
PPE / Other Intangibles	274.3	122.3	4.6	47.8	13.2
Total assets	**528.7**	**184.3**	**7.6**	**87.4**	**26.8**
WACC assumption	10.0%	10.5%	10.8%	10.0%	9.4%
GDP Growth	0.0%	2.1%	0.0%	0.0%	0.0%
Inflation	2.0%	2.7%	1.7%	1.7%	2.0%

The values for the key assumptions were arrived at by taking into consideration historical information and comparison to external sources where appropriate, such as market rates for discount factors. GDP growth rates are used as the terminal value growth rate in calculating the net present values of the respective CGUs, while the inflation rates are applied as the base growth factor for years 2 to 4.

Budgeted cash flows – the calculation of value in use has been based on the cash flows forecast in the 2020 three-year plan growth assumptions, consistent with a fixed growth rate for the remaining two years for the subsequent years until 2024. Growth rates beyond this are in line with forecasts of the International Monetary Fund relevant to each geographical location.

The Growth used in year 1 is based on the following key assumptions, across all venues and geographies:

- 3 month 'dark' period for all venues and productions, with this assumption deemed to be a relatively prudent assumption as at the time of the review, 28 March 2020, based on management's view, industry news and government initiatives, which were all geared towards a three month lock-down period at that point in time.
- 3 months ramp up back to normal operating function (60% revenue in month 1, 65% in month 2 and 70% in month 3 post reopening)

Sensitivity: A reasonably possible change in the dark period to 6 months creates an impairment £5.7 million in the marketing services cash generating unit and reduces headroom in other CGUs to 24%, 118%, 23%, and 164%, for UK, US, BB, Mehr of the carrying value respectively. No other reasonable sensitivities will lead to material differences.

The Company has no Intangible assets (2019: £nil).

13. Property, plant and equipment – Group

	Freehold property	Right of Use Asset	Long-term leasehold property	Short-term leasehold property	Assets under construction	Fixtures and fittings	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Group							
Cost							
At 31 March 2018	151,285		129,183	6,567	6,519	55,910	**349,464**
Additions	2,540		7,009	236	868	12,779	**23,432**
Acquisition of subsidiary	10,000		-	15,564	-	4,956	**30,520**
Exchange differences	(219)	-	4,496	-	315	492	**5,084**
At 30 March 2019	162,606		140,688	22,367	7,702	74,137	**408,500**
Additions	8,221		10,228	592	8,554	16,145	**43,739**
IFRS 16 - Right-of-use asset		87,590	-		-		**87,590**
Disposals	-	-		-	-	-	-
Transfers	-	-	-	-	(10,257)	10,257	-
Exchange differences	902	3,594	2,581	(370)	(53)	(210)	**6,444**
At 28 March 2020	**172,729**	**91,184**	**153,497**	**22,589**	**5,945**	**100,329**	**546,273**
Accumulated depreciation and impairment							
At 31 March 2018	13,941		21,588	3,701	-	20,024	**59,254**
Charge for the 53 week period	2,898		4,475	646		6,833	**16,852**
Exchange differences	(3)		677			257	**931**
At 30 March 2019	16,836	-	26,740	4,347	-	29,114	**77,037**
Charge for the 52 week period	3,429	8,759	5,053	598		12,359	**30,198**
Impairment	-	-	-	-	-	7,154	**7,154**
Exchange differences	-	-	684	-	-	295	**979**
At 28 March 2020	**20,265**	**8,759**	**32,477**	**4,945**	-	**48,922**	**115,368**
Net book value							
At 28 March 2020	**152,464**	**82,425**	**121,020**	**17,644**	**5,945**	**51,407**	**430,905**
At 30 March 2019	146,770	-	113,948	18,020	7,702	45,023	**331,463**

The amount of expenditures recognised in the carrying amount of assets under construction is £8.6 million (2019: £0.9 million).

The Company has no property, plant and equipment (2019: £nil).

