

Company Registration No. 01031687 (England and Wales)

WHITE LIGHT LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016



WHITE LIGHT LIMITED

COMPANY INFORMATION

Directors

J. D. Simpson
R. M. Wilson
D. J. Isherwood
B. A. Raven
P. Threadgold
C. J. Nicholls
S. R. Needle
F. A. M. Wood
A. J. Hook

(Appointed 1 January 2016)

(Appointed 1 January 2016)

Company number

01031687

Registered office

20 Merton Industrial Park
Jubilee Way
Wimbledon
London
SW19 3WL

Auditor

Alliotts
4th Floor
Imperial House
15 Kingsway
London
WC2B 6UN

WHITE LIGHT LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2 - 3
Independent auditor's report	4 - 5
Statement of comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Statement of cash flows	9
Notes to the financial statements	10 - 28

WHITE LIGHT LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2016

The directors present the strategic report and financial statements for the year ended 31 March 2016.

Fair review of the business

The directors are satisfied with the level of operating profit for the year, given the amount of change and investment that has gone on in the business during the year. In a continued challenging financial environment, the directors have continued with the investment in new equipment, increased staffing, outsourced IT support plus the refurbishment of the Company's Head Offices.

The large capital spend in the year enabled the Company to expand into the AV and Broadcast markets, and continue to grow its Projects and Events services as well as maintaining its position in the traditional West End theatre market. The growth was also as a result of acquiring the businesses of Shock Solutions Ltd and Gloworm Media Ltd.

The Company is a complete production solution specialist operating in a range of markets such as theatre, concert touring, corporate events, broadcast, themed attractions, education and trade.

The Company has continued to invest in training of its staff at all levels, to help to develop people's careers within the business. There is a structured apprenticeship scheme in place with college release, specific training courses and on-the-job training on site, at events and in theatres.

Principal risks and uncertainties

The key risks and uncertainties that relate to the future profitability of the business are:

Overall downturn in the economy that may have an impact on consumer spending

Increased competition in the market places we operate in

Exchange rate movements

Other impacts of leaving the EU, including increases in the cost of goods

Potential threat to the London theatre business from terrorist activity

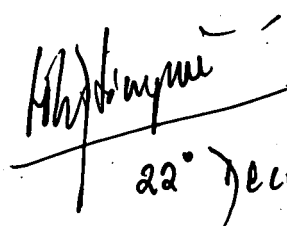
The directors believe that the group is well placed to mitigate these risks by expanding in different market sectors thereby spreading the risk and reducing reliance on particular markets, by winning and delivering major projects overseas, and by concentrating efforts on customer service, choice and quality and improved productivity. Foreign currency risk was minimised by matching receipts and payments in specific currencies where possible. In the future buying forward where appropriate will also help to reduce the risk.

Key performance indicators

	2016	2015
Turnover % increase	21%	4%
Gross profit as % turnover	51.1%	51.8%
EBITDA	£2.779m	£2.321m

On behalf of the board

.....
J. D. Simpson
Director
.....


22 December 2016

WHITE LIGHT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2016

The directors present their report and financial statements for the year ended 31 March 2016.

Principal activities

The principal activity of the company continued to be that of the provision of goods and services to the entertainment industry.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

J. D. Simpson
R. M. Wilson
D. J. Isherwood
B. A. Raven
P. Threadgold
C. J. Nicholls
S. R. Needle
P Millington
F. A. M. Wood
A. J. Hook

(Resigned 10 July 2015)
(Appointed 1 January 2016)
(Appointed 1 January 2016)

Results and dividends

The results for the year are set out on page 6.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Future developments

The increases in the last two years in space, people and equipment allow the company to grow further in the foreseeable future. The directors believe that White Light is well placed to prosper and take advantage of business opportunities as they become available. White Light should remain at the forefront of the industry.

Auditor

In accordance with the company's articles, a resolution proposing that Alliotts be reappointed as auditor of the company will be put at a General Meeting.

WHITE LIGHT LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

Statement of directors' responsibilities

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 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 profit or loss of the company 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

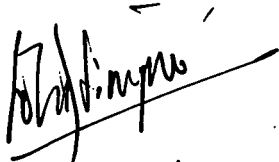
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually 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 company's auditor is aware of that information.

On behalf of the board

.....
J. D. Simpson
Director
.....


