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Amended
Parent accs of.
ATG Entertainment Ltd
09467208.

INTERNATIONAL ENTERTAINMENT HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE 52 WEEK PERIOD ENDED 30 MARCH 2019

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

Independent Auditor

Deloitte LLP

Statutory Auditor

London

United Kingdom

INTERNATIONAL ENTERTAINMENT HOLDINGS LIMITED

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INTERNATIONAL ENTERTAINMENT HOLDINGS LIMITED

STRATEGIC REPORT

ABOUT US – THE BUSINESS MODEL AND STRATEGY

International Entertainment Holdings Limited (the "Group") is an international holding group majority owned by Providence Equity Partners. The principal activity of the Group 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, Continental Europe and Australia. 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 Group is made up of several companies that are run independently:

- The Ambassador Theatre Group Limited (ATG) is a global leader in live entertainment. ATG currently owns and operates 46 venues across the UK, USA and Germany, is an internationally recognised award-winning producer and operates its own theatre ticketing business operation. Of the 46 venues, 31 are located in the UK, with coverage across England and Scotland, with a further two venues at Stockton and Swansea to be fully operational in the coming years. This will give ATG a presence in Wales and increase the number of UK venues to 33. The remaining 15 venues are located in the USA and Germany with ten and five venues respectively. The most notable international venue being the Lyric on Broadway. This being the home to the multi-Toni Award winning play, Harry Potter and the Cursed Child. In the autumn of 2019 the success at the Lyric is to be replicated at The Curran in San Francisco when it will also open its doors to Harry Potter and the Cursed Child. During the year, the Smart Financial Center (SFC) -a state-of-the-art, indoor performance venue was acquired, bringing the number of US venues to 10, and in total globally to 49, once Stockton and Swansea go live in the coming years.

- Mehr!-BB Entertainment GmbH and BB Group Gmbh, collectively referred to as Mehr!-BB, is focused on Continental Europe operations. Mehr!-BB was formed by the merger of the Mehr! Group (Mehr!) (acquired in May 2018) with the BB Entertainment Group of companies (acquired in May 2015). The acquisition of Mehr! added five venues to the IEH Group, covering key locations in Germany (Berlin, Dusseldorf, Cologne, Hamburg and Bochum). Mehr!-BB's business model is directly aligned to the business of ATG, covering, venues, ticketing, marketing and content production. In March 2020 the Hamburg theatre will also become home to Harry Potter and the Cursed Child. Mehr!-BB's in-house and co-productions are shown on stages in over 35 countries on six continents, with core markets being Germany, Austria and Switzerland.

ABOUT US – THE BUSINESS MODEL AND STRATEGY (continued)

- Sonia Friedman Productions Limited (SFP), is an independent subsidiary focused on the development of theatrical productions on Broadway and in the West End. SFP is responsible for some of the most successful productions, which in aggregate have won 55 Olivier Awards, 24 Tony Awards and 2 BAFTAS.

- The AKA Group (AKA), is headquartered in London with offices in Australia and the USA. AKA is a market leading international communications network serving the entertainment, cultural and film industries. The AKA Group provides integrated marketing, media, digital and creative services to clients across theatre, museums, galleries, attractions, film studios and cultural institutions as well as servicing ATG and their third-party customers.

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 FY19

Highlights of FY19	Acquisitions	Content	Dividend	Funding
	• Geographical expansion through the completed acquisitions of Mehrl, Ambassadors and SFC, increasing the no. of venues to 46	• Expansion through the continued roll out of Harry Potter and the Cursed Child in San Fransisco and Hamburg as well as the world premier of Moulin Rouge at the Boston Colonial	• Dividend of £10.9m paid out to shareholders	• Refinancing of the business making additional funds available for acquisitions and investments

The period to 30 March 2019 has been 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.

REVIEW OF FY19 (continued)

This focus and leadership have transcended into the Group performing at improved levels of profitability, with 2019 being not only the best year as a combined group, but the best year for some individual member companies of the Group. Furthermore, as highlighted by the KPI analysis below, all areas of performance are in-line with the directors' expectations, with the most satisfactory performance being the growth in the non-financial indicators.

The loss after tax for the period of £31.5 million (2018: £25.1 million) is higher than last year driven by the one-off losses on the unwind of the US financing structure that related to the Saenger Theatre in New Orleans £17.2 million (2018: nil) and the £18.7 million loss (2018: nil) on the fair value of the borrowings, following the Group's refinancing in the period. With these two items added back, then the Group would have recorded a profit in the year of £4.4 million (2018: Loss £25.1 million).

Capital structure and investment

The capital structure of the Group has also been reviewed and following an amendment of the external bank debt, the Group was further funded to support continued growth. At the period end, the business has £75.0 million undrawn on its facilities. During the financial period, the maturity date of these facilities was extended to 2023.

The business has continued its level of investments, both in property, plant and equipment and in investments in shows, with £23.4 million (2018: £43.9 million) invested in property, plant and equipment (refer to note 13) and £0.3 million (2018: £2.7 million) invested in shows.

New venues

During the period, the Colonial in Boston opened its doors to the world premiere of Moulin rouge with great success. ATG UK acquired the Ambassadors Theatre in London, the Mehrl Group in Germany and the Smart Financial Center in Texas.

Advanced ticket sales

The business has seen another year of increased advanced ticket sales, 2019: £139.0 million (2018: £128.2 million), which though shown as a current liability, is seen as a key indicator of the future success of the business, as it reaffirms that the directors believe in being able to provide appealing shows in its venues.

KEY PERFORMANCE INDICATORS

The directors consider the financial and operational performance and position of the business using a range of financial and non-financial metrics. In relation to the previous financial period these have been updated to reflect management's view of the business.

Non-financial	**Global Admissions** **12,026,000** (2018: 9,822,000)	**Global Occupancy** **64.3%** (2018: 61.0%)	**Number of tickets sold** **7,545,000** (2018: 7,051,000)
Financial	**Revenue** **£443.2m** (2018: £367.5m)	**Gross Margin less pass-through costs** **63.3%** (2018: 64.3%)	**Operating profit** **£28.3m** (2018: profit £22.1m)

Non-Financial KPIs:

- Global admissions (number of people attending a performance that has matured within the relevant period) have grown by 22% 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 3.3% year on year, indicating the strengthening of the quality of our content. Our global occupancy of 64.3% 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 7%, 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 £75.7 million from 2018, driven by the acquisition of Mehr and the success of Harry Potter and the Cursed Child in North America. Please refer to note 3 for geographical analysis of revenue.

- Gross Margin less pass-through costs has remained relatively stable above 60%. Management considers the 63.3% (2018 64.3%), a successful performance for the period on the back of local and international economic conditions. Pass-through costs comprise fees paid to third-party suppliers when they are engaged to perform part or all of a specific project, which are in-turn passed-on directly to clients. These costs predominantly include media and marketing related activities. Management therefore considers that gross-margin less pass-through costs gives a fairer reflection of the underlying margin of the business.

- Operating profit has also performed at a level satisfactory to the directors, with the business increasing operating profit for a second consecutive year, with an additional £6.2 million added year on year (2018: £28.5 million). This improvement has been driven in part by the successful completion of acquisitions in the period and the continued focus on managing the cost base of the group, which also growing the underlying revenue base.

FUTURE DEVELOPMENTS

Following a successful period for the Group, the directors continue to be optimistic on the continued growth of the business in future years. Whilst the focus continues to be maintaining its place as the global leader in live entertainment, adding new businesses where beneficial and complementary to the other members of the Group is also a key consideration in growing the business.

OVERVIEW ON BUSINESS OPERATIONS

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

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. The Group, through its subsidiaries, presents an average of 40 productions a year.