14. Inventories – Group

	As at 52 week period ended 28 March 2020	As at 52 week period ended 30 March 2019
	£'000	£'000
Finished goods at cost	1,395	1,262
Inventory provision	(351)	-
Finished goods and goods for resale	**1,044**	1,262

The Company has no inventory (2019: £nil).

15. Investments in shows – Group

	As at 52 week period ended 28 March 2020	As at 52 week period ended 30 March 2019
	£'000	£'000
Investments in shows	**3,794**	5,511

Investment in shows reflect the Group's investment in productions in which it does not have a controlling interest.

The Company has no investments in shows (2019: £nil).

16. Trade and other receivables – Group

	As at 52 week period ended 28 March 2020	As at 52 week period ended 30 March 2019
	£'000	£'000
Notes receivable	**10,966**	11,787
Long-term receivable for developer fee	-	5,529
Other non-current receivables	**12,352**	11,373
Amounts receivable after more than 12 months	**23,318**	28,689

The notes receivable balance comprises amounts receivable from counterparties in relation to the financing structure of the redevelopment of Hudson Theatre via a well-used arrangement created by the US government to encourage financial institutions to invest into redevelopment of historic buildings. Interest is receivable at rates between 0.48% and 0.5%. These will be recoverable from the counterparties either over the life of the instrument or by transfer of leasehold interests. The long-term receivable relates to a balance acquired as part of the ACE acquisition and is a fee for theatre development services provided which will be paid over a number of years.

	As at 52 week period ended 28 March 2020	As at 52 week period ended 30 March 2019
	£'000	£'000
Trade receivables	**29,385**	36,173
Prepayments and accrued income	**11,619**	15,746
Corporation tax receivable	**5,037**	-
Other receivables	**16,513**	5,641
Amounts receivable within 12 months	**62,554**	57,560

The Company had no trade and other receivables (2019: £nil).

All impaired trade receivables have been provided to the extent they are believed not to be recoverable. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable. The Group does not hold any collateral as security. Assets which are neither past due nor impaired are considered fully recoverable.

16. Trade and other receivables – Group (continued)

Analysis of trade receivable ageing

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As of 28 March 2020, some of the Group's trade receivables were due and/or past due but not impaired. These relate to a number of independent customers with no material concentration within any one customer and no customers who are of particularly high risk of default. The ageing analysis of these trade receivables is as follows:

	As at 52 week period ended 28 March 2020 £'000	As at 52 week period ended 30 March 2019 £'000
Up to 3 months	**19,338**	23,468
3 to 6 months	**2,929**	2,781
Over 6 months	**10,316**	5,719
Total	**32,583**	**31,967**

As of 28 March 2020, the Group also held past due trade receivables which had been provided for:

	As at 52 week period ended 28 March 2020	As at 52 week period ended 30 March 2019
	£'000	£'000
Up to 3 months	**2,078**	**430**
3 to 6 months	**217**	**81**
Over 6 months	**903**	**37**
Total	**3,198**	**548**

Under IFRS 9, the Group is required to utilise objective evidence as well as consider forward looking information, such as the economic conditions in the countries where the Group operates, and the probability of default when calculating expected credit losses. The maturity of financial assets is therefore used as an indicator as to the probability of default. The adoption of IFRS 9 in the prior year did not result in a material change in the loss allowance and impairments recognised under IFRS 9 compared to that held under IAS 39.

17. Cash and cash equivalents – Group

	As at 52 week period ended 28 March 2020	As at 52 week period ended 30 March 2019
	£'000	£'000
Cash and cash equivalents held in own accounts	130,216	91,606
Cash and cash equivalents held in escrow	8,849	7,350
Cash and cash equivalents	**139,065**	98,956

The Company has no cash and cash equivalents (2019: £nil).

18. Trade and other payables - Group

	As at 52 week period ended 28 March 2020	As at 52 week period ended 30 March 2019
	£'000	£'000
Trade payables	37,155	34,285
Deferred income	142,356	138,959
Accruals	58,476	65,101
Other taxation and social security	4,915	7,879
Tax Creditor	2,104	6,118
Other payables	15,014	10,707
Government grants received and not utilised	796	1,259
Trade and other payables due within 12 months	**260,816**	264,308

The Company has an intercompany payable of £10.9 million (2019: £10.9 million) which is repayable on demand, no interest is charged.

