

STAGE TECHNOLOGIES GROUP LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

Company Registration Number 06843921



STAGE TECHNOLOGIES GROUP LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

CONTENTS	PAGES
Officers and professional advisers	1
The directors' report	2 to 5
Independent auditor's report to the members	6 to 7
Group profit and loss account profit and loss account	8
Group statement of total recognised gains and losses	9
Group balance sheet	10
Balance sheet	11
Group cash flow cash flow statement	12
Notes to the financial statements	13 to 28

STAGE TECHNOLOGIES GROUP LIMITED
OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 31 MARCH 2012

The board of directors

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

Company secretary

N J Scott / I Garrard

Business address

Unit 9
Falcon Park
Neasden Lane
London
United Kingdom
NW10 1RZ

Auditor

RSM Tenon Audit Limited
66 Chiltern Street
London
W1U 4JT

STAGE TECHNOLOGIES GROUP LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2012

The directors present their report and the financial statements of the group for the year ended 31 March 2012

Principal activities and business review

The principal activity of the company during the year was the design, manufacture, installation and servicing of automation, engineering and rigging equipment for use in the entertainment industry. The sale, or the supply of this equipment on lease to productions, take place internationally for use in theatres, opera houses, concert halls, film and television studios. The Stage Technologies Group has its headquarters in London, and has operations in the UK, USA, Asia and Australia.

Group Turnover during 2011/12 was £23.6 million up 30% from the previous year. Following the dip in sales last year due to the effects of the recession, the group has now resumed its trend of annual growth.

Activity in the market place during 2011/12 had increased and the group benefited from the award of major contracts both in the UK and overseas. The group has seen an increase in pre tax profits this year, from £77k last year to £285k this year. This translates into an increase of 370% from prior year.

Stage Technologies Ltd based in London, manufactures and services products sold by Stage Technologies Inc in the USA, ST Theatre Engineering in Macau and Stage Technologies (Asia-Pacific) in Hong Kong as well as directly managing projects in all other territories. This company's sales for the year were £12.9 million an increase of 12.3% on the previous year.

Delstar Engineering Ltd, based in Suffolk, specialises in the design, manufacture, installation and maintenance of stage engineering and rigging. Sales in the year were a record £9.2 million up from £5.1 million last year.

Stage Technologies Inc based in Las Vegas, had another successful year with sales, primarily in North America and Canada, up 16.5% to £8.8 million.

ST Theatre Engineering Ltd based in Macau, was established in 2007/8 specifically to trade in the region. Sales in 2011-12 were nearly double that of last year at £454k.

Stage Technologies (Asia-Pacific) Ltd based in Hong Kong was established to support our business development based in the wider region.

STAGE TECHNOLOGIES GROUP LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2012

Business Environment

Whilst last year we were affected by a significant slow-down in investment caused by the global recession, this year we have witnessed some signs of a recovery. The company expects that the market for high specification, precision engineering technology for entertainment will continue to grow in the long-term, albeit in an increasingly competitive market-place.

The company continues to participate in a number of initiatives designed to lead the education and development of the industry. During the year the company continued to invest in on-going initiatives to improve education in the field of theatre automation. Open Days and on-going training for theatre students in the UK and overseas were provided.

Strategy

The company'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.

Future developments

With a strong order book at the start of the year, the company is planning for another increase in sales in 2012-13.

Results and dividends

The profit for the year, after taxation, amounted to £266,308. No dividends were declared in the year.

STAGE TECHNOLOGIES GROUP LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2012

Financial risk management objectives and policies

The management of the business and the execution of the company'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. In the past year, in a continuing effort to mitigate these risks, the emphasis on supplier relationships has been increased in order to share our client's expectations with our own supply chain. The group also has a high risk from fluctuations in exchange rates which are mitigated by strong and active hedging policies.

Research and development

The company continues to be committed to on-going research and development in mechanical, electrical and software design. This research and development includes continuing product development for eChameleon, enhancing the feature set, and capabilities. Significant effort has been placed connecting eChameleon to our older range of control systems in order to provide the latest software functionality to our existing customers. The 3DStudio Toolkit has been developed and integrated into eChameleon, allowing complex high end automation effects. The BigTow range of winches continues to be expanded, and improved and further work has been undertaken to enhance our Ch i range of products.