22 Feb 2016

WHITE LIGHT LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WHITE LIGHT LIMITED

We have audited the financial statements of White Light Limited for the year ended 31 March 2016 set out on pages 6 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 2 - 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 company's affairs as at 31 March 2016 and of its 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

WHITE LIGHT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF WHITE LIGHT LIMITED

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



Mr Ian Davies FCA (Senior Statutory Auditor)
for and on behalf of Alliotts

Chartered Accountants
Statutory Auditor

22/12/16

4th Floor
Imperial House
15 Kingsway
London
WC2B 6UN

WHITE LIGHT LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 £	2015 £
Revenue	3	24,034,651	19,428,829
Cost of sales		(11,773,707)	(9,357,013)
Gross profit		12,260,944	10,071,816
Distribution costs		(1,042,126)	(720,628)
Administrative expenses		(10,760,704)	(9,082,605)
Other operating income		6,000	-
Operating profit	4	464,114	268,583
Finance costs	7	(136,159)	(70,602)
Profit before taxation		327,955	197,981
Taxation	8	(25,768)	(51,064)
Profit for the financial year		302,187	146,917
Other comprehensive income		-	-
Total comprehensive income for the year		302,187	146,917

The income statement has been prepared on the basis that all operations are continuing operations.

WHITE LIGHT LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Property, plant and equipment	10	6,997,685		4,952,559	
Investments	11	1,494		1,494	
		<u>6,999,179</u>		<u>4,954,053</u>	
Current assets					
Inventories	14	1,340,440		1,163,618	
Trade and other receivables	15	6,719,556		5,942,632	
Cash at bank and in hand		-		380,845	
		<u>8,059,996</u>		<u>7,487,095</u>	
Current liabilities	16	(10,626,016)		(9,885,806)	
Net current liabilities		<u>(2,566,020)</u>		<u>(2,398,711)</u>	
Total assets less current liabilities		<u>4,433,159</u>		<u>2,555,342</u>	
Non-current liabilities	17	(2,762,122)		(1,186,492)	
Net assets		<u><u>1,671,037</u></u>		<u><u>1,368,850</u></u>	
Equity					
Called up share capital	23	531,250		531,250	
Share premium account		135,950		135,950	
Other reserves		12,276		6,929	
Capital redemption reserve		62,500		62,500	
Retained earnings		929,061		632,221	
Total equity		<u><u>1,671,037</u></u>		<u><u>1,368,850</u></u>	

The financial statements were approved by the board of directors and authorised for issue on 22 December 2016 and are signed on its behalf by:

F. A. M. Wood

F. A. M. Wood
Director

Company Registration No. 01031687

WHITE LIGHT LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2016

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Other reserves £	Retained earnings £	Total £
Balance at 1 April 2014		531,250	135,950	62,500	-	1,529,295	2,258,995
Effect of transition to FRS 102		-	-	-	-	(37,062)	(37,062)
As restated		531,250	135,950	62,500	-	1,492,233	2,221,933
Year ended 31 March 2015:							
Profit and total comprehensive income for the year		-	-	-	-	146,917	146,917
Dividends	9	-	-	-	-	(1,000,000)	(1,000,000)
Credit to equity for equity settled share-based payments	22	-	-	-	6,929	(6,929)	-
Balance at 31 March 2015		531,250	135,950	62,500	6,929	632,221	1,368,850
Year ended 31 March 2016:							
Profit and total comprehensive income for the year		-	-	-	-	302,187	302,187
Credit to equity for equity settled share-based payments	22	-	-	-	5,347	(5,347)	-
Balance at 31 March 2016		531,250	135,950	62,500	12,276	929,061	1,671,037

WHITE LIGHT LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash generated from operations	29	1,323,250		3,472,400	
Interest paid		(136,159)		(70,602)	
Income taxes paid		(124,408)		(52,199)	
Net cash inflow from operating activities		1,062,683		3,349,599	
Investing activities					
Purchase of property, plant and equipment		(4,321,541)		(2,468,548)	
Proceeds on disposal of property, plant and equipment		-		55,275	
Net cash used in investing activities		(4,321,541)		(2,413,273)	
Financing activities					
Proceeds from finance leases		3,404,362		1,084,708	
Payment of finance leases obligations		(1,085,439)		(728,599)	
Dividends paid		-		(1,000,000)	
Net cash generated from/(used in) financing activities		2,318,923		(643,891)	
Net (decrease)/increase in cash and cash equivalents		(939,935)		292,435	
Cash and cash equivalents at beginning of year		380,845		88,410	
Cash and cash equivalents at end of year		(559,090)		380,845	
Relating to:					
Cash at bank and in hand		-		380,845	
Bank overdrafts included in creditors payable within one year		(559,090)		-	