SFP enjoyed another year of creative success, with Harry Potter and the Cursed Child wining 9 Olivier awards, the most awards ever received by a single production in Oliviers' history and 6 Tony awards. SFP opened Harry Potter and the Cursed Child in Melbourne and announced that the production will be opening in Hamburg and San Francisco. Other productions that opened during the year on Broadway include The Ferryman and Ink. Productions in the West End include Fiddler on the Roof and All About Eve.

ATG Productions had a strong year with Pinter at the Pinter, a season of Harold Pinter's one act plays, which was concluded by the production Betrayal. Other productions during the year were 9 to 5, Caroline or Change, and Ian at 80. The run of 9 to 5 in the West End has been extended due to the box office success so far and a regional tour has also been announced. Ian at 80 is a production staring Sir Ian Mckellen, which will tour 80 theatres in the UK.

The combination of Mehrl Entertainment and the BB Group (Mehrl-BB) had a good year with touring shows including Blue Man Group, Dirty Dancing, Disney's Beauty and the Beast, Mamma Mia and the Rocky Horror Show. Mehrl-BB's long running sit-down show Starlight Express was *refreshed and relaunched this year and has now been running for over 30 years. The new* production of Starlight Express won PRG's Live Entertainment Award for Show of the Year. Mehr-BB's production Carmen La Cubana was also nominated for the Show of the Year award.

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 this year in improving our website to increase sales conversion and have also invested improving our customer relationship management capabilities, both of these investments will help to improve marketing investment efficacy.

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 complimentary 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 to further afield with clients not directly linked to the live entertainment industry, such as museums and zoological centres.

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

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 in the UK with 11 in London and 21 more across the regions. The Group operates ten 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 is due to open later in 2019 and the SFC was acquired during the financial year. The acquisition of Mehrl added five venues to the Group's portfolio.

In UK venues, we grew admissions by 4% for the year, resulting in over 8.6 million admissions for the year. Our goal in venue operations is to provide a stage to compelling content. The content presented in our West End venues won 50% of the awards at the 2019 Olivier ceremony, which is a testament to the talent of our producing clients and partners. Our regional venues in the UK had a strong year, with strong premium shows like The Band, Matilda, Motown and Wicked.

In the US, our admissions grew to 1.9 million, up by c. 95% vs. the prior year. This was largely driven by strong content, including the Lyric on Broadway completing the first full year of Harry Potter and the Cursed Child, the opening of the Colonial with the world premiere of Moulin Rouge, strong regional tours like Hamilton at the Saenger in New Orleans, and the acquisition of SFC.

FINANCIAL POSITION

The position of the Group at the period-end is set out in the consolidated statement of financial position on pages 30 and 31, and in the related notes on pages 35 to 91.

Highlights

Net Senior Debt
£266.4 million
(2018: £191.4 million)

- Cash from operating activities has decreased by £34.1 million driven by a year on year operating profit increase of £6.2 million which is offset by a movement in working capital of £16.2 million. Provisions utilised of £17.1 million for completion of acquisition earnout payments have also negatively impacted the Group's operating cash.
- Investing cash flows include £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, plus £0.3 million net investment in show investments in the period.
- The business debt facilities were refinanced during the period. Although net senior debt is higher year on year, the closing cash position of the group is £12.2 million higher which includes a decreased escrow balance of £7.4 million (2018: £20.1 million). During the period, no drawdowns were made on the RCF facility, resulting in £75.0 million being unutilised at the end of the year.

Leverage and liquidity

The Group performed comfortably within its debt covenant throughout the period.

An amendment and restatement of senior debt was completed during the period, which extended the repayment terms to 2023.

Net Senior Debt at 30 March 2019 of £266.4 million (£358.0 million of senior debt, net of cash (excluding escrow) of £91.6 million) was £75.0 million higher than the balance of £191.4 million at 31 March 2018.

Cash

As at 30 March 2019, the Group had cash and cash equivalents of £99.0 million (2018: £86.7 million), including escrow accounts which are held for use only in connection with specific productions. The Group also had additional available facilities of £75.0 million (2018: £39.0 million).

The cash balance increased by £12.2 million in the period.

£m	
Operating cash flows	45.7
Investing cash flows	(101.1)
Financing cash flows	64.3
Net cash flows	**8.9**
Impact of foreign exchange	3.3
Movement on cash balance	**12.2**

Financing cash flows include debt drawdowns of £100.0 million as a result of the amendment and restatement of senior debt completed during the period and the drawdown relating to the acquisition of the Smart Financial Centre, net of finance lease and short-term credit facility repayments of £4.3 million, and interest and financing fees paid of £12.7 million.

Borrowings

The Group has total available bank facilities of £433.0 million, of which £75.0 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 30 March 2019 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 £82.6 million (2018: £80.8 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 2022.

There is a finance lease creditor of £89.7 million (2018: £89.0 million).

The maturity of the debt is shown in notes 19, 20 and 30 to the financial statements.

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
Downturn in theatre attendance	There are potential factors outside the Group's control that might impact theatre attendance such as the economic slowdowns or recessions or other extraordinary events like terrorist attacks. Historically, the theatre industry has proven to be resilient in the wake of unexpected events over previous periods.	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 investing in the development of new show content. A weaker pound as a result of Brexit and political tension has encouraged more theatre visits by overseas tourists. In order to mitigate the risk to the Group's customers arising from terrorist attacks, security measures have been increased at all ATG venues.
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.

Operational Risks (continued)	**Description**	**Mitigation**
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.

Financial Risks	**Description**	**Mitigation**
Liquidity risk	Liquidity risk is the risk that cash may not be available to pay obligations when they fall due.	The Group monitors its liquidity requirements closely to ensure that there are sufficient funds. In addition, compliance with the covenants in the senior facilities agreement is monitored.
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 is in the process of implementing new treasury policies, which will govern the level of debt that the business should be exposed to, while considering the cost/benefit of entering into interest rate swap arrangements.
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 exposure acts as a natural hedge for our US-backed investors and the Euro and Australian Dollar exposure is limited.

Operational Risks (continued)	Description	Mitigation
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.

Financial risk management is discussed further in note 29.

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 2018 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.

Our People

Number of employees at 30 March 2019	Women	Men	Total
Directors of the company	1	4	**5**
Other senior management	26	42	**68**
Employees	3,039	2,436	**5,475**

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".

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.

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.

In the USA, in addition to being a leading sponsor, the Majestic Theatre works closely with the Las Casas Foundation in the Foundation's efforts to produce the Joci Awards which provide over $100,000 in scholarship money to students towards college. The Las Casas Foundation also holds Camp Broadway for children ages 10 -17 in the Charline McCombs Empire Theatre every August. The theatre also continues to work with the San Antonio Symphony presenting a series of concerts featuring major motion pictures with the orchestra playing the score live along with the film.

The Saenger Theatre presents an annual Broadway Series in conjunction with New Orleans Theatre Association, a non-profit organisation that awards scholarships and provides funding to provide musical instruments for youth in the area. The theatre also hosts a charitable event, Toys for Tots, designed to collect holiday gifts for disadvantaged children in the New Orleans metropolitan area.

INTERNATIONAL ENTERTAINMENT HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

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 9 July 2019 and signed on its behalf by:

Shan Mae Teo
Director

INTERNATIONAL ENTERTAINMENT HOLDINGS LIMITED
DIRECTORS' REPORT

The Directors present their report and the financial statements for the period ended 30 March 2019. The directors consider the annual report and financial statements to comply 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.

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 £31.5 million (2018: £25.1 million).

£10.9 million dividends have been paid during the current period (2018: £nil). No dividends are proposed in respect to the current period.

