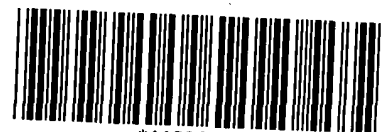

WHITE LIGHT LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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COMPANIES HOUSE

WHITE LIGHT LIMITED

COMPANY INFORMATION

Directors

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

Company secretary

F A M Wood

Registered number

01031687

Registered office

20 Merton Industrial Park
Jubilee Way
Wimbledon
London
SW19 3WL

Independent auditor

Nexia Smith and Williamson
Chartered Accountants & Statutory Auditor
25 Moorgate
London
EC2R 6AY

WHITE LIGHT LIMITED

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WHITE LIGHT LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

The directors present their Strategic Report and financial statements for the year ended 31 March 2021.

Review of the business

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

Results and performance

The results for the year, as set out on page 12, show a loss before tax of £4.275m (2020 profit: £47k).

As a result of the Covid-19 pandemic, the industry has been severely impacted due to enforced closure of all theatres and live events venues. This is addressed later in this report. However, diversification, particularly into the mixed reality technology environment for Broadcast and Events has proved to be critical.

The capital spend in the year enabled the Company to continue its expansion into the AV, Broadcast, and XR markets, resulting in a 236% increase in Broadcast turnover, in spite of the pandemic.

The loss was incurred as a direct result of the closure of theatres and events, with Hires revenue down 70.5% and Events revenue down 94.4% in the year to March 2021.

The directors and senior managers of the business acted promptly at the start of the pandemic to put measures in place to protect the future of the business. This included a variety of measures to protect cash while focusing on delivering work in a manner to protect the safety of our staff and customers. The Company secured funding through the government backed CBIL scheme and has also taken advantage of the Government's Coronavirus Job Retention Scheme to enable the Company to continue to operate on a reduced basis.

As the Company incurred losses in the short-term and as the timing of the return of theatres and events was uncertain, the directors had no choice but to take action to restructure and reduce in size to protect the longer-term future of the business. This was a very difficult decision but was done so in consultation with the Company's Employee Forum and all employees. Redundancy criteria were agreed in consultation and were applied consistently and fairly across all affected employees. Communication was held with complete transparency throughout the whole process.

The Company is proud of its apprenticeship scheme in place with college release, specific training courses and on-the-job training on site, at events and in theatres. Since 2011 the Company has employed 57 apprentices, 94% of whom were offered employment contracts at the end of their apprenticeships. A new round of apprenticeship recruitment will be carried out in 2021.

Business environment

The UK entertainment industry is competitive with companies, offering similar services, continuing to demonstrate an aggressive approach to pricing. All competitors suffered during the pandemic and are therefore bidding competitively for work as it returns. The impact of technology, particularly in some of the newer markets for the Company, is significant and therefore it is essential that the Company is able to recommence its investment in new technology.

WHITE LIGHT LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Strategy

The Company has made significant progress throughout the year in relation to key elements of our strategy. The Company's focus on excellent customer service, as well as offering high quality equipment and unrivalled technical solutions, the Company's success in obtaining Covid-related funding and quick action to reduce costs, enabled the Company to survive in the year to March 2021. The Company will now concentrate its efforts on recovery and move back to achieving sustainable growth and profitability in its existing market segments, while continuing to diversify in the technical solutions markets.

Key performance indicators

The Board monitors the progress of the Company with reference to the following KPIs:

	2021	2020
Turnover % (decrease)/increase	(45.29%)	15.94%
Gross profit as a % of turnover	28.64%	44.79%
EBITDA	(£1.228m)	£4.235m

- Turnover fell significantly due to the impact of the pandemic, particularly in the theatre and events markets
- Gross profit as a % of turnover, was considerably reduced, due to the reduction in Hires and Events, traditionally higher margin divisions within the Company
- EBITDA was negative and therefore considerably lower than the previous year. The loss incurred was greater than amortisation, depreciation and interest added back.