Directors

The directors who served the company during the year were as follows.

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

K Taylor resigned as a director on 11 March 2012.

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 the group and of the profit or loss of the group for that year. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

STAGE TECHNOLOGIES GROUP LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2012

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

In so far as the directors are, individually, aware

- there is no relevant audit information of which the group's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Donations

During the year the company made the following contributions

	2012 £	2011 £
Charitable	<u>593</u>	<u>22,847</u>

Auditor

RSM Tenon Audit Limited are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Signed on behalf of the directors


Approved by the directors on 21/09/2012

N J Scott

Director

STAGE TECHNOLOGIES GROUP LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STAGE
TECHNOLOGIES GROUP LIMITED
YEAR ENDED 31 MARCH 2012

We have audited the group and parent company financial statements ("the financial statements") of Stage Technologies Group Limited for the year ended 31 March 2012 on pages 8 to 28. 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 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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 4 to 5, 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 group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' 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 2012 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 matters 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.

STAGE TECHNOLOGIES GROUP LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STAGE
TECHNOLOGIES GROUP LIMITED *(continued)*

YEAR ENDED 31 MARCH 2012

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
Statutory Auditor
66 Chiltern Street
London
W1U 4JT

Date - 21/9/2012

STAGE TECHNOLOGIES GROUP LIMITED
GROUP PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2012

		2012	2011 (restated)
	Note	£	£
Group turnover	2	23,578,616	18,122,724
Cost of sales		(19,527,695)	(14,494,747)
Gross profit		<u>4,050,921</u>	<u>3,627,977</u>
Administrative expenses		(3,741,431)	(3,524,072)
Operating profit	3	<u>309,490</u>	<u>103,905</u>
Interest receivable		174	5,099
Interest payable and similar charges	6	(30,178)	(32,333)
Profit on ordinary activities before taxation		<u>279,486</u>	<u>76,671</u>
Tax on profit on ordinary activities	7	(13,178)	40,714
Profit for the financial year	8	<u><u>266,308</u></u>	<u><u>117,385</u></u>

All of the activities of the group are classed as continuing

The company has taken advantage of section 408 of the Companies Act 2006
not to publish its own Profit and Loss Account

The notes on pages 13 to 28 form part of these financial statements

STAGE TECHNOLOGIES GROUP LIMITED
GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31 MARCH 2012

	2012	2011 <i>(restated)</i>
	£	£
Profit for the financial year		
Attributable to the shareholders of the parent company	266,308	117,385
Currency translation differences on foreign currency net investments	(10,899)	(46,761)
Total recognised gains and losses relating to the year	<u>255,409</u>	<u>70,624</u>
Prior year adjustment (see note 9)	<u>(67,159)</u>	<u>—</u>
Total gains and losses recognised since the last annual report	<u>188,250</u>	<u>70,624</u>

The notes on pages 13 to 28 form part of these financial statements

STAGE TECHNOLOGIES GROUP LIMITED

GROUP BALANCE SHEET

31 MARCH 2012

	Note	2012		2011 (restated)	
		£	£	£	£
Fixed assets					
Intangible assets	10		—		(42,166)
Tangible assets	11		1,878,307		1,621,765
			<u>1,878,307</u>		<u>1,579,599</u>
Current assets					
Stocks	13	518,467		508,043	
Debtors	14	5,219,462		4,832,445	
Cash at bank and in hand		1,314,312		1,124,350	
		<u>7,052,241</u>		<u>6,464,838</u>	
Creditors: Amounts falling due within one year	15	(4,694,214)		(4,069,006)	
Net current assets			2,358,027		2,395,832
Total assets less current liabilities			<u>4,236,334</u>		<u>3,975,431</u>
Creditors: Amounts falling due after more than one year	16		(204,927)		(114,462)
Provisions for liabilities					
Deferred taxation	19		(897)		(34,015)
Other provisions	20		(263,032)		(314,885)
			<u>3,767,478</u>		<u>3,512,069</u>
Capital and reserves					
Called-up share capital	23		79,000		79,000
Other reserves	24		57,000		57,000
Profit and loss account	24		3,631,478		3,376,069
Shareholders' funds	25		<u>3,767,478</u>		<u>3,512,069</u>

These financial statements were approved by the directors and authorised for issue on 21/09/2012 and are signed on their behalf by



D J Colbert
Director

The notes on pages 13 to 28 form part of these financial statements.