GOING CONCERN BASIS

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

The Group has net current liabilities of £117.9 million (2018: £72.6 million) and net assets of £69.9 million (2018: £105.1 million) at the period-end date. Net current liabilities include advanced ticket sales of £139.0 million (2018: £128.2 million), which represents ticket sales for shows that have yet to mature with a portion of this amount due to flow to the Group. The Group has cash-settled liabilities due within one year of £124.1 million which are exceeded by current assets of £163.3 million. Excluding the cash escrow accounts of £7.4 million, reduces this headroom to £155.9 million. The Group is obliged to meet financial covenants as part of arranging senior debt. These covenants are being met with comfortable headroom and forecasts indicate that this will continue to be the case.

In addition, the Group benefits from long-established relationships with major producers of shows and a network of supplier contracts across different geographic areas. Shows go on sale up to 18 months before the first performance date which helps mitigate risk, provides financial security and helps the Group monitor and forecast future performance.

Having prepared forecasts to cover the 12 months subsequent to the date of signing the financial statements, the directors have a reasonable expectation that the Company and Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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 9 July 2019 and signed on its behalf

ShanMae Teo
Director

Registered office
28 St. George Street
London
W1S 2FA

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;

INTERNATIONAL ENTERTAINMENT HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITY STATEMENT (CONTINUED)

- 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 Company's performance, business model and strategy.

This responsibility statement was approved by the Board of Directors on 9 July 2019 and is signed on its behalf by.

ShanMae Teo

Director

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

Siniša 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, Sinisa 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 Study Group, a role he has held since March 2013. Prior to joining Study Group, David was CEO of SHL, the global leader in talent assessment with a presence in more than 50 countries. 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.

INTERNATIONAL ENTERTAINMENT HOLDINGS LIMITED
DIRECTORS' BIOGRAPHIES

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 Adero 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 Bité, Clarion Events, HSE24, MásMóvil and Volia 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 Chime Communication, Clarion Events, HSE24 and M7. 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.

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

Report on the audit of 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 group's and of the parent company's affairs as at 30 March 2019 and of the group's loss for the 52 week 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 33.

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.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

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.

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

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

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

- 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.

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.

William Farren.

William Farren, FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London
United Kingdom

9 July 2019

INTERNATIONAL ENTERTAIMENT HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE 52 WEEK PERIOD ENDED 30 MARCH 2019

	Note	**52 week period ended 30 March 2019 £'000**	53 week period ended 31 March 2018 £'000
Revenue	3	**443,180**	367,512
Cost of sales		**(199,674)**	(166,902)
Gross profit		**243,506**	200,610
Administrative expenses		**(214,810)**	(178,947)
Share of results of associates and joint ventures	11	**(371)**	443
Operating profit	4	**28,325**	22,106
Other gains and losses	4	**(17,249)**	-
Finance income	7	**1,314**	1,208
Finance costs	8	**(40,628)**	(41,907)
Loss before tax		**(28,238)**	(18,593)
Taxation	9	**(3,266)**	(6,550)
Loss for the period		**(31,504)**	(25,143)
Attributable to:			
Owners of the Company		**(31,504)**	(25,887)
Non-controlling interests	24	**-**	744
Loss for the period		**(31,504)**	(25,143)
Comprehensive income			
Loss for the period		**(31,504)**	(25,143)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**9,622**	(9,544)
Total comprehensive loss for the period		**(21,882)**	(34,687)
Attributable to:			
Owners of the Company		**(19,526)**	(35,368)
Non-controlling interests	24	**(2,356)**	681
Total comprehensive loss for the period		**(21,882)**	(34,687)

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 30 MARCH 2019

		Consolidated		Company	
		30 March 2019 £'000	31 March 2018 £'000	**30 March 2019 £'000**	31 March 2018 £'000
Investments	10.33	**4,129**	3,818	**262,575**	262,576
Interests in associates and joint ventures	11.33	**1,673**	5,823	-	-
Goodwill	12	**368,475**	287,274	-	-
Intangible assets	12	**11,945**	5,696	-	-
Property, plant and equipment	13	**331,463**	290,210	-	-
Deferred tax assets	22	**4,713**	4,714	-	-
Non-current trade and other receivables	16	**28,689**	25,052	-	-
Non-current assets		**751,087**	622,587	**262,575**	262,576
Inventories	14	**1,262**	1,012	-	-
Investments in shows	15	**5,511**	4,997	-	-
Trade and other receivables	16	**57,560**	78,845	-	-
Cash and cash equivalents	17	**98,956**	86,749	-	-
Current assets		**163,289**	171,603	-	-
Total assets		**914,376**	794,190	**262,575**	**262,576**
Trade and other payables	18	**264,308**	220,313	**10,900**	-
Obligations under finance leases	20	**4,169**	4,128	-	-
Provisions	21	**12,686**	19,790	-	-
Current liabilities		**281,163**	244,231	**10,900**	-
Net current liabilities		**(117,874)**	(72,628)	**(10,900)**	-
Borrowings	19	**451,102**	334,144	-	-
Obligations under finance leases	20	**85,522**	84,897	-	-
Deferred tax liabilities	22	**26,656**	25,847	-	-
Non-current liabilities		**563,280**	444,888	-	-
Total liabilities		**844,443**	689,119	**10,900**	-
Net assets		**69,933**	105,071	**251,675**	**262,576**

INTERNATIONAL ENTERTAINMENT HOLDINGS LIMITED

CONSOLIDATED AND COMPANY STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT 30 MARCH 2019

		Consolidated		Company	
		30 March 2019	31 March 2018	**30 March 2019**	31 March 2018
		£'000	£'000	**£'000**	£'000
Share capital	23	**262**	262	**262**	262
Share premium account		**251,414**	262,314	**251,413**	262,314
Translation reserve		**22,288**	12,666	**-**	-
Revaluation reserve		**-**	-	**-**	
Accumulated deficit		**(204,031)**	(172,527)	**-**	-
Equity attributable to owners of the Company		**69,933**	102,715	**251,675**	**262,576**
Non-controlling interests	24	**-**	2,356	**-**	-
Total equity		**69,933**	105,071	**251,675**	**262,576**

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 (2018: £nil).

The financial statements of were approved by the Board of Directors and authorised for issue on 9 July 2019. 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

FOR THE 52 WEEK PERIOD ENDED 30 MARCH 2019

Consolidated:

	Share Capital £'000	Share Premium Account £'000	Translation reserve £'000	Accumulated losses £'000	Total £'000	Non-controlling Interest £'000	Total Equity £'000
Balance at 25 March 2017	1	1,708	22,210	(146,640)	(122,721)	1,675	(121,046)
Profit/(Loss) for the period	-	-	-	(25,887)	(25,887)	744	(25,143)
Share issue (note 20)	261	260,606	-	-	260,867	-	260,867
Other comprehensive (expense) for the period	-	-	(9,544)	-	(9,544)	(63)	(9,607)
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 income/(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

INTERNATIONAL ENTERTAINMENT HOLDINGS LIMITED

CONSOLIDATED AND COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE 52 WEEK PERIOD ENDED 30 MARCH 2019

Company:

	Share Capital £'000	Share Premium Account £'000	Total £'000
Balance at 25 March 2017	1	1,707	1,708
Profit/(Loss) for the period	-	-	-
Share issue (note 20)	261	260,606	260,867
Other comprehensive income for the period	-	-	-
Balance at 31 March 2018	**262**	**262,313**	**262,575**
Profit/(Loss) for the period	-	-	-
Dividends paid	-	(10,900)	(10,900)
Other comprehensive income for the period	-	-	-
Balance at 30 March 2019	**262**	**251,413**	**251,675**