WHITE LIGHT LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Principal risks and uncertainties

The most significant risk to the business is the ongoing impact of the Covid-19 pandemic on the entertainment industry. As theatres and venues have either been closed or opened in a reduced capacity basis for the majority of Q1 in the financial year to March 2022, there has been a reduction in demand for some of the services provided by White Light. We continue to operate in the Broadcast, Construction and Virtual Events markets, with the new SmartStage technology still achieving considerable acclaim. We also continue to offer repair and maintenance services to our customers.

The Company has managed to secure a £1m grant from the Culture Recovery Scheme through the Arts Council, as well as £1.5m of loan funding through the government backed Recovery Loan Scheme ("RLS") and has also continued to take advantage of the government Job Retention Scheme to enable the Company to continue to operate on a reduced basis. The RLS will be used to invest in new equipment to enable the Company to recover and grow more quickly.

The Company has generated a positive EBITDA for the last eight months since November 2020. The results for the first three months of the financial year to March 2022 have resulted in a profit, well above budget, and £1.8m above last year.

The directors believe that, with the additional funding in place, the business can take advantage of all opportunities when they arise and grow as live events continue to open up again. It is on this basis that the directors believe the business remains a going concern.

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

- 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; and
- Potential threat to the London theatre and events businesses from terrorist activity or other unforeseen events.

The directors believe that the Company is well placed to mitigate these other risks by having expanded in different market sectors thereby spreading the risk and reducing reliance on individual markets, including winning and delivering major projects overseas, and by concentrating our efforts on customer service, choice and quality and improved productivity. Foreign currency risk is 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.

Future developments

The Company continues to focus on its award-winning SmartStage technology. This enables the Company to continue to deliver technically advanced lighting and AV solutions as well as augmented, virtual and mixed reality design projects. Investment in new technology generated income in 2020/21 financial year, and has continued to do so in 2021/22, as well as several other large projects which include AV integration.

WHITE LIGHT LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

This report was approved by the board and signed on its behalf.

B Raven

B Raven (Aug 12, 2021 13:20 GMT+1)

B A Raven
Director

Date: 12/08/2021

WHITE LIGHT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

The directors present their report and the financial statements for the year ended 31 March 2021.

Principal activity

The principal activity of the Company continued to be that of the provision of goods and services to the live events and entertainment industries.

Results and dividends

The loss for the year, after taxation, amounted to £4,275,015 (2020: £102,448).

No ordinary dividends were paid. The directors do not recommend payment of a final dividend (2020: £Nil).

Directors

The directors who served during the year were:

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

Qualifying third party indemnity provisions

At the time of approval of this report, qualifying third party indemnity provision was in force for the benefit of the directors.

Matters covered in the Strategic Report

Where necessary, disclosures relating to principal risks & uncertainties and future developments have been made in the Strategic Report and have not been repeated here in accordance with Section 414C of the Companies Act 2006.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

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

Post statement of financial position events

Subsequent to the year end White Light Limited agreed a £1.5m loan with HSBC via the Recovery Loan Scheme.

WHITE LIGHT LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Auditor

The auditor, Nexia Smith and Williamson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

B Raven

B Raven (Aug 12, 2021 13:20 GMT+1)

B A Raven
Director

Date: 12/08/2021

WHITE LIGHT LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

The directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are *reasonable and prudent*; and
- 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 to 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.