19. Borrowings – Group

	As at 52 week period ended 28 March 2020	As at 52 week period ended 30 March 2019
	£'000	£'000
Bank loans - senior debt	**358,000**	358,053
Bank loans - revolving credit facility	**69,370**	-
Total senior debt	**427,370**	**358,053**
Fair value adjustment / unamortised financing fees	**14,261**	10,480
Bank loans - other	**84,409**	82,569
Borrowings	**526,040**	**451,102**
Amount due for settlement within 12 months	**69,370**	
Amount due for settlement after 12 months	**456,670**	451,102
Borrowings	**526,040**	451,102

The bank loans – senior debt, are secured by a charge over the assets of International Entertainment Finance Limited, a subsidiary of the Company and the majority of its subsidiary undertakings. These loans bear interest at a rate which fluctuates in line with LIBOR with a margin ranging between 4.25% and 4.75% and are governed by a senior finance agreement with requisite covenants.

19. Borrowings – Group (continued)

The Group also has other debt items, which are secured against the assets of its shareholder, of £84.4 million (2019: £82.6 million). Interest is non-cash paying and accrues at a total rate of LIBOR plus 1.5%. That debt is secured over the assets of the Group's shareholder, and the facility expires in 2023.

	As at 52 week period ended 28 March 2020	As at 52 week period ended 30 March 2019
	£'000	£'000
Bank loans - senior debt	**427,370**	358,053
Bank loans - other	**84,409**	82,569
Fair value adjustment	**18,661**	18,661
Unamortised financing fees	**(4,400)**	(8,181)
Net bank loans	**526,040**	451,102

The Company does not have any Borrowings (2019: £nil).

20. Obligations under finance leases – Group

	As at 52 week period ended 28 March 2020 £'000	As at 52 week period ended 30 March 2019 £'000
Amount due within 12 months		
Finance leases	4,270	4,169
IFRS 16 Leases	15,204	
Obligations under lease liabilities	**19,474**	4,169

	As at 52 week period ended 28 March 2020 £'000	As at 52 week period ended 30 March 2019 £'000
Amount due after 12 months		
Finance leases	86,629	85,522
IFRS 16 Leases	71,077	-
Obligations under lease liabilities	**157,706**	85,522

Finance Leases - Group

	Minimum lease payments		**Present value of minimum lease payments**	
	28 March 2020 £'000	**30 March 2019 £'000**	**28 March 2020 £'000**	**30 March 2019 £'000**
Within one year	4,286	4,244	4,270	4,169
In the second to fifth years inclusive	17,578	17,403	14,985	14,987
After five years	405,639	409,578	73,476	72,733
	427,503	431,225	92,731	91,889
Less: future finance charges	(334,439)	(339,337)		
	93,064	**91,888**	**92,731**	**91,889**
unamortised finance costs	(2,165)	(2,197)	(2,165)	(2,198)
Present value of lease obligations	**90,899**	**89,691**	**90,566**	**89,691**
Amount due within 12 months			4,270	4,169
Amount due after 12 months			86,629	85,522
			90,899	89,691

The Group leases certain properties under finance lease arrangements. The average lease term is 75 years. The Group does not have the option to purchase the properties for a nominal value at the end of the lease terms, and the Group's obligations under the finance leases are secured over the properties being leased.

Interest rates underlying all obligations under finance leases are implicit rates ranging from 5.3% to 5.8% (2019: 5.3% to 5.8%).

20. Obligations under finance leases – Group (continued)

IFRS 16 lease liabilities - Group

	As at 52 week period ended 28 March 2020	As at 52 week period ended 30 March 2019
	£'000	£'000
Current	15,204	-
Non-current	71,077	-
IFRS 16 lease liability	**86,281**	-

The weighted average incremental borrowing rate applied to measure lease liabilities is 7.92%.