INTERNATIONAL ENTERTAINMENT HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE 52 WEEK PERIOD ENDED 30 MARCH 2019

		For the 52 week period ended 30 March 2019 £'000	For the 53 week period ended 31 March 2018 £'000
Net cash generated from operating activities	25	**45,685**	79,769
Acquisition of subsidiaries, net of cash acquired	26	(54,861)	-
Acquisition of assets		(2,430)	-
Purchases of property, plant and equipment		(19,169)	(11,969)
Purchases of intangible assets		(9,352)	656
Non-cash movement on Leasehold improvement disposal		(14,997)	-
Proceeds from disposals of property, plant and equipment		-	4,387
Investment in theatre development		-	(30,245)
Net investment in shows		(273)	(2,699)
Net cash used in investing activities		**(101,082)**	(39,870)
New bank loans raised		100,000	36,000
Dividends paid		(10,900)	-
Repayments of borrowings		(9,076)	(6,908)
Repayment of obligations under finance leases		(4,253)	(6,322)
Interest received		1,220	1,208
Interest paid		(7,616)	(12,892)
Financing fees paid		(5,057)	(1,094)
Net cash generated by financing activities		**64,318**	9,993
Net increase in cash and cash equivalents		**8,921**	49,890
Cash and cash equivalents at beginning of period		**86,749**	42,886
Net increase in cash and cash equivalents		**8,921**	49,890
Foreign exchange (loss)/gain on cash		**3,286**	(6,028)
Cash and cash equivalents at end of period	17	**98,956**	86,749

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.

General information

International Entertainment Holdings Limited (the "Group") is a 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 2 to 17.

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 a number of 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.

The following new and amended IFRSs were effective during the period but had no material effect on the results or position of the Group and Company for the period or comparative period:

- IFRS 9 'Financial instruments'
- IFRS 15, 'Revenue from contracts with customers'; and Amendments to IFRS 15, 'Revenue from contracts with customers'

IFRS 9 Financial Instruments

IFRS 9 replaces the provision of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liability, derecognition of financial instruments, impairment of financial assets and hedge accounting.

IFRS 9 introduces an 'expected loss' model for recognising impairment of financial assets held at amortised cost. This is different from IAS 39, which had an incurred loss model where provisions were recognised only when there was objective evidence of impairment. This change of approach requires the Group to consider forward-looking information to calculate expected credit losses regardless of whether there has been an impairment trigger. The adoption of IFRS 9 from 1 January 2018 resulted in no adjustments to the amounts recognised in the financial statements. In accordance with the transitional provisions, comparative figures have not been restated.

IFRS 9 Financial Instruments (continued)

The application of IFRS 9 has also not resulted in a significant increase of impairment of financial assets measured at amortised cost in the current year as compared to impairment recognised under previous accounting policies. The Group has also considered the changes to classification and measurement of financial assets and liabilities and has concluded that the only material impact is in relation to the re-finance of the loan as detailed in note 19.

IFRS 15

The Group has adopted IFRS 15 Revenue from Contracts with Customers.

IFRS 15 did not have a material impact on the timing of revenue recognition for all revenue streams on the basis that the Group's business does not typically involve long-term, multi-obligation contracts with customers. There were no adjustments to the amounts recognised in the financial statements and no restatement of the comparative for the prior financial year.

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:

- IFRS16 - *Leases*
- Amendments to IAS 12 - *Income taxes* on Recognition of deferred tax assets for unrealised losses
- Amendments to IFRS 2 - *Share-based payments'*, on clarifying how to account for certain types of share-based payment transactions
- Amendments to IFRS 4 - *Insurance contracts'*
- Amendments to IAS 40 - *Investment property'*
- Annual Improvements 2014-16 cycle
- Amendments to IFRS 10 and IAS 28 - *Sale or Contribution of Assets between an investor and its Associate or Joint Venture'*
- IFRIC 22 - *Foreign currency transactions and advance consideration*
- IFRIC 23 - *Uncertainty of Income Tax Treatments'*

New and revised IFRSs in issue but not yet effective (continued)

The directors do not expect that the adoption of the Standards listed above will, once adopted, have a material impact on the financial statements of the Group in future periods, except as noted below:

IFRS 16 Leases

IFRS 16 sets out the principles for the recognition, measurement, preparation and disclosure of leases for both parties to a contract, i.e. the customer ("lessee") and the supplier ("lessor"). It will result in leases being recognised on the balance sheet by lessees, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The Group will apply the standard from its mandatory adoption date of 31 March 2019. It intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

A preliminary assessment indicates that the Group expects to recognise right-of-use assets and lease liabilities (after adjustments for prepayments and accrued lease payments) of respectively and approximately £142 million and £143 million on 31 March 2019.

Depreciation of property, plant and equipment and finance costs are expected to increase by approximately £6.1 million and £11.3 million respectively as a result of adopting the new rules. This standard is not expected to have a significant effect on the Group's financial statements.

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 (2018: £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

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence

Significant accounting policies (continued)

for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements. Further details of which can be found in the Directors' Report, on page 19.

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.

Retirement benefits (continued)

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.

Revenue (continued)

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.

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.

Rentals under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight-line basis over the lease term. Lease incentives are recognised as a liability and recognised as a reduction of rental 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.

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

Deferred tax (continued)

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.

Key sources of estimation uncertainty

Carrying value of non-current assets

Notes receivable balances arise in relation to financing the redevelopment of venues via schemes created by the US government to encourage financial institutions to invest into redevelopment of historic buildings. Management assesses the recoverability of these assets to determine that the carrying value is appropriately supported, whether the asset will be recoverable either over the life of the instrument or by other means. Given the nature of the agreements, the cost of winding-up the arrangements at expiry is not a fixed amount, and therefore is uncertain. A meaningful sensitivity cannot be performed on the estimate involved due to the factors outside of the control of the Group.

3 Revenue

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

	52 week period ended 30 March 2019	53 week period ended 31 March 2018
	£'000	£'000
Venue Rental and Production Related Services	**224,497**	181,523
Promotional & Marketing Services	**114,184**	105,043
Ticket and Retail Sales	**95,124**	74,103
Other	**9,375**	6,843
Total revenue	**443,180**	367,512

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

	52 week period ended 30 March 2019	53 week period ended 31 March 2018
	£'000	£'000
United Kingdom	**207,985**	208,751
Rest of Europe	**124,326**	74,277
North America	**100,252**	73,002
Asia	**10,617**	11,482
Total revenue	**443,180**	367,512

4 Net Profit/ (Loss) for the period

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

		52 week period ended 30 March 2019	53 week period ended 31 March 2018
		£'000	£'000
Depreciation of property, plant and equipment	13	**16,852**	15,046
Amortisation of intangible fixed assets	12	**2,872**	2,466
Profit on disposal of property, plant & equipment	25	**-**	(4,293)
Operating lease charges		**10,372**	6,056
Staff costs	6	**121,184**	101,051
Finance Income	7	**(1,314)**	(1,208)
Finance costs	8	**40,628**	41,907
Other gains and losses		**17,249**	-

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 30 March 2019	53 week period ended 31 March 2018
	£'000	£'000
Fees payable to the Company's auditor and their associates for the audit of		
The consolidated and parent financial statements	**308**	303
The subsidiary financial statements	**59**	54
Total audit fees	**367**	357
Taxation compliance services	**63**	60
Taxation advisory services	**25**	44
Total non-audit fees	**88**	104
Total	**455**	461

6 Staff costs

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

	52 week period ended 30 March 2019	53 week period ended 31 March 2018
Executive directors	5	5
Venue staff	4,041	3,457
Other	1,368	937
Total monthly average number of employees	**5,414**	4,399

Their aggregate remuneration comprised:	£'000	£'000
Wages and salaries	110,438	92,225
Social security costs	9,039	7,521
Other pension costs	1,707	1,305
Total aggregate remuneration	**121,184**	101,051

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 30 March 2019	53 week period ended 31 March 2018
	£'000	£'000
Remuneration of directors:		
Salaries, fees, bonuses, and benefits in kind	**1,570**	1,386
Money purchase pension contributions	**20**	23
Total remuneration of directors	**1,590**	1,408
Remuneration of directors and key management personnel		
Remuneration	**3,664**	3,093
Social security contributions	**540**	428
Pension	**55**	39
Total remuneration of key management personnel	**4,259**	3,560

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 (2018: 3) directors in respect of defined contribution schemes.

