Company Registration No 06843921 (England and Wales)

STAGE TECHNOLOGIES GROUP LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2011

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STAGE TECHNOLOGIES GROUP LIMITED

DIRECTORS AND ADVISERS

Directors	W E Peacock J Simpson M Ager D J Colbert K Golding J A Hastie E Moore E Richardson N J Scott K Taylor
Secretaries	N J Scott / I Garrard
Company number	06843921
Registered office	Unit 9 Falcon Park Neasden Lane London NW10 1RZ
Registered auditors	RSM Tenon Audit Limited 66 Chiltern Street London W1U 4JT
Bankers	HSBC Bank plc Wesley House 1-7 Wesley Avenue Park Royal London NW10 7BZ

STAGE TECHNOLOGIES GROUP LIMITED

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STAGE TECHNOLOGIES GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2011

The directors present their report and financial statements for the period ended 31 March 2011

Principal activities

The principal activities of the group in the year under review were the design, manufacturing, installation and servicing of automation, engineering and rigging equipment for use in entertainment including theatres, opera houses, concert halls, film and television studios This sale or supply of equipment on lease to productions is taking place internationally The Stage Technologies Group has its headquarters in London, and has operations in the UK, USA, Europe, Asia and Australia

Review of the business

Group Turnover in the last year was £18 1 million down 19% from the previous year The group pre tax profits of £144k were £118k lower than the previous year

The effects of the global recession had a major effect on the group's results Major new construction projects throughout the world related to the entertainment industry were drastically cut back and competition for those which went ahead was fierce with margins being squeezed

Stage Technologies Limited sales for the year were £11 5million and it made a pre tax profit of £417k(3 6% sales) compare to ££528k (3 4% last year) Whilst it trades directly with its customers throughout the world it also manufactures much of the products sold by Stage Technologies Inc in the USA and ST Theatre Engineering in Macau

Stage Technologies Inc , a wholly owned subsidiary company based in Las Vegas, had another successful and profitable trading year to 31 March 2011 and provided significant opportunities for increased market penetration for the group's products and system solutions in North America

ST Theatre Engineering Limited was established in the UK in 2007/8 specifically to trade in the Macau region Stage Technologies (Asia-Pacific) Limited was established to support our business development in Hong Kong and Australia

Delstar Engineering Limited was acquired by the group in September 2008 It specialises in the design, manufacture, installation and maintenance of stage engineering and rigging in all parts of the entertainment industry Sales in the year were £5 0million and it made a pre- tax profit of £468k compared to a loss of £112k the previous year

Principle risks and uncertainties

The management of the business and the execution of the group's strategy are subject to a number of key risks Risks are regularly reviewed by the board and appropriate processes put in place to monitor and mitigate them For example, the group operates in an increasingly competitive market particularly around price and speed of delivery The result is downward pressure on margins and increased pressure on the speed of manufacturing and delivery In a continuing effort to mitigate these risks the emphasis on supplier relationships has been increased in order to share its client's expectations with its own supply chain

The group also has a high risk from fluctuations in exchange rates To mitigate this, the board established a policy of fixing forward deals for all contracts once they are awarded Deals are now in place to cover contracts through to December 2011

Business environment

Despite markets worldwide being hit in the short-term by a significant slow-down in investment caused by the recent global recession, the group expects that the market for entertainment technology (in particular for stage automation and engineering) will to continue to grow in the long-term Planning for many long-term or large-scale projects has slowed over the past 18 months and the effect on the sales pipeline has been notable However, there is an underlying, long-term market trend for increasing numbers of entertainment venues to incorporate high specification, precision engineering This equipment primarily enhances the quality of productions or venues, improves health and safety, reduces operating costs, and increases efficiency

The group continues to participate in a number of initiatives designed to lead the education and development of the industry

During the year the group continued to invest in ongoing initiatives to improve education in the field of theatre automation Open Days and ongoing training for theatre students in the UK and overseas were provided

Strategy
The group's key objectives continue to be to deliver reliable, cost-effective off the shelf products and innovative solutions on time and to provide a service that is second to none

Results and dividends
The consolidated profit and loss account for the year is set out on page 6