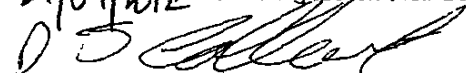
STAGE TECHNOLOGIES GROUP LIMITED

Registered Number 06843921

BALANCE SHEET**31 MARCH 2012**

	Note	2012 £	£	2011 £	£
Fixed assets					
Investments	12		745,973		745,973
Current assets					
Debtors	14	296,239		2,505	
Cash at bank		1,046		1,992	
		<u>297,285</u>		<u>4,497</u>	
Creditors: Amounts falling due within one year	15	<u>(1,660,844)</u>		<u>(1,763,571)</u>	
Net current liabilities			(1,363,559)		(1,759,074)
Total assets less current liabilities			<u>(617,586)</u>		<u>(1,013,101)</u>
Capital and reserves					
Called-up share capital	23		79,000		79,000
Profit and loss account	24		(696,586)		(1,092,101)
Shareholders' funds			<u>(617,586)</u>		<u>(1,013,101)</u>

These financial statements were approved by the directors and authorised for issue on 21/09/2012 and are signed on their behalf by



D J Colbert
Director

The notes on pages 13 to 28 form part of these financial statements

STAGE TECHNOLOGIES GROUP LIMITED
GROUP CASH FLOW CASH FLOW STATEMENT
YEAR ENDED 31 MARCH 2012

		2012		2011 <i>(restated)</i>	
	Note	£	£	£	£
Net cash inflow from operating activities	26		1,161,843		495,632
Returns on investments and Servicing of finance					
Interest received		174		5,099	
Interest paid		(6,489)		(8,658)	
Interest element of finance leases and similar		(23,689)		(23,675)	
Net cash outflow from returns on investments and servicing of finance			(30,004)		(27,234)
Taxation			110,274		(174,616)
Capital expenditure					
Payments to acquire tangible fixed assets		(887,308)		(402,941)	
Receipts from sale of fixed assets		40,349		20,008	
Net cash outflow from capital expenditure			(846,959)		(382,933)
Cash inflow/(outflow) before use of liquid resources and financing			395,154		(89,151)
Financing					
Capital element of finance leases and similar		(205,192)		(178,305)	
Net cash outflow from financing			(205,192)		(178,305)
Increase/(decrease) in cash	26		189,962		(267,456)

The notes on pages 13 to 28 form part of these financial statements

STAGE TECHNOLOGIES GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

1. Accounting policies (continued)

Depreciation

Depreciation is calculated so as to write off the cost of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows

Leasehold Property	-	Over the term of the lease
Plant & Machinery	-	33% straight line
Fixtures, Fittings	-	25% straight line
Motor Vehicles	-	25% straight line
Equipment	-	25% straight line

Stocks

Stocks are valued at the lower of cost and net realisable value

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on a normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the group profit and loss account profit and loss account on a straight line basis.

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is capitalised in the balance sheet as a tangible fixed asset at its fair value and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the group profit and loss account profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the year. The assets of the scheme are held separately from those of the group in an independently administered fund.

STAGE TECHNOLOGIES GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

1. Accounting policies *(continued)*

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax, or a right to pay less tax, or a right to receive repayments of tax. Deferred tax assets are recognised only to the extent that the directors consider it more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities recognised have been discounted.

Foreign currencies

Transactions denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions, or at an average rate for the period if the rates do not fluctuate significantly. Monetary assets and liabilities are translated at year end exchange rates or, where appropriate, at rates of exchange fixed under the terms of the relevant transaction. The resulting exchange rate differences are charged to the profit and loss account.

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.

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.

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the group.

An analysis of turnover is given below.