The highest paid director received remuneration of £1,072,500 (2018: £935,625). The value of the Company's contributions paid to a defined contribution scheme in respect of that individual amounted to £10,000 (2018: £10,000).

During the period, directors and key management personnel received total compensation for loss of office totalling £nil (2018: £nil), on which social security of £nil (2018: £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 £1,707,000 (2018: £1,305,000). Contributions totalling £86,000 (2018: £104,000) were payable to the fund at the balance sheet date.

6 Staff costs (continued)

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 30 March 2019	53 week period ended 31 March 2018
	£'000	£'000
Interest income	1,294	1,165
Change in the fair value of derivative financial instruments	-	561
Unwinding of discount on long term receivables and payables	20	43
Finance income	**1,314**	1,338

8 Finance costs

		52 week period ended 30 March 2019	53 week period ended 31 March 2018
		£'000	£'000
Interest on loans from parent undertakings		1,799	17,788
Interest on bank overdrafts and loans		13,747	17,098
Interest on obligations under finance leases		4,919	4,918
Amortisation of financing fees		1,502	2,103
Fair value losses on financial instruments	30	18,661	-
Finance costs		**40,628**	41,907

9 Taxation

Analysis of tax charge/ (credit) in the period

		52 week period ended 30 March 2019	53 week period ended 31 March 2018
Current tax		**£'000**	£'000
Tax charge on loss for the period		4,065	4,554
Adjustment for prior periods		-	1,972
Total current tax		**4,065**	6,526
Deferred tax	22		
Deferred tax charge / (credit) current year		(583)	(1,114)
Change in tax rate		-	2,776
Adjustments in respect of prior periods		(216)	(1,638)
Total deferred tax		**(799)**	24
Tax on loss		**3,266**	6,550

Corporation tax is calculated at 19% (2018: 19%) of the estimated taxable profit for the period. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

9 Taxation (continued)

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

	52 week period ended 30 March 2019	53 week period ended 31 March 2018
	£'000	£'000
Loss before tax	**(28,238)**	(18,593)
Loss multiplied by standard rate of corporation tax in the	**(5,365)**	(3,533)
Effects of:		
Expenses not deductible for tax purposes	10,001	7,817
Adjustments to tax charge in respect of prior periods	(216)	334
Utilisation of tax losses	-	(36)
Effect of different rate for deferred tax	(84)	2,682
Movement in unrecognised deferred tax assets	16	90
Effect of different rates of subsidiaries operating in other jurisdictions	259	655
Theatre tax credit	(1,345)	655
Other reconciling differences	-	(1,459)
Tax charge/(credit) for the period (see note above)	**3,266**	6,550

The Finance Act 2016 provides for reductions in the main rate of corporation tax from 19% to 17% from 1 April 2020. These rate reductions have been reflected in the calculation of UK deferred tax at the balance sheet date as appropriate. The closing UK deferred tax liability as at 30 March 2019 has been calculated at 17% 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 £2,270,000 (2018: £1,730,000) have not been recognised.

9 Taxation (continued)

There are carried forward unutilised tax losses in the UK of £351,000 (2018: £269,000) resulting in a deferred tax asset which has not been recognised. None of these losses have an expiry date.

The tax creditor in the UK is £2,094,000 and the creditor for Germany is £4,024,000.

There is a deferred tax liability of £26,656,000 and a deferred tax asset of £4,713,000.

10 Investments

The directly and indirectly held subsidiaries are listed in note 33.

Group	**As at 52 week period ended 30 March 2019**	As at 53 week period ended 31 March 2018
	£'000	£'000
Cost and Net book value		
Listed investments	**1**	2
Unlisted investments	**4,128**	3,816
Investments	**4,129**	3,818

Company	**As at 52 week period ended 30 March 2019**	As at 53 week period ended 31 March 2018
	£'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%.

During the period ended 31 March 2018, the loan from the parent company IE Luxco S.à.r.l. was refinanced in a mixture of an additional share issue and additional external debt. The additional share issue resulted in an increase in the investment held in a subsidiary of IEH Limited. Refer to note 20 for further disclosure.

11 Interests in associates and joint ventures – Group

	As at 52 week period ended 30 March 2019	As at 53 week period ended 31 March 2018
	£'000	£'000
Interests in joint ventures	394	1,061
Interests in associates	1,279	4,762
Interests in associates and joint ventures	**1,673**	5,823

Joint Ventures

The Group has interests in a number of 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 30 March 2019:

- HP West End: 31 October 2018
- JB UK Tour II: 31 December 2018

This is as a result of of the entities not falling under ATG 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 2018), and JB UK Tour II (for the year ended 31 December 2018) have been used, and appropriate adjustments have been made for significant transactions between those dates and the 30 March 2019.

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 30 March 2019	As at / 53 week period ended 31 March 2018
	£'000	£'000
Carrying amount of interests in Joint Ventures	**394**	1,061
Share of total comprehensive income	**(371)**	(569)

Associates

	As at 52 week period ended 30 March 2019	As at 53 week period ended 31 March 2018
	£'000	£'000
Carrying amount of interests in Joint Ventures	**394**	1,061
Share of total comprehensive income	**(371)**	(569)

12 Intangible assets – Group

Other intangible assets relate to assets recognised at fair value on acquisition of subsidiaries.

	Software	Other - Intangibles	Total Intangible Assets	Goodwill	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 26 March 2017	8,857	6,849	**15,706**	297,840	**313,546**
Additions	420	2	**422**	-	**422**
Recognised on acquisition of a subsidiary	(1,500)	-	**(1,500)**	-	**(1,500)**
Exchange differences	154	(291)	**(137)**	(2,937)	**(3,074)**
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 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**
Disposals	-	-	-	-	-
Exchange differences	(902)	(62)	**(964)**	157	**(807)**
At 30 March 2019	**16,919**	**6,498**	**23,417**	**375,954**	**399,371**
Accumulated amortisation and impairment					
At 26 March 2017	4,622	2,228	**6,850**	7,523	**14,373**
Charge for the 53 week period	1,835	631	**2,466**	-	**2,466**
Disposals	(261)	-	**(261)**	-	**(261)**
Exchange differences	(77)	(183)	**(260)**	106	**(154)**
At 31 March 2018	**6,119**	**2,676**	**8,795**	**7,629**	**16,424**
Charge for the 52 week period	2,147	725	**2,872**	-	**2,872**
Disposals	-	-	-	-	-
Transfers	-	-	-	-	-
Exchange differences	(1)	(194)	**(195)**	(150)	**(345)**
At 30 March 2019	**8,265**	**3,207**	**11,472**	**7,479**	**18,951**
Carrying amount					
At 31 March 2019	**8,654**	**3,291**	**11,945**	**368,475**	**380,420**
At 25 March 2018	**1,812**	**3,884**	**5,696**	**287,274**	**292,970**

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:

	30 March 2019 £'000
United Kingdom	254,456
USA	59,498
Mainland Europe	40,943
AKA	13,578
Total goodwill	**368,475**

The Group tests goodwill 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 is required. 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.

- 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.
- Pre-tax discount rates of between 7.68% (2018: 9.98%) and 7.78% (2018: 10.51%) were applied to each territory.
- Terminal growth rates of between 0.6% (2018: 2.60%) and 3.0% (2018: 2.70%) were applied to each territory.

The Group has conducted a sensitivity analysis on the growth rates included within the impairment model for each CGU. The sensitivity analysis resulted in no impairment for each CGU.