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

Opinion

We have audited the financial statements of White Light Limited (the 'Company') for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of its loss 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to going concern

We draw attention to note 2.3 in the financial statements. On 11 March 2020, COVID-19 was declared a pandemic by the World Health Organisation. The directors have carefully reviewed the future prospects of the Group and Parent Company and its future cash flows. The Group has made use of the coronavirus job retention scheme and has secured funding from the Government-backed CBIL scheme; however, the ultimate impact of the COVID-19 pandemic on the business remains unquantifiable at this stage, particularly in relation to the associated uncertainty over the Group's customers' return to full operations as countries come out of lockdown. There is a risk that the Group is unable to generate sufficient cashflows from its customers or from funding options. As stated in note 2.3, these events or conditions, along with the other matters as set forth in note 2.3, indicate that a material uncertainty exists that may cast significant doubt on the Group and Parent Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Notwithstanding the above, in auditing the financial statements we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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

Other information

The other information comprises the information included in the Annual Report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and financial statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the Company's legal and regulatory framework through enquiry of management concerning their understanding of relevant laws and regulations and the entity's policies and procedures regarding compliance. We understand that the Company complies with the framework through:

- Maintaining clear policies, including those relating to health and safety;
- Close oversight by the directors and key management, meaning that any litigation or claims would come to their attention directly; and
- Engaging external experts as required, including assistance with payroll, tax compliance and statutory accounts preparation.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements and which are central to the Company's ability to conduct its business and where failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the Company:

- The Companies Act 2006 and FRS 102 in respect of the preparation and presentation of the financial statements.

We performed the following procedures to gain evidence about compliance with the significant laws and regulations identified above:

- We made enquiries of management and reviewed board meeting minutes.
- We obtained written management representations that they have disclosed to us all known instances of non-compliance or suspected non-compliance with laws and regulations and accounted for and disclosed all known actual or possible litigation and claims in the financial statements.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur. The key areas identified in this discussion were with regard to the utilisation of COVID-19 related government support schemes, the manipulation of the financial statements through manual journal entries and incorrect recognition of revenue.

The procedures we carried out to gain evidence in the above areas included:

- Testing journal entries, selected based on specific risk assessments applied based on the Company's processes and controls surrounding manual journals.
- Substantive testing of a sample of revenue transactions around the year-end to underlying documentation to corroborate that it has been recorded in the correct period.
- Detailed review of the Company's use of the Coronavirus Job Retention Scheme ('CJRS') during the year with regards to compliance with the rules of the scheme.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

Use of our report

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

Sancho Simmonds

Sancho Simmonds (Aug 12, 2021 19:14 GMT+1)

Sancho Simmonds (Senior Statutory Auditor)

for and on behalf of

Nexia Smith and Williamson

Chartered Accountants

Statutory Auditor

25 Moorgate

London

EC2R 6AY

Date: 12/08/2021

WHITE LIGHT LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £	2020 £
Turnover	4	20,962,616	38,318,476
Cost of sales		(14,958,909)	(21,155,573)
Gross profit		6,003,707	17,162,903
Distribution costs		(515,062)	(1,165,867)
Administrative expenses		(12,104,321)	(15,652,550)
Other operating income	5	2,488,957	70,406
Operating (loss)/profit	6	(4,126,719)	414,892
Interest receivable and similar income		6,311	951
Interest payable and similar expenses	10	(154,607)	(368,698)
(Loss)/profit before tax		(4,275,015)	47,145
Tax on (loss)/profit	11	-	(149,593)
Loss for the financial year		(4,275,015)	(102,448)

There was no other comprehensive income for 2021 (2020: £Nil).

The notes on pages 18 to 41 form part of these financial statements.