Maturity analysis	**As at 52 week period ended 28 March 2020 £'000**
No later than 1 year	15,204
Later than 1 year and not later than 5 years	12,038
Later than 5 years	59,039
	86,281

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function. Overall the variable payments constitute up to 6% of the Group's entire lease payments. The group expects this ratio to remain constant in future years. The variable payments depend on ticket sales and consequently on the overall economic development over the next few years. The total cash outflow for leases amount to £13.6m (2019: £10.01m).

INTERNATIONAL ENTERTAINMENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020

21. Provisions – Group

	Acquisition-related provisions	Dilapidations	Refunds and Ticketing Provision	Other	Total
Group	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
At 31 March 2018	**17,842**	**788**	**-**	**1,160**	**19,790**
Additions	-	-	-	-	-
Recognised on acquisition of subsidiary	11,879	-	-	-	11,879
Release	(18,380)	(155)		(448)	(18,983)
At 30 March 2019	**11,341**	**633**	**-**	**712**	**12,686**
Additions	-	2,611	11,241	-	13,852
Release	(1,055)	-	-	-	(1,055)
At 28 March 2020	**10,286**	**3,244**	**11,241**	**712**	**25,483**

Acquisition-related provisions relate to earn out agreements in respect of the acquisitions of Mehr! Group. The consideration is payable dependent on success factor criteria over the next three years.

Dilapidations relate to the expected level of dilapidations mainly related to central offices. The adequacy of the provisions is periodically reviewed to ensure that they will meet the final obligations.

Ticketing & Refunds provisions relate to expected costs to be borne by the business specifically in relation to cancelled programmes and refund of tickets.

Other provisions primarily relate to the possibility that shows may be cancelled or loss-making, when the Group is once again operational with all venues open. These provisions are calculated on the basis of management's estimates of the volume of such events that are expected and the potential value of their impact on the Group's profit or loss.

The Company has no provisions (2019: £nil).

22. Deferred tax – Group

	Revaluation of property	Accelerated tax depreciation	Acquisition intangibles	Tax losses	Other timing differences	Total
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
At 31 March 2018	25,139	(594)	708	(832)	(3,288)	**21,133**
Recognised on acquisition of subsidiary	-	5	1,603	-	-	**1,608**
Charge / (Credit) to profit or loss	(682)	(65)	(112)	(1,610)	1,670	**(799)**
At 30 March 2019	**24,457**	**(654)**	**2,199**	**(2,442)**	**(1,618)**	**21,942**
Charge / (Credit) to profit or loss	2,116	52	(73)	(912)	(5,993)	**(4,810)**
At 28 March 2020	**26,573**	**(602)**	**2,126**	**(3,354)**	**(7,611)**	**17,132**

	28 March 2020	30 March 2019
	£'000	£'000
Deferred tax liabilities	**28,699**	26,656
Deferred tax assets	**(11,567)**	(4,713)
Net deferred tax liability	**17,132**	21,943

Deferred tax assets are expected to be realised by profits generated in future years in each relevant territory.

The Company has no deferred tax (2019: £nil).

23. Share capital – Group and Company

	As at 52 week *period ended* 28 March 2020	As at 52 week *period ended* 30 March 2019
	£'000	£'000
Authorised, Issued and fully paid:		
262,167 Ordinary shares of £1 each	**262**	262

No share issue has taken place during the period ended 28 March 2020.