The Company has no Intangible assets (2018: £nil).

13 *Property, plant and equipment - Group*

	Freehold property	Long-term leasehold property	Short-term leasehold property	Assets under construction	Fixtures and fittings	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Group						
Cost						
At 25 March 2017	151,294	109,252	7,119	-	48,977	**316,642**
Additions	-	25,782	-	7,481	10 676	**43,939**
Disposals	-	-	(552)	-	(3 918)	**(4,470)**
Transfer to assets held for sale	-	-	-	(716)	716	-
Exchange differences	(9)	(5,851)	-	(246)	(541)	**(6,647)**
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	**163,606**	**140,688**	**22,367**	**7,702**	**74,137**	**408,500**
Accumulated depreciation and impairment						
At 25 March 2017	11,130	19,301	3,113	-	16 241	**49,785**
Charge for the 53 week period	2,812	3,258	647	-	8 329	**15,046**
Disposals	-	-	(59)	-	(4 351)	**(4,410)**
Exchange differences	(1)	(971)	-	-	(195)	**(1,167)**
At 31 March 2018	13,941	21,588	3,701	-	20,024	**59,254**
Charge for the 52 week period	2,898	4,475	646	-	8 833	**16,852**
Exchange differences	(3)	677	-	-	257	**931**
At 30 March 2019	**16,836**	**26,740**	**4,347**	-	**29,114**	**77,037**
Net book value						
At 30 March 2019	**146,770**	**113,948**	**18,020**	**7,702**	**45,023**	**331,463**
At 31 March 2018	137,344	107,595	2,866	6,519	35,886	**290,210**

The Company has no property, plant and equipment (2018: £nil).

14 Inventories – Group

	30 March 2019	31 March 2018
	£'000	£'000
Finished goods and goods for resale	**1,262**	1,012

The Company has no inventory (2018: £nil).

15 Investments in shows – Group

	30 March 2019	31 March 2018
	£'000	£'000
Investments in shows	**5,511**	4,997

The Company has no investments in shows (2018: £nil).

16 Trade and other receivables – Group

	30 March 2019	31 March 2018
	£'000	£'000
Notes receivable	**11,787**	6,036
Long term receivable for developer fee	**5,529**	5,138
Other non-current receivables	**11,373**	13,878
Amounts receivable after more than 12 months	**28,689**	25,052

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.

16 Trade and other receivables – Group (continued)

	30 March 2019 £'000	31 March 2018 £'000
Notes receivable	-	18,710
Trade receivables	36,173	28,951
Prepayments and accrued income	15,746	16,711
Corporation tax receivable	-	235
Other receivables	5,641	14,238
Amounts receivable within 12 months	**57,560**	**78,845**

The Company had no trade and other receivables (2018: £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.

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 30 March 2019, 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:

	30 March 2019 £'000	31 March 2018 £'000
Up to 3 months	23,468	16,138
3 to 6 months	2,781	1,125
Over 6 months	5,719	5,547
Total	**31,968**	**22,811**

As of 30 March 2019, the Group also held past due trade receivables which had been provided for.

16 Trade and other receivables – Group (continued)

Analysis of trade receivable ageing (continued)

	30 March 2019	31 March 2018
	£'000	£'000
Up to 3 months	430	1,169
3 to 6 months	81	1,058
Over 6 months	37	748
Total	**548**	**2,976**

Under IFRS 9, the Group is required to utilise objective evidence as well as consider forward looking information 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 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

	30 March 2019	31 March 2018
	£'000	£'000
Cash and cash equivalents held in own accounts	91,606	66,614
Cash and cash equivalents held in escrow	7,350	20,135
Cash and cash equivalents	**98,956**	86,749

The Company has no cash and cash equivalents (2018: £nil).

18 Trade and other payables - Group

	30 March 2019	31 March 2018
	£'000	£'000
Trade payables	34,285	28,472
Deferred income	138,959	128,166
Accruals	65,101	40,736
Notes payable	-	9,943
Other taxation and social security	7,879	1.446
Tax Creditor	6,118	4.897
Other payables	10,707	5,648
Government grants received and not utilised	1,259	1,005
Trade and other payables due within 12 months	**264,308**	220,313

The Company has an intercompany payable of £10.9 million (2018: £nil).

19 Borrowings – Group

	30 March 2019	31 March 2018
	£'000	£000
Bank loans - senior debt	368,533	253,374
Bank loans - other	82,569	80,770
Borrowings	451,102	334,144
Amount due for settlement after 12 months	451,102	334,144
Borrowings	451,102	334,144

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.

The Group also has other debt items, which are secured against the assets of its shareholder, of £82.6 million (2017: £80.8 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 2020.

	30 March 2019	31 March 2018
	£'000	£'000
Bank loans - senior debt	358,000	258,000
Bank loans - senior debt FVTPL	18,661	-
Bank loans - other	82,568	80,770
Unamortised financing fees	(8,127)	(4,626)
Net bank loans	451,102	334,144

On 9 August 2018 the Senior Finance Agreement between the Group and its lenders was amended and restated. The aim of the refinance was to extend the terms of the financing agreement to 2023 and provide additional funding availability.

The Company does not have any Borrowings (2018: £nil).

20 Obligations under finance leases – Group

	Minimum lease payments		Present value of minimum lease payments	
	30 March 2019 £'000	31 March 2018 £'000	30 March 2019 £'000	31 March 2018 £'000
Within one year	4,244	4,202	4,169	4,128
In the second to fifth years inclusive	17,403	17,231	14,987	14,839
After five years	409,578	414,078	72,732	72,287
	431,225	435,511	91,888	91,255
Less: future finance charges	(339,337)	(344,256)		
	91,888	**91,255**	**91,888**	**91,255**
unamortised finance costs	(2,197)	(2,230)	(2,197)	(2,230)
Present value of lease obligations	**89,691**	**89,025**	**89,691**	**89,025**
Amount due within 12 months			4,169	4,128
Amount due after 12 months			85,522	84,897
			89,691	89,025

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% (2018: 5.3% to 5.8%).

21 Provisions – Group

Group	Acquisition-related provisions £'000	Dilapidations £'000	Other £'000	Total £'000
At 31 March 2018	**7,671**	**633**	**-**	**8,304**
Additions	10,171	155	1,160	11,486
Release	-	-	-	-
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**

Acquisition-related provisions relate to earn out agreements in respect of the acquisitions of Mehrl Group in the 52 week period ended 30 March 2019. The consideration is payable dependent on success factor criteria over the next three years.

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

Other provisions primarily relate to the possibility that shows may be cancelled or loss-making. 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 (2018: £nil).

22 Deferred tax - Group

	Revaluation of property £'000	Accelerated tax depreciation £'000	Acquisition intangibles £'000	Tax losses £'000	Other timing differences £'000	Total £'000
At 25 March 2017	25,534	(1,282)	1,038	(213)	(4,259)	20,818
FX					291	291
Charge to profit or loss	(395)	688	(330)	(619)	680	24
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**

	30 March 2019 £'000	31 March 2018 £'000
Deferred tax liabilities	26,656	25,847
Deferred tax assets	(4,713)	(4,714)
Net deferred tax liability	21,943	21,133

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

The Company has no deferred tax (2018: £nil).

23 Share capital – Group and Company

	As at 52 week period ended 30 March 2019 £'000	As at 53 week period ended 31 March 2018 £'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 30 March 2019.

24 Non-controlling interests - Group

The Group acquired the remaining percentage of shares in in the Saenger Aggregator Leverage Lender LLC and BB Group GmbH and subsidiaries during the period.