Group research and development activities
The group continues to be committed to ongoing research and development in mechanical, electrical and software design This research and development includes product development for eChameleon for the Acrobat G6 console including Teach & Learn and Sculptor, the F light software which synchronises moving lights and automation consoles, and significant enhancements to the load capacity of the BigTow winch A new "Lite" range of BigTow winches is in development to address the needs of smaller venues such as schools, college and houses of worship, which require a less high-specification product In addition to this specific electrical and software development, there has been significant engineering development in two major areas led by mechanical engineering disciplines

STAGE TECHNOLOGIES GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

Directors
The following directors have held office since 1 April 2010

W E Peacock
J Simpson
M Ager
D J Colbert
K Golding
J A Hastie
E Moore
E Richardson
N J Scott
K Taylor

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

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

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

On behalf of the board

N J Scott
Director
23/9/14

STAGE TECHNOLOGIES GROUP LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF STAGE TECHNOLOGIES GROUP LIMITED

We have audited the group and parent company financial statements (the "financial statements") of Stage Technologies Group Limited for the year ended 31 March 2011 set out on pages 6 to 25 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2011 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept 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

RSM Tenon Audit Ltd

Tony Castagnetti (Senior Statutory Auditor)
for and on behalf of RSM Tenon Audit Limited

28/9/14

Statutory Auditor

66 Chiltern Street
London
W1U 4JT

STAGE TECHNOLOGIES GROUP LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2011

	Notes	2011 £	2010 as restated £
Turnover	2	18,122,724	22,375,712
Cost of sales		(14,494,747)	(18,668,306)
Gross profit		3,627,977	3,707,406
Administrative expenses		(3,499,079)	(3,626,112)
Amortisation of goodwill		42,166	197,453
Operating profit	3	171,064	278,747
Other interest receivable and similar income		5,099	4,132
Interest payable and similar charges	4	(32,333)	(20,765)
Profit on ordinary activities before taxation		143,830	262,114
Tax on profit on ordinary activities	5	40,714	(60,289)
Profit on ordinary activities after taxation		184,544	201,825

The profit and loss account has been prepared on the basis that all operations are continuing operations

STAGE TECHNOLOGIES GROUP LIMITED

STATEMENT OF RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 MARCH 2011

	2011 £	2010 £
Profit for the financial year	184,544	201,825
Currency translation differences on foreign currency net investments	(46,761)	6,768
Total recognised gains and losses relating to the year	137,783	208,593

STAGE TECHNOLOGIES GROUP LIMITED

BALANCE SHEETS

AS AT 31 MARCH 2011

	Notes	Group 2011 £	Group 2010 £	Company 2011 £	Company 2010 £
Fixed assets					
Intangible assets	8	(42,166)	(84,332)	-	-
Tangible assets	9	1,621,765	1,630,493	-	-
Investments	10	-	-	745,973	70,000
		1,579,599	1,546,161	745,973	70,000
Current assets					
Stocks	11	508,043	404,889	-	-
Debtors	12	4,832,445	6,392,977	2,505	-
Cash at bank and in hand		1,124,350	1,391,806	1,992	-
		6,464,838	8,189,672	4,497	-
Creditors: amounts falling due within one year	13	(3,957,073)	(5,437,971)	(1,763,571)	(224,295)
Net current assets		2,507,765	2,751,701	(1,759,074)	(224,295)
Total assets less current liabilities		4,087,364	4,297,862	(1,013,101)	(154,295)
Creditors: amounts falling due after more than one year	14	(114,462)	(150,544)	-	-
Provisions for liabilities	15	(393,674)	(705,873)	-	-
		3,579,228	3,441,445	(1,013,101)	(154,295)
Capital and reserves					
Called up share capital	17	79,000	79,000	79,000	79,000
Other reserves	18	57,000	57,000	-	-
Profit and loss account	18	3,443,228	3,305,445	(1,092,101)	(233,295)
Shareholders' funds	19	3,579,228	3,441,445	(1,013,101)	(154,295)

Approved by the Board and authorised for issue on 27/9/11 .