WHITE LIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

Company information

White Light Limited is a company limited by shares incorporated in England and Wales. The registered office is 20 Merton Industrial Park, Jubilee Way, Wimbledon, London, SW19 3WL.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 March 2016 are the first financial statements of White Light Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 30.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

White Light Limited is a wholly owned subsidiary of WLH Limited and the results of White Light Limited are included in the consolidated financial statements of WLH Limited which are available from 20 Merton Industrial Park, Jubilee Way, Wimbledon, London, SW19 3WL.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Revenue

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

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.4 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

WHITE LIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Production equipment	10%, 16.67 %, 25% and 50% on cost
Motor Vehicles, Warehouse & Computer Equipment	25%, 25% and 50% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Non-current investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.6 Impairment of non-current assets

At each reporting period end date, the company 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. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and those overheads that have been incurred in bringing the inventories to their present location and condition.

WHITE LIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

(Continued)

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

WHITE LIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

WHITE LIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Share-based payments

For cash-settled share-based payments, a liability is recognised for the goods and services acquired, measured initially at the fair value of the liability. At the balance sheet date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

The expense in relation to options over the company's shares granted to employees of a subsidiary is recognised by the company as a capital contribution, and presented as an increase in the company's investment in that subsidiary.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

WHITE LIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

(Continued)

1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated economic useful lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11 for the carrying amount of the property, plant and equipment, and note 1.4 for the useful economic lives for each class of assets.

Inventory provisioning

The company's products are subject to changing consumer demands and fashion trends. As a result it is necessary to consider the recoverability of the cost of inventory and the associated provisioning required. When calculating the inventory provision, management considers the nature and condition of the inventory, as well as applying assumptions around anticipated saleability of finished goods and future usage of raw materials.

3 Revenue

An analysis of the company's revenue is as follows:

	2016 £	2015 £
Turnover		
Provision of goods and services to the entertainment industry	24,034,651	19,428,829

WHITE LIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

3 Revenue (Continued)

Revenue analysed by geographical market

	2016 £	2015 £
United Kingdom	22,618,369	18,644,460
Europe	420,903	433,864
Rest of World	995,379	350,505
	<u>24,034,651</u>	<u>19,428,829</u>

4 Operating profit

	2016 £	2015 £
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	17,000	13,000
Depreciation of owned property, plant and equipment	2,276,415	2,049,139
Profit on disposal of property, plant and equipment	-	(55,275)
Cost of inventories recognised as an expense	<u>9,506,346</u>	<u>6,086,262</u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2016 Number	2015 Number
Administration	33	33
Technical	103	95
Sales	48	35
	<u>184</u>	<u>163</u>

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	7,021,444	5,606,449
Social security costs	513,960	406,078
Pension costs	368,372	317,681
	<u>7,903,776</u>	<u>6,330,208</u>

WHITE LIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

6 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	479,954	442,669
Company pension contributions to defined contribution schemes	51,160	53,718
	<u>531,114</u>	<u>496,387</u>

The number of directors who are entitled to receive shares under long term incentive schemes during the year was 4 (2015 - 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	86,855	75,435
Company pension contributions to defined contribution schemes	<u>11,668</u>	<u>10,125</u>

7 Finance costs

	2016 £	2015 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	<u>136,159</u>	<u>70,602</u>

8 Taxation

	2016 £	2015 £
Current tax		
UK corporation tax on profits for the current period	34,993	85,352
Adjustments in respect of prior periods	-	96,650
Total current tax	<u>34,993</u>	<u>182,002</u>
Deferred tax		
Origination and reversal of timing differences	<u>(9,225)</u>	<u>(130,938)</u>
Total tax charge	<u>25,768</u>	<u>51,064</u>

WHITE LIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

8 Taxation

(Continued)

The charge for the year can be reconciled to the profit per the income statement as follows:

	2016 £	2015 £
Profit before taxation	327,955	197,981
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 21.00%)	65,591	41,576
Tax effect of expenses that are not deductible in determining taxable profit	8,463	49,343
Adjustments in respect of prior years	-	96,650
Effect of change in corporation tax rate	-	38
Permanent capital allowances in excess of depreciation	(5,131)	(4,765)
Deferred tax	(9,225)	(130,938)
Other tax adjustments	(33,930)	(840)
Tax expense for the year	25,768	51,064