25 Notes to the cash flow statement

Net cash generated by operating activities

	For the 52 week period ended 30 March 2019 £'000	For the 53 week period ended 31 March 2018 £'000
Operating profit	*28,325*	22,106
Amortisation of intangible fixed assets	*2,872*	2,466
Depreciation of property, plant and equipment	*16,852*	15,046
Share of results of associates and joint ventures	*(371)*	(443)
Loss/(profit) on disposal of property, plant and equipment	-	(4,293)
Movement in non-cash payables	*(10,629)*	-
(Decrease)/increase in provisions	*(6,905)*	10,175
Operating cash flows before movements in working capital	*30,144*	45,057
Increase in inventories	*(104)*	(283)
Decrease/(increase) in receivables	*9,974*	(14,454)
(Decrease)/increase in Payables	*8,964*	49,776
Cash generated by operating activities	**48,978**	80,096
Corporate tax paid	**(3,293)**	(327)
Net cash generated from operating activities	**45,685**	79,769

25 Notes to cash flow statement (continued)

Net debt reconciliation

	As at 52 week period ended 30 March 2019	As at 53 week period ended 31 March 2018
	£'000	£'000
Cash and Cash equivalents	**98,956**	86,749
Borrowings - repayable after one year	**(451,102)**	(334,144)
Net debt	**(352,146)**	(247,395)
Cash and liquid investments	**98,956**	86,749
Gross debt - fixed interest rates	**(451,102)**	(334,144)
Net Debt	**(352,146)**	(247,395)

	Other Assets	**Liabilities from financing activities**	
	Cash at bank	Borrowings due after one year	**Total**
	£'000	**£'000**	**£'000**
Net debt as at 31 March 2018	**86,749**	**(334,144)**	**(247,395)**
Cash flows	8,921	(94,943)	**(86,022)**
Foreign exchange adjsutments	3,286	-	**3,286**
Other non-cash movement	-	(22,015)	**(22,015)**
Net debt as at 30 March 2019	**98,956**	**(451,102)**	**(352,146)**

26 Acquisition of subsidiaries

During the period, the Group acquired 100% of the share capital of the following companies:

- Mehr! Entertainment GmbH (Germany)

- Theatre Management Holdings Limited (UK), and

- Arts Center Enterprises – Sugar Land, LLC, USA (referred to as Smart Financial Centre)

The Group also completed the acquisition of the remaining 10% of share capital in BB Group (Germany).

26.1 Mehr! Entertainment GmbH

On 25 May 2018, the Group acquired all of the issued share capital of Mehr! Entertainment GmbH ("Mehr!"), obtaining control of the entity and its subsidiaries. Mehr!, like the Ambassadors Theatre Group, another wholly owned subsidiary of the Group, combines the operation of venues, with content production, programming and ticketing for all of its venues. Mehr! Currently operates five venues, namely, Hamburg Theatre, the Admiralspalast in Berlin, the Capitol Theatre in Dusseldorf, the Musical Dome in Cologne and the theatre in Bochum, which have been home to the long running musical Starlight Express. The acquisition of Mehr! supports the Group's strategy of acquiring and developing independently managed, complementary live entertainment and theatre-related activities, principally in the UK, USA, Germany and Australia.

Additional consideration is payable contingent on the commercial success of certain theatres and completion of licensing contract negotiations. It is expected that the consideration will be fully paid by the period ending 31 May 2021. Based on projected results and state of negotiations at acquisition the fair value of expected consideration payable at acquisition was deemed to be £12.1 million. The potential undiscounted amount of all future payments that the Group could be required to make under the contingent consideration arrangement is limited to £11.1 million.

Goodwill recognised consists of intangible benefits associated with the transaction but not eligible for separate recognition such as workforce expertise and synergies expected to be achieved. None of the goodwill is expected to be deductible for corporation tax purposes.

All assets and liabilities acquired were recognised at their fair value. There were no identifiable intangible assets.

Acquisition-related costs (included in administrative expenses) amounted to £Nil (2018: £1.2 million).

26.1 Mehr! Entertainment GmbH (continued)

Mehr! Entertainment GmbH contributed £44.6 million revenue and a loss of £0.3 million to the Group's profit for the period between the date of acquisition and the balance sheet date.

If the acquisition of Mehr! Entertainment GmbH had been completed on the first day of the financial year, group revenues for the year would have increased by £6.3 million and the group profit would have decreased by £0.9 million.

	£'000
Property, plant and equipment	19,269
Intangibles	538
Cash	11,395
Inventories	113
Trade and other receivables	3,728
Trade and other payables	(34,425)
Borrowings	(9,128)
	(8,510)
Goodwill	38,707
Total consideration	30,197
Satisfied by:	
Cash	18,122
Contingent consideration	12,075
Total consideration	30,197
Net cash outflow arising on acquisition:	
Cash consideration	18,122
Less: cash and cash equivalent balances acquired	(11,395)
NET Cashflow	6,727

26.2 Theatre Management Holdings Limited

On 19 December 2018, the Group acquired all of the issued share capital of Theatre Management Holdings Limited and it's subsidiary company, Theatre Management Limited. Obtaining 100% control of both entities. The acquired businesses operate a venue that is similar to other venues within the Group's portfolio of venues, focusing on hosting theatrical performances. The acquisition of Theatre Management Holdings Limited supports the Group's strategy of acquiring and developing independently managed, complementary live entertainment and theatre-related activities, principally in the UK, USA, Germany and Australia.

Goodwill recognised consists of intangible benefits associated with the transaction but not eligible for separate recognition such as workforce expertise and synergies expected to be achieved. None of the goodwill is expected to be deductible for corporation tax purposes.

All assets and liabilities acquired were recognised at their fair value. There were no identifiable intangible assets.

Acquisition-related costs (included in administrative expenses) amounted to £0.2m, of which £nil were incurred in the previous financial period.

Theatre Management Holdings Limited did not contribute to the Group's profit for the period between the date of acquisition and the balance sheet date.

If the acquisition of Theatre Management Holdings Limited had been completed on the first day of the financial year, group revenues for the year would have increased by £ 0.9 million and the group profit would have decreased by £0.4 million.

26.2 Theatre Management Holdings Limited (continued)

	£'000
Property, plant and equipment	10,381
Cash	202
Inventories	6
Trade and other receivables	555
Trade and other payables	(2,581)
Deferred tax liability recognitions on acquisition	(1,603)
	6,960
Goodwill	5,255
Total consideration	12,215
Satisfied by:	
Cash	12,215
Total consideration	12,215
Net cash outflow arising on acquisition:	
Cash consideration	12,215
Less: cash and cash equivalent balances acquired	(202)
NET Cashflow	12,013

26.3 Arts Center Enterprises – Sugar Land, LLC (Smart Financial Centre)

On 7 January 2019, the Group acquired all of the issued share capital of ACE SL, LLC obtaining 100% control of the entity. Similar to other venues within the Group's portfolio of venues, the business owns a single venue within the city of Sugar Land Texas, USA and is focussed solely on hosting performance events and concerts. The acquisition of ACE SL, LLC supports the Group's strategy of acquiring and developing independently managed, complementary live entertainment and theatre-related activities, principally in the UK, USA, Germany and Australia.

Goodwill recognised consists of intangible benefits associated with the transaction but not eligible for separate recognition such as workforce expertise and synergies expected to be achieved. None of the goodwill is expected to be deductible for corporation tax purposes.

All assets and liabilities acquired were recognised at their fair value. There were no identifiable intangible assets.

Acquisition-related costs (included in administrative expenses) amounted to £0.1 million, of which £nil were incurred in the previous financial period.

Arts Center Enterprises Sugar Land LLC contributed £3.2 million revenue and £1.0 million to the Group's profit for the period between the date of acquisition and the balance sheet date.

If the acquisition of Arts Center Enterprises Sugar Land LLC had been completed on the first day of the financial year, group revenues for the year would have increased by £28.2 million and the group profit would have also increased by £2.1 million.