M Ager
Director

Company Registration No 06843921

STAGE TECHNOLOGIES GROUP LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2011

	£	2011 £	£	2010 £
Net cash inflow from operating activities		495,632		878,445
Returns on investments and servicing of finance				
Interest received	5,099		4,132	
Interest paid	(32,333)		(20,765)	
Net cash outflow for returns on investments and servicing of finance		(27,234)		(16,633)
Taxation		(174,616)		(362,009)
Capital expenditure				
Payments to acquire tangible assets	(402,941)		(991,156)	
Receipts from sales of tangible assets	20,008		42,019	
Net cash outflow for capital expenditure		(382,933)		(949,137)
Equity dividends paid		-		(250,000)
Net cash outflow before management of liquid resources and financing		(89,151)		(699,334)
Financing				
Issue of ordinary share capital	-		9,000	
Capital element of finance lease contracts	(178,305)		(154,605)	
Net cash outflow from financing		(178,305)		(145,605)
(Decrease)/increase in cash in the year		(267,456)		(844,939)

STAGE TECHNOLOGIES GROUP LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2011

1 Reconciliation of operating profit to net cash inflow from operating activities

	2011	2010
	£	£
Operating profit	171,064	278,747
Depreciation of tangible assets	523,266	498,310
Amortisation of intangible assets	(42,166)	(197,453)
(Loss)/profit on disposal of tangible assets	1,417	(33,433)
Increase in stocks	(103,154)	(34,860)
Decrease in debtors	1,357,382	3,150,342
Decrease in creditors within one year	(1,260,980)	(2,854,914)
Net effect of foreign exchange differences	(32,144)	8,260
Warranty provision movement	(119,053)	63,446
Net cash inflow from operating activities	495,632	878,445

2 Analysis of net funds

	1 April 2010	Cash flow	Other non-cash changes	31 March 2011
	£	£	£	£
Net cash				
Cash at bank and in hand	1,391,806	(267,456)	-	1,124,350
Finance leases	(311,610)	178,305	(147,639)	(280,944)
Net funds	1,080,196	(89,151)	(147,639)	843,406

3 Reconciliation of net cash flow to movement in net debt

	2011	2010
	£	£
Decrease in cash in the year	(267,456)	(844,939)
Cash outflow from decrease in debt	178,305	154,605
Change in net debt resulting from cash flows	(89,151)	(690,334)
Other non-cash changes	(147,639)	(238,476)
Movement in net funds in the year	(236,790)	(928,810)
Opening net funds	1,080,196	2,009,006
Closing net funds	843,406	1,080,196

4 Major non-cash transactions

Other non-cash changes represent new finance leases

STAGE TECHNOLOGIES GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

1 Accounting policies

1 1 Accounting convention

The financial statements are prepared under the historical cost convention

The group is forecast to generate positive cash flows for the foreseeable future The company participates in the group's centralised banking arrangements, sharing facilities with its parent companies and fellow subsidiaries, and meets it day-to-day working capital requirements through these arrangements Therefore the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future For this reason, the directors continue to adopt the going concern basis in preparing the annual financial statements

1 2 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 March 2011 The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes Intra-group sales and profits are eliminated fully on consolidation

1 3 Turnover

Turnover represents amounts receivable on fixed installations, rental contracts and service and support agreements net of VAT

1 4 Goodwill

On the acquisition of a business fair values are ascribed to the net assets acquired Negative goodwill arises when the net assets exceed the fair value of the consideration paid Acquisitions are accounted for under the acquisition method Acquired goodwill is written off over its estimated useful economic life This is estimated by allocating the negative goodwill over the assets and current liabilities acquired and calculating amortisation over the estimated useful lives of these assets and current liabilities

1.5 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit

1.6 Tangible fixed assets and depreciation

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

Land and buildings Leasehold	Over the term of the lease
Plant and machinery	33% straight line
Fixtures, fittings & equipment	25% straight line
Motor vehicles	25% straight line

1 Accounting policies **(continued)**

1.7 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives Obligations under such agreements are included in creditors net of the finance charge allocated to future periods The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

1 8 Investments

Fixed asset investments are stated at cost less provision for diminution in value

1 9 Stock

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

1 10 Long term contracts

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account Excess progress payments are included in creditors as payments on account

1.11 Pensions

The Group operates a defined contribution scheme for the benefit of its employees Contributions payable are charged to the profit and loss account in the year they are payable

1 12 Deferred taxation

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

1.13 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction All differences are taken to profit and loss account

Assets and liabilities of the Group's foreign operations are translated at the closing rate Income and expenses are translated at the average exchange rates for the period unless exchange rates fluctuate significantly Resulting exchange differences are recognised in equity within other reserves On disposal of a foreign operation, exchange differences accumulated in equity are recognised in the profit and loss account