24. Notes to the cash flow statement

Net cash generated by operating activities

	For the 52 week period ended 28 March 2020	For the 52 week period ended 30 March 2019
	£'000	£'000
Operating profit	2,222	28,325
Impairment of assets	14,930	-
Amortisation of intangible fixed assets	1,974	2,872
Depreciation of property, plant and equipment	21,439	16,852
Depreciation charge for right-of-use assets - Buildings	8,759	-
Share of results of associates and joint ventures	(702)	(371)
Movement in non-cash payables	-	(10,629)
Increase/(Decrease) in provisions	9,959	(6,905)
Operating cash flows before movements in working capital	58,581	30,143
Increase in inventories	(125)	(104)
Decrease in receivables	1,815	9,974
Increase in Payables	8,966	8,964
Cash generated by operating activities	**69,237**	48,978
Corporate tax paid	**(7,002)**	(3,293)
Net cash generated from operating activities	**62,235**	45,685

24. Notes to cash flow statement (continued)

Net debt reconciliation

	As at 52 week period ended 28 March 2020	As at 52 week period ended 30 March 2019
	£'000	£'000
Cash and Cash equivalents	**139,065**	98.956
Borrowings - repayable after one year	**(456,670)**	(451.102)
Net debt	**(317,605)**	(352.146)
Cash and liquid investments	**139,065**	98,956
Gross debt - fixed interest rates	**(456,670)**	(451.102)
Net Debt	**(317,605)**	(352.146)

	Other Assets	**Liabilities from financing activities**	
	Cash at bank	Borrowings due after one year	**Total**
	£'000	**£'000**	**£'000**
Net debt as at 30 March 2019	**98,956**	**(451,102)**	**(352,146)**
Cash flows	38,474	-	**38,474**
Foreign exchange adjustments	1.635	-	**1,635**
Other non-cash movement	-	(5,568)	**(5,568)**
Net debt as at 28 March 2020	**139,065**	**(456,670)**	**(317,605)**

25. Contingent liabilities

A corporate cross guarantee of the senior debt exists between the Company and the majority of its subsidiary undertakings. The senior debt is secured by a debenture over the majority of the assets of the Group. The Group also has in place various guarantees across its portfolio, which are typical of commercial and property rental agreements.

26. Commitments

Capital commitments

At the balance sheet date, the Group had material contractual commitments for capital expenditure of £nil (2019: £nil).

27. Financial risk management

Capital risk management

The Group's objectives when managing capital are to maximise shareholder value whilst safeguarding the Group's ability to continue as a going concern. In common with other private equity portfolio companies, the Group carries a high level of net debt compared to equity. Total capital is calculated as total equity as shown in the consolidated statement of position, plus net debt. Net debt is calculated as the total of borrowings as shown in the Consolidated Statement of Financial Position, less cash and cash equivalents.

Financial risk management objectives

The Group's activities expose it to a variety of financial risks, including currency risk, interest rate risk, credit *risk and liquidity risk*

The Group's overall risk management programme focuses on minimising potential adverse effects on the Group's financial performance.

Descriptions of the financial risks and how these are managed and mitigated are included in the Strategic Report on page 14.

The below table demonstrates the sensitivity to a reasonably possible change in interest rates and foreign exchange rates.

Financial Risks	**Sensitivity analysis**
Interest Rate Risk	An increase/decrease of one percentage point in LIBOR would decrease/increase the Group's loss by £5,117,000 (2019: £4,406,000).
Foreign Exchange Risk	Had the US dollar strengthened against GBP by an additional 1% during the period, assuming all other variables remained constant, the Group's loss would have decreased by £191,000 (2019: £102,000). Had the Euro strengthened against GBP by an additional 1% during the period, assuming all other variables remained constant, the Group's loss would have increased by £352,000 (2019: £11,000).

27. Financial risk management (continued)

Liquidity

The following tables detail the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the balance sheet date. The contractual maturity is based on the earliest date on which the Group may be required to pay. The Group is not party to any derivative contracts.

	Less than 1 year £'000	1-5 years £'000	5+ years £'000	Total £'000
28 March 2020				
Trade and other payables	115,106	-	-	**115,106**
Finance lease liability	4,286	17,578	405,639	**427,503**
Variable interest rate instruments	69,370	456,670	-	**526,040**
Total cash-settled liabilities	**188,762**	**474,248**	**405,639**	**1,068,649**
30 March 2019				
Trade and other payables	117,972	-		117,972
Finance lease liability	4,244	17,403	409,578	431,225
Variable interest rate instruments	-	-	377,597	377,597
Total cash-settled liabilities	**122,216**	**17,231**	**787,175**	**926,794**

The Company has no relevant cash-settled assets or liabilities and so has no liquidity risk.