	2012	2011 <i>(restated)</i>
	£	£
United Kingdom	9,919,121	4,065,474
Europe	3,465,264	4,716,176
Rest of the world	10,194,231	9,341,074
	<u>23,578,616</u>	<u>18,122,724</u>

STAGE TECHNOLOGIES GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

3. Operating profit

Operating profit is stated after charging/(crediting)

	2012	2011 <i>(restated)</i>
	£	£
Amortisation of intangible assets	(42,166)	(42,166)
Research and development expenditure written off	128,604	51,486
Depreciation of owned fixed assets	458,287	414,567
Depreciation of assets held under finance leases and similar agreements	143,766	108,699
(Profit)/loss on disposal of fixed assets	(591)	1,417
Operating lease costs		
-Plant and machinery	10,673	5,962
-Other	299,134	329,189
Net (profit)/loss on foreign currency translation	(186)	11,329
Auditor's remuneration - audit of the financial statements	42,520	42,520
Auditor's remuneration - other fees	<u>22,822</u>	<u>37,822</u>
	2012	2011 <i>(restated)</i>
	£	£
Auditor's remuneration - audit of the financial statements	<u>42,520</u>	<u>42,520</u>
Auditor's remuneration - other fees		
- Audit of the company's financial statements	9,000	9,000
- Taxation services	13,822	13,822
- Non-audit services	-	15,000
	<u>22,822</u>	<u>37,822</u>

STAGE TECHNOLOGIES GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

4. Particulars of employees

The average number of staff employed by the group during the financial year amounted to:

	2012	2011 (restated)
	No	No
Number of production staff	136	135
Number of administrative staff	25	21
Number of management staff	9	10
	<u>170</u>	<u>166</u>

The aggregate payroll costs of the above were

	2012	2011 (restated)
	£	£
Wages and salaries	6,803,551	6,714,459
Social security costs	654,812	626,170
Other pension costs	185,544	197,590
	<u>7,643,907</u>	<u>7,538,219</u>

5. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2012	2011 (restated)
	£	£
Remuneration receivable	595,958	703,989
Value of company pension contributions to money purchase schemes	41,725	61,351
	<u>637,683</u>	<u>765,340</u>

Remuneration of highest paid director:

	2012	2011 (restated)
	£	£
Total remuneration (excluding pension contributions)	<u>100,028</u>	<u>124,707</u>

Benefits are accruing under a defined benefits pension scheme and, at the year end the accrued pension amounted to £8,675 (2011 - £16,400)

The number of directors accruing benefits under company pension schemes was as follows

	2012	2011 (restated)
	No	No
Defined benefit schemes	<u>7</u>	<u>8</u>

STAGE TECHNOLOGIES GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

6. Interest payable and similar charges

	2012	2011 <i>(restated)</i>
	£	£
Interest payable on bank borrowing	10	3,409
Finance charges	23,689	23,675
Other similar charges payable	6,479	5,249
	<u>30,178</u>	<u>32,333</u>

7. Taxation on ordinary activities

(a) Analysis of charge in the year

	2012		2011 <i>(restated)</i>	
	£	£	£	£
UK taxation				
In respect of the year				
UK Corporation tax		50,503		-
Foreign tax				
Current tax on income for the year	-		203,750	
Adjustments in respect of prior periods	<u>(5,577)</u>		<u>(7,487)</u>	
		<u>(5,577)</u>		<u>196,263</u>
		44,926		196,263
Deferred tax				
Origination and reversal of timing differences	<u>(31,748)</u>		<u>(236,977)</u>	
Total deferred tax (note 20)		<u>(31,748)</u>		<u>(236,977)</u>
Tax on profit on ordinary activities		<u>13,178</u>		<u>(40,714)</u>

STAGE TECHNOLOGIES GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

7. Taxation on ordinary activities (continued)

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 26% (2011 28%)