WHITE LIGHT LIMITED
REGISTERED NUMBER:01031687

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	12	-	224,088
Tangible assets	13	6,293,013	7,474,592
		<u>6,293,013</u>	<u>7,698,680</u>
Current assets			
Stocks	15	1,250,230	1,304,364
Debtors: amounts falling due after more than one year	16	240,676	415,390
Debtors: amounts falling due within one year	16	5,751,241	9,329,380
Cash at bank and in hand		151,450	450,170
		<u>7,393,597</u>	<u>11,499,304</u>
Creditors: amounts falling due within one year	17	(12,917,171)	(16,310,346)
Net current liabilities		<u>(5,523,574)</u>	<u>(4,811,042)</u>
Total assets less current liabilities		<u>769,439</u>	<u>2,887,638</u>
Creditors: amounts falling due after more than one year	18	(3,905,781)	(1,748,965)
Net (liabilities)/assets		<u><u>(3,136,342)</u></u>	<u><u>1,138,673</u></u>
Capital and reserves			
Called up share capital	22	531,250	531,250
Share premium account	23	135,950	135,950
Revaluation reserve	23	7,951	7,951
Capital redemption reserve	23	62,500	62,500
Profit and loss account	23	(3,873,993)	401,022
Shareholders' (deficit)/funds		<u><u>(3,136,342)</u></u>	<u><u>1,138,673</u></u>

WHITE LIGHT LIMITED
REGISTERED NUMBER:01031687

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2021

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Fiona Wood
Fiona Wood (Aug 12, 2021 13:36 GMT+1)

F A M Wood
Director

Date: 12/08/2021

The notes on pages 18 to 41 form part of these financial statements.

WHITE LIGHT LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Called up share capital £	Share premium account £	Capital redemption reserve £	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 April 2019	531,250	135,950	62,500	7,951	503,470	1,241,121
Comprehensive income for the year						
Loss for the year	-	-	-	-	(102,448)	(102,448)
At 1 April 2020	531,250	135,950	62,500	7,951	401,022	1,138,673
Comprehensive income for the year						
Loss for the year	-	-	-	-	(4,275,015)	(4,275,015)
At 31 March 2021	531,250	135,950	62,500	7,951	(3,873,993)	(3,136,342)

WHITE LIGHT LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021**

	2021 £	2020 £
Cash flows from operating activities		
Loss for the financial year	(4,275,015)	(102,448)
Adjustments for:		
Amortisation of intangible assets	224,088	224,089
Depreciation of tangible assets	2,674,969	3,595,688
Profit on disposal of tangible assets	(230,842)	(157,371)
Interest paid	154,607	368,698
Interest received	(6,311)	(951)
Taxation charge	-	92,749
Decrease/(increase) in stocks	54,134	(302,632)
Decrease in debtors	3,752,853	221,677
(Decrease)/increase in creditors	(2,040,744)	1,978,007
Government grants	(2,488,957)	(70,406)
Net cash (used in)/generated from operating activities	(2,181,218)	5,847,100
Cash flows from investing activities		
Purchase of tangible fixed assets	(918,590)	(1,087,495)
Sale of tangible fixed assets	274,817	277,486
Interest received	6,311	951
Government grants received	2,488,957	70,406
Net cash generated from/(used in) investing activities	1,851,495	(738,652)

WHITE LIGHT LIMITED

**STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

	2021 £	2020 £
Cash flows from financing activities		
New secured loans	3,000,000	-
Repayment of directors' loans	(261,780)	(520,005)
Repayment of finance leases	(1,235,217)	(2,827,441)
Interest paid	(115,860)	(264,389)
Net cash generated from/(used in) financing activities	<u>1,387,143</u>	<u>(3,611,835)</u>
Net increase in cash and cash equivalents	<u>1,057,420</u>	<u>1,496,613</u>
Cash and cash equivalents at beginning of year	(905,970)	(2,402,583)
Cash and cash equivalents at the end of year	<u><u>151,450</u></u>	<u><u>(905,970)</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	151,450	450,170
Bank overdrafts	-	(1,356,140)
	<u><u>151,450</u></u>	<u><u>(905,970)</u></u>

WHITE LIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. General information

White Light Limited is a private company, limited by shares, domiciled and incorporated in England and Wales (registered number: 01031687). The registered office address is 20 Merton Industrial Park, Jubilee Way, Wimbledon, London, SW19 3WL.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of WLH Limited as at 31 March 2021 and these financial statements may be obtained from 20 Merton Industrial Park, Jubilee Way, Wimbledon, London, SW19 3WL.