28. Financial Instruments

Categories of financial instruments

	Loans and receivables £'000	Financial liabilities at amortised cost £'000	Total £'000
28 March 2020			
Cash and cash equivalents	139,065	-	**139,065**
Trade and other receivables	62,552	-	**62,552**
Financial assets	**201,617**	**-**	**201,617**
Trade and other payables	-	117,210	**117,210**
Borrowings	-	526,040	**526,040**
Obligations under finance leases	-	177,180	**177,180**
Financial liabilities	**-**	**820,430**	**820,430**
Net financial assets/(liabilities)	**201,617**	**(820,430)**	**(618,813)**
30 March 2019			
Cash and cash equivalents	98,956	-	**98,956**
Trade and other receivables	35,237	-	**35,237**
Financial assets	**134,193**	**-**	**134,193**
Financial liabilities			
Trade and other payables	-	124,090	**124,090**
Borrowings	-	451,102	**451,102**
Obligations under finance leases	-	89,691	**89,691**
Financial liabilities	**-**	**664,883**	**664,883**
Net financial assets/(liabilities)	**134,193**	**(664,883)**	**(530,690)**

28. Financial Instruments (continued)

Fair value measurements

The information set out below provides information about how the Group determines fair values of various financial assets and financial liabilities.

Financial instruments are grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value of financial assets and financial liabilities that are not measured at fair value

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate to their fair values.

29. Controlling Party

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). The Directors consider these parties to be the controlling party.

30. Related party transactions

Group

Transactions with directors and key management personnel

Remuneration paid to the directors or other, who are considered to be key management personnel, is disclosed in note 6.

Trading transactions

During the period, the Group provided production-related services to associates and joint ventures of £51,875 (2019: £248,000). At the end of the period, balances of £115,585 (2019: £1,238,000) were owed to the Group by the associates and joint ventures. These balances are unsecured and will be settled periodically over the course of the production. There are currently no provisions relating to these balances. These transactions have been conducted at arm's length.

31. 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 (i.e. if a subsidiary holding company is 90% owned, and owns 100% of all its subsidiaries, all subsidiaries are shown as being 90% owned).

Incorporated in United Kingdom

All subsidiaries are 100% owned, except where indicated and have taken the s479a exemption from audit unless exempt from audit in any case.

Subsidiary undertaking	**% Shares held**	**Principal activity**
Direct investments		
International Entertainment Midco Limited[1]		Holding company
Indirect investments		
AKA Group Limited[2]		Holding company
AKA NYC Limited[2]		Marketing services
AKA Promotions Limited[2]		Marketing services
ATG Entertainment Limited[3]		Holding company
ATG London Limited[3]		Theatre operator and ticketing company
ATG Management Limited[3]		Dormant
ATG Productions Limited[3]		Production company
ATG WOTV Limited[3]		Production company
Aylesbury Waterside Theatre Limited[3]		Theatre operator
Churchill Theatre Bromley Limited[3]		Theatre operator
CP Studio Limited[2]		Marketing services
Digital Media Services UK Limited[2]		Digital media services
Encore International Merchandise Limited[2]		Merchandiser
First Family Entertainment LLP[2]		Production company
G.S Lashmar Limited[3]	90%	Dormant
Glasgow Theatres Limited[3]		Theatre operator
Highland Fling Japan Limited[3]		Dormant
International Entertainment Finance Limited[1]		Holding company
International Entertainment Investments Limited[1]		Holding company
London Theatre Club Limited[3]		Dormant
London Turnstyle Limited[3]		Dormant
Milton Keynes Theatre Limited[3]		Theatre operator
New Wimbledon Theatre Limited[3]		Theatre operator
Playhouse Theatre Limited[3]		Theatre operator
Richmond Theatre Limited[3]		Theatre operator
Savoy Theatre Group Limited[3]		Holding company
Savoy Theatre Holdings Limited[3]		Dormant
Savoy Theatre Limited[3]		Theatre operator
Screenstage Limited[3]		Dormant
Screenstage Productions Limited[3]		Dormant
Smart Plays Limited[3]		Dormant
Sonia Friedman Productions Limited[3]		Production company
SFP Dreams Limited[3]		Production company
SFP Shows Limited[3]		Production company
SFP Sunny Limited[3]		Production company
Stoke-on-Trent Theatres Limited[3]		Theatre operator
The Ambassador Entertainment Group Limited[3]		Holding company
The Ambassador Theatre Group Limited[3]		Holding and production company