9 Dividends

	2016 £	2015 £
Interim paid	-	1,000,000

WHITE LIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

10 Property, plant and equipment

	Production equipment	Motor Vehicles, Warehouse & Computer Equipment	Total
	£	£	£
Cost			
At 1 April 2015	26,809,204	339,557	27,148,761
Additions	3,996,215	325,326	4,321,541
Disposals	-	(85,998)	(85,998)
At 31 March 2016	30,805,419	578,885	31,384,304
Depreciation and impairment			
At 1 April 2015	21,894,613	301,589	22,196,202
Depreciation charged in the year	2,256,800	19,615	2,276,415
Eliminated in respect of disposals	-	(85,998)	(85,998)
At 31 March 2016	24,151,413	235,206	24,386,619
Carrying amount			
At 31 March 2016	6,654,006	343,679	6,997,685
At 31 March 2015	4,914,591	37,968	4,952,559

11 Fixed asset investments

	Notes	2016 £	2015 £
Investments in subsidiaries	12	1,494	1,494

Movements in non-current investments

	Shares in group undertakings £
Cost or valuation	
At 1 April 2015 & 31 March 2016	1,494
Carrying amount	
At 31 March 2016	1,494
At 31 March 2015	1,494

WHITE LIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

12 Subsidiaries

These financial statements are separate company financial statements for White Light Limited.

Details of the company's subsidiaries at 31 March 2016 are as follows:

Name of undertaking and country of incorporation or residency	Nature of business	Class of shareholding	% Held	
			Direct	Indirect
White Light (Macau) Limited Macau	Non trading	Ordinary	96.00	

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
White Light (Macau) Limited	(4,096)	17,358

The results of White Light (Macau) Limited are based on management accounts to 31 March 2016.

13 Financial instruments

	2016 £	2015 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	6,086,063	5,412,684
Carrying amount of financial liabilities		
Measured at amortised cost	12,787,936	10,576,743

14 Inventories

	2016 £	2015 £
Finished goods and goods for resale	1,340,440	1,163,618

WHITE LIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

15 Trade and other receivables

	2016 £	2015 £
Amounts falling due within one year:		
Trade receivables	3,525,746	3,032,845
Amount due from parent undertaking	2,147,998	2,178,640
Other receivables	412,319	201,199
Prepayments and accrued income	213,113	118,793
	<u>6,299,176</u>	<u>5,531,477</u>
Deferred tax asset (note 20)	420,380	411,155
	<u>6,719,556</u>	<u>5,942,632</u>

16 Current liabilities

	Notes	2016 £	2015 £
Bank loans and overdrafts	18	559,090	-
Obligations under finance leases	19	1,478,451	735,158
Trade payables		2,563,319	2,206,633
Amounts due to group undertakings		3,236,480	3,846,330
Corporation tax		11,773	101,188
Other taxation and social security		588,429	394,367
Other payables		39,592	31,520
Accruals and deferred income		2,148,882	2,570,610
		<u>10,626,016</u>	<u>9,885,806</u>

17 Non-current liabilities

	Notes	2016 £	2015 £
Obligations under finance leases	19	2,762,122	1,186,492

18 Borrowings

	2016 £	2015 £
Bank overdrafts	<u>559,090</u>	<u>-</u>
Payable within one year	<u>559,090</u>	<u>-</u>

The bank overdraft is secured by a debenture giving fixed and floating charges on all assets of the company.

WHITE LIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

19 Finance lease obligations

	2016 £	2015 £
Future minimum lease payments due under finance leases:		
Within one year	1,478,451	735,158
In two to five years	2,762,122	1,186,492
	<u>4,240,573</u>	<u>1,921,650</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 4 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The finance leases are secured by a charge over the specific assets that the leases relate to and a debenture with a fixed and floating charge over all assets of the company.

20 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Assets 2016 £	Assets 2015 £
Balances:		
Accelerated capital allowances	<u>420,380</u>	<u>411,155</u>
Movements in the year:		2016 £
Liability/(Asset) at 1 April 2015		(411,155)
Credit to profit and loss		(9,225)
Liability/(Asset) at 31 March 2016		<u>(420,380)</u>

21 Retirement benefit schemes

Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to profit and loss in respect of defined contribution schemes was £368,372 (2015 - £317,681).

WHITE LIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

22 Share-based payment transactions

During the year ended 31 March 2016, the Company had three share-based payment arrangements, which are described below.