1 14 Warranty provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that the Group will be required to settle that obligation Warranty provisions are measured at the directors' best estimate using historical data of the cost of repairing or replacing goods which are covered by warranty The warranty provision has not been discounted

1 Accounting policies **(continued)**

1 15 Prior year adjustment

In the prior year, management disclosed as distribution costs on the profit and loss statement The management believes that such costs can be better allocated as cost of sales (£119,913) and administrative expenses (£286,842) The se adjustments have been made by the directors to show a truer reflection of the company's expense classifications

2 Turnover

The total turnover of the group for the year has been derived from its principal activity

Segmental analysis by geographical area

The analysis by geographical area of the group's turnover is set out as below

	2011	2010
	£	£
Geographical segment		
United Kingdom	4,065,474	3,695,376
Europe	4,716,176	4,537,557
United States of America	7,241,829	10,778,841
Rest of the World	2,099,424	3,363,938
	18,122,903	22,375,712

3 Operating profit

	2011	2010
	£	£
Operating profit is stated after charging		
Amortisation of intangible assets	(42,166)	(197,453)
Depreciation of tangible assets	523,266	498,310
Loss on disposal of tangible assets	1,417	-
Loss on foreign exchange transactions	11,329	49,201
Research and development	51,486	178,817
Operating lease rentals		
- Plant and machinery	5,962	4,811
- Other assets	329,189	395,991

Auditors' remuneration

Fees payable to the group's auditor for the audit of the group's annual accounts (company £9,000, 2010 £7,000)	42,520	45,000
Non-audit services	15,000	3,100
Tax advisory services	13,822	4,500
	71,342	52,600

4	Interest payable	2011 £	2010 £
	On bank loans and overdrafts	3,409	7
	Hire purchase interest	23,675	15,125
	On overdue tax	233	-
	Other interest	5,016	5,633
		32,333	20,765

5 Taxation	2011 £	2010 £
Domestic current year tax		
U K corporation tax	-	(24,343)
Adjustment for prior years	-	(51,672)
	-	(76,015)
Foreign corporation tax		
Foreign corporation tax	203,750	-
Adjustment for prior years	(7,487)	(213,941)
	196,263	(213,941)
Current tax charge	196,263	(289,956)
Deferred tax		
Deferred tax charge/credit current year	(193,146)	350,245
Deferred tax adjust re previous year	(43,831)	-
	(40,714)	60,289
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	143,830	262,114
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28 00% (2010 - 28 00%)	40,272	73,392
Effects of		
Non deductible expenses	27,445	58,510
Depreciation add back	98,464	56,192
Capital allowances	(111,847)	(169,139)
R&D tax credits	(29,217)	-
Foreign tax adjustments	155,051	(213,941)
Adjustments to previous periods	13,447	(11,577)
Provisions	980	(4,629)
Tax losses utilised	(17,750)	(86,435)
Other tax adjustments	19,418	7,671
	155,991	(363,348)
Current tax charge	196,263	(289,956)

6 (Loss)/profit for the financial year

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements The (loss)/profit for the financial year is made up as follows

	2011 £	2010 £
Holding company's (loss)/profit for the financial year	(858,806)	16,705

7 Dividends

	2011 £	2010 £
Ordinary interim paid	-	250,000

8 Intangible fixed assets

Group

	Goodwill £
Cost	
At 1 April 2010 & at 31 March 2011	(507,471)
Amortisation	
At 1 April 2010	(423,139)
Charge for the year	(42,166)
At 31 March 2011	(465,305)
Net book value	
At 31 March 2011	(42,166)
At 31 March 2010	(84,332)

9 **Tangible fixed assets**

Group

	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2010	63,607	1,590,377	3,230,219	153,967	5,038,170
Exchange differences	(2,530)	-	(20,636)	(718)	(23,884)
Additions	-	44,326	506,254	-	550,580
Disposals	-	(31,801)	(870,501)	-	(902,302)
At 31 March 2011	61,077	1,602,902	2,845,336	153,249	4,662,564
Depreciation					
At 1 April 2010	11,028	1,194,901	2,095,896	105,852	3,407,677
Exchange differences	(438)	-	(8,183)	(646)	(9,267)
On disposals	-	(26,372)	(854,505)	-	(880,877)
Charge for the year	12,214	168,557	326,519	15,976	523,266
At 31 March 2011	22,804	1,337,086	1,559,727	121,182	3,040,799
Net book value					
At 31 March 2011	38,273	265,816	1,285,609	32,067	1,621,765
At 31 March 2010	52,579	395,476	1,134,323	48,115	1,630,493