26.3 Arts Center Enterprises – Sugar Land, LLC (continued)

	£'000
Property, plant and equipment	869
Cash	5,300
Trade and other receivables	1,455
Trade and other payables	(6,978)
Borrowings	(981)
	(335)
Goodwill	36,947
Total consideration	36,612
Satisfied by:	
Cash	36,612
Total consideration	36,612
Net cash outflow arising on acquisition:	
Cash consideration	36,612
Less: cash and cash equivalent balances acquired	(5,300)
Net Cashflow	31,312

27 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.

28 Commitments

Capital commitments

At the balance sheet date the Group had no material contractual commitments for capital expenditure (2018: £nil).

Operating lease commitments - lessee

At the balance sheet date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	30 March 2019	31 March 2018
Minimum lease payments falling due:	**£'000**	£'000
Within one year	**12,477**	6,150
In the second to fifth years inclusive	**48,248**	19,867
After five years	**478,923**	60,102
Minimum lease payments	**539,648**	86,119

The Group leases certain assets throughout its portfolio under operating lease arrangements.

29 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 13.

Financial Risks	**Sensitivity analysis**
Interest Rate Risk	An increase/decrease of one percentage point in LIBOR would decrease/increase the Group's loss by £4,406,000 (2018: £3,388,000).
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 increased by £102,000 (2018: £31,000). 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 decreased by £11,000 (2018: £27,000).

29 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.

	1 year	Less than 1-5 years	5+ years	Total
	£'000	£'000	£'000	£'000
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**	**17,403**	**787,175**	**926,794**
31 March 2018				
Trade and other payables	78,982	-	-	78,982
Notes payable	-	-	9,943	9,943
Finance lease liability	4,202	17,231	414,078	435,511
Variable interest rate instruments	-	-	257,998	257,998
Total cash-settled liabilities	**83,184**	**17,231**	**682,019**	**782,434**

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

30 Financial Instruments

Categories of financial instruments

	Loans and receivables £'000	Financial liabilities at amortised cost £'000	Total £'000
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**
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)**
31 March 2018			
Cash and cash equivalents	86,749	-	**86,749**
Trade and other receivables	82,141	-	**82,141**
Financial assets	**168,890**	-	**168,890**
Financial liabilities			
Trade and other payables	-	90,907	**90,907**
Liabilities held for sale	-	2,571	**2,571**
Borrowings	-	334,144	**334,144**
Obligations under finance leases	-	89,025	**89,025**
Financial liabilities	-	**516,647**	**516,647**
Net financial assets/(liabilities)	**168,890**	**(516,647)**	**(347,757)**

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;

30 Financial Instruments (continued)

- 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.

31 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.

32 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 £248,000 (2018: £775,000). At the end of the period, balances of £1,238,000 (2018: £7,056,000) 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.

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

Subsidiary undertaking	Company No.	% Shares held	Principal activity
Direct investments			
International Entertainment Midco Limited[1]	08769903		Holding company
Indirect investments			
AKA Group Limited[2]	05492853		Holding company
AKA NYC Limited[2]	03749576		Marketing services
AKA Promotions Limited[2]	03380689		Marketing services
ATG Entertainment Limited[3]	09467208		Holding company
ATG London Limited[3]	03902727		Theatre operator and ticketing company
ATG Management Limited[3]	04215171		Dormant
ATG Productions Limited[3]	09327475		Production company
ATG WOTV Limited[3]	09305422		Production company
Aylesbury Waterside Theatre Limited[3]	03944591		Theatre operator
Churchill Theatre Bromley Limited[3]	03944535		Theatre operator
CP Studio Limited[2]	08278739		Marketing services
Digital Media Services UK Limited[2]	04548761		Digital media services
Encore International Merchandise Limited[2]	04935104		Merchandiser
First Family Entertainment LLP[3]	OC310596		Production company
G.S Lashmar Limited[3]	00418300	90%	Dormant
Glasgow Theatres Limited[3]	04423391		Theatre operator
Highland Fling Japan Limited[3]	05302902		Dormant
International Entertainment Finance Limited	08770108		Holding company
International Entertainment Investments Limited[1]	08769925		Holding company

Subsidiary undertaking	Company No.	% Shares held	Principal activity
London Theatre Club Limited[3]	04069735		Dormant
London Turnstyle Limited[3]	02680873		Dormant
Milton Keynes Theatre Limited[3]	03490333		Theatre operator
New Wimbledon Theatre Limited[3]	04787118		Theatre operator
Playhouse Theatre Limited[3]	04510126		Theatre operator
Richmond Theatre Limited[3]	03716049		Theatre operator
Savoy Theatre Group Limited[3]	05527723		Holding company
Savoy Theatre Holdings Limited[3]	03669280		Dormant
Savoy Theatre Limited[3]	00053830		Theatre operator
Screenstage Limited[3]	04166281		Dormant
Screenstage Productions Limited[3]	04897979		Dormant
Smart Plays Limited[3]	04275951		Dormant
Sonia Friedman Productions Limited[3]	04302464		Production company
SFP Dreams Limited[3]	10196082		Production company
SFP Shows Limited[3]	09330152		Production company
SFP Sunny Limited[3]	09214686		Production company
Stoke-on-Trent Theatres Limited[3]	03507468		Theatre operator
The Ambassador Entertainment Group Limited[3]	07046007		Holding company
The Ambassador Theatre Group Limited[3]	02671052		Holding and production company
The Ambassador Theatre Group (Venues) Limited[3]	01444368		Theatre operator
The Ambassador Theatre Group Overseas Holdings Limited[3]	08458696		Holding company
Theatre Management Limited[3]	03120328		Theatre operator
Theatre Management Holdings Limited[3]	06182351		Holding company
The Duke of York's Theatre Limited[3]	00592528		Theatre operator
The Ticket Machine Group Limited[3]	02638971		Ticketing agency
Theatre Royal Brighton Limited[3]	03735154		Theatre operator
Woking Turnstyle Limited[3]	02699637		Theatre operator

Incorporated in USA

Subsidiary undertaking	% Shares held	Principal activity
ACE Theatrical Group, LLC[8]		Management services
Arts Center Enterprises, LLC[8]		Theatre operator
Arts Center Enterprises – Brooklyn, LLC[8]		Theatre operator
Arts Center Enterprises – New Orleans, LLC[8]		Theatre operator
Arts Center Enterprises – Sugar Land, LLC[23]		Venue operator
Ambassador Theatre Group – NY, LLC[6]		Production company
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[8]		Venue developer
Kings Theatre Manager, LLC[6]		Managing member
Lyric Theatre, LLC[6]		Theatre operator
Majestic Presents LLC[8]		Theatre operator
Saenger Aggregator Leverage Lender, LLC[8]		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[8]		Dormant
SFP-NY, LLC[6]		Production company
Saenger Theatre Redevelopment Company LLC[8]		Venue developer
Sundance Productions, Inc[9]		Production company
The Ambassador Theatre Group US Holdings, Inc[6]		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[10]		Holding company
BB Group GmbH[10]		Holding/Management services company
BB Promotion GmbH[10]		Promotions company
Bodyguard Verwaltungs GmbH[12]		Holding company
Bodyguard Musical GmbH & Co KG[12]		Production company
ESMS GmbH[10]		Marketing services
Subsidiary undertaking	**% Shares held**	**Principal activity**
Fandango Musical GmbH[10]		Production company
On Stage Productions[18]		Production company
Mehr-BB Entertainment GmbH[19]		Holding company
Deutsche Eintrittskarten TKS 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 Produktionsgesellschaft mbH[19]		Production company
Apomethos Gastspiel Verwaltungs GmbH i.L.[22]		Dormant
Schatten Gastspiel Verwaltungs GmbH i.L. [9]		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 30 MARCH 2019

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
Cieven 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

[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