	2012	2011 <i>(restated)</i>
	£	£
Profit on ordinary activities before taxation	<u>279,486</u>	<u>76,671</u>
Profit on ordinary activities by rate of tax	244,994	40,272
Effects of		
Expenses not deductible for tax purposes	6,615	27,445
Capital allowances for period in excess of depreciation	(9,750)	(13,383)
Utilisation of tax losses	-	(17,750)
Foreign tax adjustments	41,182	155,051
Adjustments to tax charge in respect of previous periods	(75,577)	13,447
Rounding on tax charge	(2)	-
Marginal tax	(320)	-
R&D tax credits	(48,435)	(29,217)
Provisions	(1,734)	980
Sundry tax adjusting items	(104)	19,418
Tax credits	<u>(111,943)</u>	<u>-</u>
Total current tax (note 7(a))	<u>(44,926)</u>	<u>196,263</u>

8. Profit attributable to members of the parent company

The profit dealt with in the financial statements of the parent company was £395,515 (2011 - £(858,806))

STAGE TECHNOLOGIES GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

9. Prior year adjustment

Certain liabilities of Stage Technologies Inc were understated in the fiscal year ended 31 March 2011 as a result of unintentional errors in recording general accounting entries. These errors have been recorded as an adjustment to the prior period. This has resulted in an additional expense of £67,159 in the prior year.

10. Intangible fixed assets

Group	Goodwill £
Cost	
At 1 April 2011 and 31 March 2012	(507,471)
Amortisation	
At 1 April 2011	(465,305)
Charge for the year	(42,166)
At 31 March 2012	(507,471)
Net book value	
At 31 March 2012	—
At 31 March 2011	(42,166)

STAGE TECHNOLOGIES GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

11. Tangible fixed assets

Group	Leasehold Property £	Plant & Machinery £	Fixtures, Fittings & equipment £	Motor Vehicles £	Total £
Cost					
At 1 April 2011	61,077	1,602,902	2,845,336	153,249	4,662,564
Additions	–	116,192	771,116	–	887,308
Disposals	–	(1,762)	(194,477)	–	(196,239)
Transfers	(641)	–	(6,089)	(181)	(6,911)
At 31 March 2012	<u>60,436</u>	<u>1,717,332</u>	<u>3,415,886</u>	<u>153,068</u>	<u>5,346,722</u>
Depreciation					
At 1 April 2011	22,804	1,337,086	1,559,727	121,182	3,040,799
Charge for the year	12,151	139,816	443,975	6,111	602,053
On disposals	–	(1,762)	(168,643)	–	(170,405)
Transfers	(303)	–	(3,548)	(181)	(4,032)
At 31 March 2012	<u>34,652</u>	<u>1,475,140</u>	<u>1,831,511</u>	<u>127,112</u>	<u>3,468,415</u>
Net book value					
At 31 March 2012	<u>25,784</u>	<u>242,192</u>	<u>1,584,375</u>	<u>25,956</u>	<u>1,878,307</u>
At 31 March 2011	<u>38,273</u>	<u>265,816</u>	<u>1,285,609</u>	<u>32,067</u>	<u>1,621,765</u>

Finance leases and similar agreements

Included within the net book value of £1,878,307 is £593,567 (2011 - £423,298) relating to assets held under finance leases and similar agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £143,766 (2011 - £108,699).

12. Investments

Company	Group companies £
Cost	
At 1 April 2011 and 31 March 2012	<u>745,973</u>
Net book value	
At 31 March 2012 and 31 March 2011	<u>745,973</u>

STAGE TECHNOLOGIES GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

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

The company owns 100% of the issued ordinary share capital of the companies listed below

Company	Nature of business	Country of incorporation
Subsidiary Undertakings		
Stage Technologies Limited	Manufacture and sale of stage scenery equipment	England and Wales
Stage Technologies Inc	Manufacture and sale of stage scenery equipment	USA
ST Theatre Engineering Limited	Sale and installation of stage scenery equipment	England and Wales
Stage Technologies (Asia-Pacific) Limited*	Provision of engineering services	England and Wales
Delstar Engineering Limited	General engineering, design and fabrication of equipment	England and Wales

*Investments held indirectly through Stage Technologies Limited

13 Stocks

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Raw materials	9,610	6,540	—	—
Work in progress	23,995	—	—	—
Finished goods	484,862	398,349	—	—
	<u>518,467</u>	<u>508,043</u>	<u>—</u>	<u>—</u>