Included above are assets held under finance leases or hire purchase contracts as follows

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Net book values				
At 31 March 2011	101,928	321,370	-	423,298
At 31 March 2010	120,905	263,453	2,254	386,612
Depreciation charge for the year				
31 March 2011	46,856	61,843	-	108,699
31 March 2010	40,230	61,591	2,254	104,075

Figures for 2010 have been restated to reflect assets held under finance leases included within Delstar Engineering Limited but omitted from the consolidated financial statements

10 Fixed asset investments

Company

	Shares in group undertakings £
Cost	
At 1 April 2010	70,000
Additions	675,973
At 31 March 2011	745,973
Net book value	
At 31 March 2011	745,973
At 31 March 2010	70,000

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

Holdings of more than 20%

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

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Stage Technologies Limited	England and Wales	Ordinary	100
Stage Technologies Inc	USA	Ordinary	100
ST Theatre Engineering Limited	England and Wales	Ordinary	100
Stage Technologies (Asia-Pacific) Limited*	England and Wales	Ordinary	100
Delstar Engineering Limited	England and Wales	Ordinary	100

The principal activity of these undertakings for the last relevant financial year was as follows

	Principal activity
Stage Technologies Limited	Manufacture and sale of stage scenery equipment
Stage Technologies Inc	Manufacture and sale of stage scenery equipment
ST Theatre Engineering Limited	Sale and installation of stage scenery equipment
Stage Technologies (Asia-Pacific) Limited*	Provision of engineering services
Delstar Engineering Limited	General engineering, design and fabrication of equipment

*Investments held indirectly through Stage Technologies Limited

11 Stocks

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Raw materials and consumables	9,972	6,540	-	-
Finished goods and goods for resale	498,071	398,349	-	-
	508,043	404,889	-	-

12 Debtors

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Trade debtors	2,803,818	3,505,605	-	-
Amounts recoverable on long term contracts	1,421,250	1,684,868	-	-
Corporation tax	156,031	359,181	-	-
Other debtors	103,457	484,752	2,505	-
Prepayments and accrued income	347,889	358,571	-	-
	4,832,445	6,392,977	2,505	-

13 Creditors amounts falling due within one year

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Net obligations under finance lease and hire purchase contracts	166,482	161,066	-	-
Trade creditors	2,159,706	2,244,105	12,000	-
Amounts owed to group undertakings	-	-	1,661,154	11,940
Corporation tax	-	225,334	-	-
Taxes and social security costs	284,620	366,397	-	-
Other creditors	143,699	311,054	76,917	205,355
Accruals and deferred income	1,202,566	2,130,015	13,500	7,000
	3,957,073	5,437,971	1,763,571	224,295

There is a fixed and floating charge over the assets of the Group in favour of HSBC Bank plc to cover all liabilities owing to the bank by the Group A cross guarantee exists between the company and all of its subsidiaries to secure the liabilties of each other At the balance sheet date the Group did not have any bank borrowings

At the year end the bank has given guarantees, on the company's behalf, to customers and suppliers totalling £1,234,982 (2010 £527,541)

14 Creditors : amounts falling due after more than one year

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Net obligations under finance leases and hire purchase agreements	114,462	150,544	-	-
Net obligations under finance leases and hire purchase contracts				
Repayable within one year	166,482	161,066	-	-
Repayable between one and five years	114,462	150,544	-	-
	280,944	311,610	-	-
Included in liabilities falling due within one year	(166,482)	(161,066)	-	-
	114,462	150,544	-	-

15 Provisions for liabilities

Group

	Deferred tax liability	Warranty Provision	Total
	£	£	£
Balance at 1 April 2010	271,935	433,938	705,873
Profit and loss account	(193,146)	(119,053)	(312,199)
Balance at 31 March 2011	78,789	314,885	393,674

Warranty provisions have been made in order to cover liabilities arising from the issuance of warranties on supplies made by the group