The Ambassador Theatre Group (Venues) Limited[3]	Theatre operator
The Ambassador Theatre Group Overseas Holdings Limited[3]	Holding company
The Duke of York's Theatre Limited[3]	Theatre operator
The Ticket Machine Group Limited[3]	Ticketing agency
Theatre Royal Brighton Limited[3]	Theatre operator
Woking Turnstyle Limited[3]	Theatre operator

Incorporated in USA

Subsidiary undertaking	***% Shares held***	***Principal activity***
ACE Theatrical Group, LLC[5]		Management services
Arts Center Enterprises, LLC[6]		Theatre operator
Arts Center Enterprises - Brooklyn, LLC[6]		Theatre operator
Arts Center Enterprises – New Orleans, LLC[6]		Theatre operator
Arts Center Enterprises – Sugar Land, LLC[22]		Venue operator
Ambassador Theatre Group – NY, LLC[6]		Production company
ATG Colonial, LLC[24]		Venue operator
ATG San Francisco		Venue operator
ATG Tickets US, LLC[6]		Ticketing agency
Creative Partnership LA, Inc[13]		Marketing services
Encore Merchandising, Inc[14]		Dormant
Hudson Theatre, LLC[6]		Theatre operator
Kings Theatre Developer, LLC[6]		Venue developer
Kings Theatre Manager, LLC[6]		Managing member
Lyric Theatre, LLC[6]		Theatre operator
Majestic Presents LLC[6]		Theatre operator
Saenger Aggregator Leverage Lender, LLC[5]		Financing company
Saenger Theatre Developer, Inc[7]		Venue developer
Saenger Theatre Manager, LLC[7]		Managing member
Saenger Theatre Master Tenant LLC		Theatre operator
Saenger Theatre Partnership, Ltd[3]		Dormant
SFP-NY, LLC[6]		Production company
Saenger Theatre Redevelopment Company LLC[7]		Venue developer
Sundance Productions, Inc[9]		Production company
The Ambassador Theatre Group US Holdings, Inc[7]		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 ATG Group financial statements.

Subsidiary undertaking	% Shares held	Principal activity
BB Entertainment Holding GmbH[19]		Holding company
BB Group GmbH[19]		Holding/Management services company
BB Promotion GmbH[19]		Promotions company
Bodyguard Verwaltungs GmbH[19]		Holding company
Bodyguard Musical GmbH & Co KG[19]		Production company
ESMS GmbH[19]		Marketing services
Subsidiary undertaking	**% Shares held**	**Principal activity**
Fandango Musical GmbH[19]		Production company
On Stage Productions[15]		Production company
Mehr-BB Entertainment GmbH[19]		Holding company
Deutsche Eintrittskarten TKS GmbH[19]		Ticketing company
Deutsche Eintrittskarten TKS Service Center GmbH[19]		Ticketing company
Dirty Dancing Tournee Produktions GmbH & Co. KG[19]		Production company
Mehr-BB Theater GmbH[20]		Theater operator
MMS MMehr! Marketing & Sales GmbH[19]		Marketing services
Musical-Dome Verwaltungs- und Betriebsgesellscaft mbH[21]		Theater operator
Starlight Express GmbH[22]		Production company
HP-Theater Produktionsgesel schaft mbH[19]		Production company
Apometnos Gastspiel Verwaltungs GmbH i.L.[22]		Dormant
Schatten Gastspiel Verwaltungs GmbH i.L.[19]		Dormant
Dirty Dancing Gastspiel Verwaltungs GmbH[19]		Holding company