14 Debtors

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Trade debtors	2,380,895	2,803,818	—	—
Amounts owed by group undertakings	—	—	271,915	—
Corporation tax repayable	—	156,031	—	—
Amounts recoverable on long term contracts	2,336,673	1,421,250	—	—
Other debtors	126,489	103,457	8,307	2,505
Directors current accounts	16,017	—	16,017	—
Prepayments and accrued income	359,388	347,889	—	—
	<u>5,219,462</u>	<u>4,832,445</u>	<u>296,239</u>	<u>2,505</u>

STAGE TECHNOLOGIES GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

15. Creditors: Amounts falling due within one year

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Trade creditors	2,334,553	2,278,554	3,663	12,000
Amounts owed to group undertakings	—	—	1,626,257	1,661,154
Finance leases and similar agreements	189,375	166,482	—	—
Other creditors including taxation and social security	36,492	—	—	—
Corporation tax	137,249	146,355	—	—
PAYE and social security	64,580	138,265	5,913	—
VAT	112,934	143,699	—	76,917
Other creditors	1,819,031	1,195,651	25,011	13,500
Accruals and deferred income	4,694,214	4,069,006	1,660,844	1,763,571

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 liabilities of each other. The group did not have any bank borrowings at the year end.

At the year end the bank has given guarantees, on the company's behalf, to customers and suppliers totalling £2,187,564 (2011 - £1,234,982).

16. Creditors: Amounts falling due after more than one year

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Finance leases and similar agreements	204,927	114,462	—	—

17. Commitments under finance leases and similar agreements

Future commitments under finance leases and similar agreements are as follows

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Amounts payable within 1 year	189,375	166,482	—	—
Amounts payable between 2 to 5 years	204,927	114,462	—	—
	394,302	280,944	—	—

STAGE TECHNOLOGIES GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

18. Pensions

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the year. The assets of the scheme are held separately from those of the group in an independently administered fund.

Contributions payable by the group to the fund for the year end are £191,751 (2011: £197,590). Contributions payable by the group to the fund at the year end included in creditors are £11,416 (2011: £18,085).

19. Deferred taxation

The movement in the deferred taxation provision during the year was

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Provision brought forward	34,015	42,814	-	42,814
Decrease in provision	(33,118)	(8,799)	-	(42,814)
Provision carried forward	<u>897</u>	<u>34,015</u>	<u>-</u>	<u>-</u>

The group's provision for deferred taxation consists of the tax effect of timing differences in respect of

Group	2012		2011	
	Provided	Unprovided	Provided	Unprovided
	£	£	(restated)	£
Excess of depreciation over taxation allowances/(Excess of taxation allowances over depreciation on fixed assets)	(32,929)	-	42,814	-
Provision deferred tax, other timing differences	<u>33,826</u>	<u>-</u>	<u>(8,799)</u>	<u>-</u>
	<u>897</u>	<u>-</u>	<u>34,015</u>	<u>-</u>

20. Other provisions

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Warranty provisions	<u>263,032</u>	<u>314,885</u>	<u>-</u>	<u>-</u>

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

STAGE TECHNOLOGIES GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

21. Commitments under operating leases

At 31 March 2012 the group had annual commitments under non-cancellable operating leases as set out below.

Group	2012		2011	
	Land and buildings	Other items	Land and buildings (restated)	Other items
	£	£	£	£
Operating leases which expire				
Within 1 year	-	3,023	-	521
Within 2 to 5 years	191,438	-	134,132	1,136
After more than 5 years	127,500	-	127,500	-
	<u>318,938</u>	<u>3,023</u>	<u>261,632</u>	<u>1,657</u>

22. Related party transactions

Group

The group has taken advantage of the exemption available under Financial Reporting Standard Number 8 from disclosing transactions with group companies on the grounds that consolidated financial statements are prepared by the group.