The deferred tax liability is made up as follows

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Accelerated capital allowances	42,814	43,640	-	-
Other timing differences	35,975	228,295	-	-
	78,789	271,935	-	-

16 Pension and other post-retirement benefit commitments

Defined contribution

The group operates a defined contribution pension scheme 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 Contributions payable to the fund at the year end are included in creditors as shown below

	2011	2010
	£	£
Contributions payable by the group for the year	197,590	166,848
Contributions payable to the fund at the year end and included in creditors	(18,085)	(14,584)

17 Share capital

	2011 £	2010 £
Allotted, called up and fully paid		
100,000 Ordinary Class A of 10p each	10,000	10,000
660,000 Ordinary Class B of 10p each	66,000	66,000
30,000 Ordinary Class C non voting of 10p each	3,000	3,000
	79,000	79,000

All shares rank pari passu in all respects save for their special rights where C shares are non-voting and B shares may not vote on resolutions to remove directors

In the event of liquidation all classes of share shall be represented equally in proportion of their holding

18 Statement of movements on reserves

Group

	Other reserves (see below) £	Profit and loss account £
Balance at 1 April 2010	57,000	3,305,445
Profit for the year	-	184,544
Foreign currency translation differences	-	(46,761)
Balance at 31 March 2011	57,000	3,443,228

Other reserves

Merger reserve

Balance at 1 April 2010 & at 31 March 2011	57,000

Company

	Profit and loss account £
Balance at 1 April 2010	(233,295)
Loss for the year	(858,806)
Balance at 31 March 2011	(1,092,101)

The difference on consolidation between the nominal value of the investment in the former parent company, Stage Technologies Limited, and the nominal value of the share capital and the capital redemption reserve of the former parent company is eliminated in the merger reserve

19 Reconciliation of movements in shareholders' funds

Group	2011 £	2010 £
Profit for the financial year	184,544	201,825
Dividends	-	(250,000)
	184,544	(48,175)
Other recognised gains and losses	(46,761)	6,768
Proceeds from issue of shares	-	9,000
Net addition to shareholders' funds	137,783	(32,407)
Opening shareholders' funds	3,441,445	3,473,852
Closing shareholders' funds	3,579,228	3,441,445

Company	2011 £	2010 £
(Loss)/Profit for the financial year	(858,806)	16,705
Dividends	-	(250,000)
	(858,806)	(233,295)
Proceeds from issue of shares	-	9,000
Issue of shares on group reconstruction	-	70,000
Net depletion in shareholders' funds	(858,806)	(154,295)
Opening shareholders' funds	(154,295)	-
Closing shareholders' funds	(1,013,101)	(154,295)

20 Financial commitments

At 31 March 2011 the group had annual commitments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2011 £	2010 £	2011 £	2010 £
Expiry date				
Within one year	-	5,460	521	-
Between two and five years	134,132	-	1,136	-
In over five years	127,500	245,922	-	-
	261,632	251,382	1,657	-

21 Directors' emoluments

	2011	2010
	£	£
Emoluments for qualifying services	703,989	578,098
Company pension contributions to money purchase schemes	61,351	69,039

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 8 (2010- 8)

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

Emoluments for qualifying services	124,707	81,090
Company pension contributions to money purchase schemes	16,400	15,733

22 Employees

Number of employees

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

	2011 Number	2010 Number
Directors	10	10
Administration	21	27
Production	135	144
	166	181

Employment costs	2011	2010
	£	£
Wages and salaries	6,714,459	7,563,485
Social security costs	626,170	665,198
Other pension costs	197,590	166,848
	7,538,219	8,395,531

23 Control

There is no ultimate controlling party

24 Related party transactions

Group

The Group has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the company

Company

At the year end the company owed the following interest free loans to directors These loans are unsecured and included in creditors due within one year

	Loan outstanding £
J Simpson	9,505
M Ager	19,017
J A Hastie	14,266
N J Scott	9,504
E Moore	2,850
E Richardson	16,070
K Taylor	(2,330)

During the year the loan account of E Richardson became overdrawn The maximum amount overdrawn was £83,930 Interest of £2,369 was paid to the company

During the year the loan account of K Taylor became overdrawn The maximum amount overdrawn was £2,330 No interest was charged on this amount