	Number of share options		Weighted average exercise price	
	2016 Number	2015 Number	2016 £	2015 £
Outstanding at 1 April 2015	74,500	7,500	16.05	14.53
Granted	12,000	67,000	16.65	16.22
Forfeited	(8,500)	-	16.22	-
Outstanding at 31 March 2016	<u>78,000</u>	<u>74,500</u>	<u>16.12</u>	<u>16.05</u>
Exercisable at 31 March 2016	<u>78,000</u>	<u>74,500</u>	<u>16.12</u>	<u>16.05</u>

The options outstanding at 31 March 2016 had an exercise price ranging from £14.53 to £16.65, and a remaining contractual life of 8 to 9 years.

The weighted average fair value of options granted during the year was £17. Fair value was measured using the Black-Scholes option pricing model.

Inputs were as follows:

	2016	2015
Expected volatility	45.00	45.00
Expected life	10.00	10.00
Risk free rate	1.43	1.68
Expected dividends yields	<u>10.00</u>	<u>5.00</u>

All options granted vest over a 10 year period as follows:

- 100% at the point at which the company undergoes an exit event (a share sale, business sale or listing).
- All options must be exercised between expiration of the related vesting period and 10 years from the date of grant.
- Options lapse upon termination of the employee's contract of employment provided they have not already vested.

WHITE LIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

23 Share capital

	2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
531,250 Ordinary shares of £1 each	531,250	531,250

At 31 March 2016 employees held options over 78,000 shares of the ultimate parent company, WLH Limited. Share options granted under the Company's employee share option plan carry no rights to dividends and no voting rights. Further details of the employee share option plan are provided in note 22 to the accounts.

24 Financial commitments, guarantees and contingent liabilities

The company's facilities are subject to cross guarantees to its bankers in respect of group overdrafts.

25 Operating lease commitments

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

	2016 £	2015 £
Within one year	116,428	105,540
Between two and five years	243,767	327,962
In over five years	-	32,232
	360,195	465,734

26 Capital commitments

	2016 £	2015 £
At 31 March 2016 the company had capital commitments as follows:		
Contracted for but not provided in the financial statements:		
Acquisition of property, plant and equipment	41,482	167,887

27 Related party transactions

Transactions with related parties

The company has taken advantage of the exemption under paragraph 33.14 from the provisions of FRS 102, not to disclose transactions entered and outstanding balances between two or more members of the group, on the grounds that as at 31 March 2016 it was a wholly owned subsidiary of the group to which it is party to the transaction.

WHITE LIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

28 Controlling party

The immediate parent company is White Light Group Limited (company registration number 02801131), a company registered in England and Wales. The ultimate parent company is WLH Limited (company registration number 06029155), a company registered in England and Wales. WLH Limited prepares group financial statements and copies can be obtained from 20 Merton Industrial Park, Jubilee Way, London, SW19 3WL.

No one person has overall control.

29 Cash generated from operations

	2016 £	2015 £
Profit for the year after tax	302,187	146,917
Adjustments for:		
Taxation charged	25,768	51,064
Finance costs	136,159	70,602
Gain on disposal of property, plant and equipment	-	(55,275)
Depreciation and impairment of property, plant and equipment	2,276,415	2,049,139
Movements in working capital:		
(Increase)/decrease in inventories	(176,822)	171,213
(Increase) in trade and other receivables	(767,699)	(796,063)
(Decrease)/increase in trade and other payables	(472,758)	1,834,803
Cash generated from operations	<u>1,323,250</u>	<u>3,472,400</u>

30 Reconciliations on adoption of FRS 102

Reconciliations and descriptions of the effect of the transition to FRS 102 on: (i) equity at the date of transition to FRS 102; (ii) equity at the end of the comparative period; and (iii) profit or loss for the comparative period reported under previous UK GAAP are given below.