At the year end the interest free loans owed to the directors were nil. The comparative balances are included in creditors due within one year and are as follows

	Loan payable 2011 £
Directors	
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)

Company

At the year end the outstanding director loans owed to the company were as follows. Interest charged was at 4% per annum and amounted to £314 for the year

	Loan receivable 2012 £
Directors	
J Simpson	2,123
M Ager	4,243
J A Hastie	3,184
N J Scott	2,123
E Moore	637
E Richardson	608
K Taylor	1,274
K Golding	1,217

STAGE TECHNOLOGIES GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

23. Share capital

Authorised share capital:

	2012	2011 (restated)
	£	£
104,688 (2011 - 100,000) Ordinary Class A shares of £0 10 each	10,469	10,000
655,312 (2011 - 660,000) Ordinary Class B shares of £0 10 each	65,531	66,000
30,000 Ordinary Class C non-voting shares of £0.10 each	3,000	3,000
	<u>79,000</u>	<u>79,000</u>

Allotted, called up and fully paid.

	2012		2011 (restated)	
	No	£	No	£
104,688 Ordinary Class A shares (2011 - 100,000) of £0 10 each	104,688	10,469	100,000	10,000
655,312 Ordinary Class B shares (2011 - 660,000) of £0 10 each	655,312	65,531	660,000	66,000
30,000 Ordinary Class C non-voting shares of £0 10 each	30,000	3,000	30,000	3,000
	<u>790,000</u>	<u>79,000</u>	<u>790,000</u>	<u>79,000</u>

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 to their holding

24. Reserves

Group	Merger Reserve £	Profit and loss account (restated) £
Balance brought forward as previously reported	57,000	3,443,228
Prior year adjustment (note 10)	—	(67,159)
Restated balance as at 1 April 2011	57,000	3,376,069
Profit for the year	—	266,308
Foreign currency translation differences	—	(10,899)
Balance carried forward	<u>57,000</u>	<u>3,631,478</u>

STAGE TECHNOLOGIES GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

24. Reserves (continued)

Company	Profit and loss account £
Balance brought forward as previously reported	(1,092,101)
Profit for the year	395,515
Balance carried forward	<u>(696,586)</u>

25. Reconciliation of movements in shareholders' funds

	2012 £	2011 (restated) £
Profit for the financial year	266,308	117,385
Foreign currency translation differences	(10,899)	(46,761)
Net addition to shareholders' funds	255,409	70,624
Opening shareholders' funds	3,579,228	3,441,445
Prior year adjustment (see note 10)	(67,159)	—
Closing shareholders' funds	<u>3,767,478</u>	<u>3,512,069</u>

26. Notes to the cash flow statement

Reconciliation of operating profit to net cash inflow from operating activities

	2012 £	2011 (restated) £
Operating profit	309,490	103,905
Amortisation	(42,166)	(42,166)
Depreciation	602,053	523,266
(Profit)/loss on disposal of fixed assets	(591)	1,417
Increase in stocks	(10,424)	(103,154)
(Increase)/decrease in debtors	(645,715)	1,357,382
Increase/(decrease) in creditors	1,001,049	(1,149,047)
Gain on foreign currency retranslation on debt	—	(32,144)
Decrease in provisions	(51,853)	(119,053)
Net cash inflow from operating activities	<u>1,161,843</u>	<u>540,406</u>

STAGE TECHNOLOGIES GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

26. Notes to the cash flow statement (continued)

Reconciliation of net cash flow to movement in net funds

	2012		2011 (restated)	
	£	£	£	£
Increase/(decrease) in cash in the period	189,962		(267,456)	
Cash outflow in respect of finance leases and similar	205,192		178,305	
Other non-cash changes	<u>(318,550)</u>		<u>(147,639)</u>	
Change in net funds		<u>76,604</u>		<u>(236,790)</u>
Net funds at 1 April 2011		<u>843,406</u>		<u>1,080,196</u>
Net funds at 31 March 2012		<u>920,010</u>		<u>843,406</u>

Analysis of changes in net funds

	At 1 April 2011 £	Cash flows £	Other changes £	At 31 March 2012 £
Net cash				
Cash in hand and at bank	<u>1,124,350</u>	<u>189,962</u>	<u>—</u>	<u>1,314,312</u>
Debt				
Finance leases and similar agreements	<u>(280,944)</u>	<u>205,192</u>	<u>(318,550)</u>	<u>(394,302)</u>
Net funds	<u>843,406</u>	<u>395,154</u>	<u>(318,550)</u>	<u>920,010</u>

27. Ultimate controlling party

There is no ultimate controlling party