INTERNATIONAL ENTERTAINMENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020

Incorporated in Australia

Subsidiary undertaking	% Shares held	Principal activity
AKA Promotions (Australia) Pty Ltd[15]		Marketing services
Encore Merchandise (Australia) Pty Limited[15]		Dormant
The Ambassador Theatre Group Asia Pacific Pty Limited[16]		Production company

Associates and Joint Ventures

Name	*Incorporated*	*% Shares held*	*Principal activity*
HP West End Limited[4]	United Kingdom	25%	Production company
JB UK Tour II Productions Ltd[3]	United Kingdom	0%	Production company
Intershow Merchandise GmbH[12]	Germany	100%	Production company
ISM Show AG[17]	Switzerland	50%	Production company

Other investments

Name	Incorporated	% Shares held	Principal activity
Deutsche Eintrittskarten TKS GmbH	Germany	0.02%	Ticketing agency
Cleven Investments Ltd	United Kingdom	10%	Production company
Kings Theatre Redevelopment Company LLC	USA	1.08%	Venue developer
Merlin Entertainments plc	United Kingdom	0.00%	Entertainment group

INTERNATIONAL ENTERTAINMENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE 52 WEEK PERIOD ENDED 28 MARCH 2020

[1] These companies have a registered office of 28 St. George Street, London W1S 2FA

[2] These companies have a registered office of 115 Shaftesbury Avenue, Cambridge Circus, London WC2H 8AF

[3] These companies have a registered office of 2nd Floor Alexander House, Church Path, Woking, Surrey GU21 6EJ

[4] This company has a registered office of 5th Floor, 89 New Bond Street, London W1S 1DA

[5] This company has a registered office of 45 Monmouth Street, David Ian Productions, London WC2H 9DG

[6] These companies have a registered office of Capitol Services, Inc., 1675 South State St., Ste B, Dover, DE 19901

[7] These companies have a registered office of Capitol Corporate Services, Inc., 8550 United Plaza Bldg. II Ste 305, Baton Rouge, LA 70809

[8] These companies have a registered office of Capitol Corporate Services, Inc., 206 E. 9th St., Ste 1300, Austin, TX 78701

[9] This company has a registered office of Fitelson, Lasky, Aslan, Couture, & Garmise, Richard Garmise, 551 5th Ave #605, New York, NY 10176

[10] These companies have a registered office of Röntgenstraße 7, 68167 Mannheim

[11] This company has a registered office of Charlottenstr. 68, 10117 Berlin

[12] These companies have a registered office of Landsbergstraße 28, 50678 Köln

[13] These companies have a registered office of 6624 San Fernando Road, Los Angeles, CA 91210-1796

[14] These companies have a registered office of 630, 9th Avenue, Suite 305 New York, New York 10036

[15] These companies have a registered office of Suite 6.1, Level 6, 3 Bowen Crescent, Melbourne, Victoria 3004, Australia

[16] This company has a registered office of Suite 3, Level 1, 4 – 10 Bay Street, Double Bay, NSW 2028

[17] This company has a registered office of Carmenstraße 12, 8032 Zurich

[18] This company has a registered office of Komoedienstr. 11, 50667 Köln

[19] This company has a registered office of Erkrather Str. 30, 40233 Düsseldorf

[20] This company has a registered office of Banksstraße 28, 20097 Hamburg

[21] This company has a registered office of Goldgasse 1, 50668 Köln

[22] This company has a registered office of Stadionring 24, 44791 Bochum

[23] This company has a registered office of 1800 Post Oak Blvd, 6 Boulevard Place, Suite 450, Houston, Texas 77056

[24] This company has a registered office of 1313 N Market St., Ste 5100 Wilmington, DE 19801