Reconciliation of equity

	Notes	1 April 2014 £	31 March 2015 £
Equity as reported under previous UK GAAP		2,258,995	1,408,920
Adjustments arising from transition to FRS 102:			
Holiday pay accrual	1	(37,062)	(40,070)
Equity reported under FRS 102		<u>2,221,933</u>	<u>1,368,850</u>

WHITE LIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

30 Reconciliations on adoption of FRS 102

(Continued)

Reconciliation of profit or loss

	Notes	2015 £
Profit or loss as reported under previous UK GAAP		149,925
Adjustments arising from transition to FRS 102:		
Holiday pay accrual	1	(3,008)
Profit or loss reported under FRS 102		<u>146,917</u>

Reconciliation of equity

	Notes	At 1 April 2014			At 31 March 2015		
		Previous UK GAAP £	Effect of transition £	FRS 102 £	Previous UK GAAP £	Effect of transition £	FRS 102 £
Fixed assets							
Property, plant and equipment		4,533,150	-	4,533,150	4,952,559	-	4,952,559
Investments		1,494	-	1,494	1,494	-	1,494
		<u>4,534,644</u>	<u>-</u>	<u>4,534,644</u>	<u>4,954,053</u>	<u>-</u>	<u>4,954,053</u>
Current assets							
Inventories		1,334,831	-	1,334,831	1,163,618	-	1,163,618
Trade and other receivables		4,754,764	-	4,754,764	5,942,632	-	5,942,632
Bank and cash		88,410	-	88,410	380,845	-	380,845
		<u>6,178,005</u>	<u>-</u>	<u>6,178,005</u>	<u>7,487,095</u>	<u>-</u>	<u>7,487,095</u>
Creditors due within one year							
Borrowings	2	(749,391)	-	(749,391)	(735,158)	735,158	-
Finance leases	2	-	-	-	-	(735,158)	(735,158)
Taxation	3	(415,282)	9,265	(406,017)	(505,572)	10,017	(495,555)
Other payables	1	(6,753,048)	(46,327)	(6,799,375)	(8,605,006)	(50,087)	(8,655,093)
		<u>(7,917,721)</u>	<u>(37,062)</u>	<u>(7,954,783)</u>	<u>(9,845,736)</u>	<u>(40,070)</u>	<u>(9,885,806)</u>
Net current liabilities		<u>(1,739,716)</u>	<u>(37,062)</u>	<u>(1,776,778)</u>	<u>(2,358,641)</u>	<u>(40,070)</u>	<u>(2,398,711)</u>
Total assets less current liabilities		<u>2,794,928</u>	<u>(37,062)</u>	<u>2,757,866</u>	<u>2,595,412</u>	<u>(40,070)</u>	<u>2,555,342</u>

WHITE LIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

30 Reconciliations on adoption of FRS 102

(Continued)

		At 1 April 2014			At 31 March 2015		
	Notes	Previous UK GAAP £	Effect of transition £	FRS 102 £	Previous UK GAAP £	Effect of transition £	FRS 102 £
Creditors due after one year							
Borrowings	2	(816,150)	-	(816,150)	(1,186,492)	1,186,492	-
Finance leases	2	-	-	-	-	(1,186,492)	(1,186,492)
		(816,150)	-	(816,150)	(1,186,492)	-	(1,186,492)
Provisions for liabilities							
Deferred tax		280,217	-	280,217	-	-	-
Net assets		2,258,995	(37,062)	2,221,933	1,408,920	(40,070)	1,368,850
Equity							
Share capital		531,250	-	531,250	531,250	-	531,250
Share premium		135,950	-	135,950	135,950	-	135,950
Other reserves		-	-	-	6,929	-	6,929
Capital redemption		62,500	-	62,500	62,500	-	62,500
Profit and loss		1,529,295	(37,062)	1,492,233	672,291	(40,070)	632,221
Total equity		2,258,995	(37,062)	2,221,933	1,408,920	(40,070)	1,368,850

Reconciliation of profit or loss for the year

	Notes	Year ended 31 March 2015		
		Previous UK GAAP £	Effect of transition £	FRS 102 £
Revenue		19,428,829	-	19,428,829
Cost of sales		(9,357,013)	-	(9,357,013)
Gross profit		10,071,816	-	10,071,816
Distribution costs		(720,628)	-	(720,628)
Administrative expenses	1	(9,078,845)	(3,760)	(9,082,605)
Operating profit		272,343	(3,760)	268,583
Finance costs		(70,602)	-	(70,602)
Taxation	3	(51,816)	752	(51,064)
Profit for the financial period		149,925	(3,008)	146,917

WHITE LIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

30 Reconciliations on adoption of FRS 102

(Continued)

Notes to reconciliations on adoption of FRS 102

Holiday pay accrual

Holiday pay accruals have been provided for the proportion of unused holiday by employees at the start of the transitional period on 1 April 2014.

Reclassification of finance leases

Amounts previously classified as bank loans have been reclassified as finance lease obligations.

Corporation tax

Corporation tax at the current rate of 20% has been recognised on the holiday pay accrual provided at the transition date.