2.3 Exemption from preparing consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of its ultimate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

WHITE LIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.4 Going concern

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

The full impact of the COVID-19 pandemic on our business remains fully unquantifiable at this stage, although with the closure of theatres and venues for over 15 months now, the Company has lost about 45% of its revenue since the start of the pandemic. The Company acted fast to mitigate the impact of the lost revenue by reducing costs, restructuring, and reducing our workforce to an appropriate level. This was a very difficult decision but was considered necessary to protect the majority of staff and to ensure the long-term future of the business. The Company has also made use of the coronavirus job retention scheme and the Government-backed CBIL scheme. At all times, the principal concern of the directors remains the wellbeing and safety of our staff and customers.

The Government has now announced the opening up of theatres and live events, and the Company has secured contracts for work as the venues re-open. The Company has generated a positive EBITDA for the last eight months, since November 2020, and the results for the first three months of the financial year to March 2022 have resulted in a profit, well above budget, and £1.8m above last year.

The Company has prepared a budget and business plan for three years after the Balance Sheet date, with particular reference to the cashflow, to ensure that the Company can maintain its day-to-day services to its customers, fulfil its statutory obligations and meet future obligations to funders and other stakeholders. As part of the assessment of going concern the directors have budgeted for a phased return for the various divisions and marketplaces in which the Company operates. The Company has secured a significant grant through the Culture Recovery Scheme from the Arts Council for £1m, of which £0.7m was received in June 2021 and has also secured funding from the Government-backed recovery loan scheme, to ensure that the Company can continue as a going concern, grow and return to profitability.

In addition, the directors have considered the financial covenant requirements under the Company's borrowing facilities and have assessed their ability to comply with the financial covenants. The directors believe that compliance with the covenants will be maintained, and even if unexpected issues were to materialise, covenants are unlikely to be breached. Sufficient headroom was maintained during the pandemic and it is expected that this will continue for the foreseeable future.

The directors have concluded that the potential impact of the COVID-19 pandemic and the associated uncertainty over our customers' return to full operations represents a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Nevertheless, having assessed these uncertainties, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the signing of these financial statements.

For these reasons, the directors continue to adopt a going concern basis for the preparation of the financial statements.

WHITE LIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.5 Foreign currency translation

Functional and presentational currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.6 Turnover

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

Turnover from sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on delivery of the goods), the amount of turnover 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.

Turnover from the provision of services is recognised equally over the period of the services provided.

Turnover from major projects is recognised based on the estimated percentage of completion at the reporting date. The percentage of completion is calculated by comparing the costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of the total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

2.7 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

WHITE LIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.8 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.9 Government grants

Grants are accounted for under the accruals model as permitted by FRS 102.

Grants of a revenue nature are recognised in profit or loss in the same period as the related expenditure.

2.10 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

WHITE LIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.12 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to administrative expenses in profit or loss over its useful economic life, which is 5 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

Development costs

Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis to administrative expenses in profit or loss over their useful economic life which is 2 years. Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

WHITE LIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.13 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined, which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Motor vehicles, warehouse & computer equipment	- 2 - 4 years straight-line
Production equipment	- 2 - 6 years straight-line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.15 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.16 Leased assets: the Company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

WHITE LIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.17 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.18 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.

WHITE LIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.19 Financial instruments

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Company's cash management.

Financial liabilities and equity instruments issued by the Company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

2.20 Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

No charge for share-based payments has been recognised in the year (2020: £Nil) as the amount is considered immaterial.

WHITE LIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.21 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

WHITE LIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

3. **Judgements in applying accounting policies 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 period where the revision affects both current and future periods.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Useful economic lives of intangible assets

The determination of the useful economic lives of intangibles (including goodwill) is a key judgement. Intangibles are also subject to impairment reviews where there are indications of impairment. See note 12 for the carrying amount of intangible assets (including goodwill) and 2.12 for the useful economic lives for each class of assets.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes if 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 13 for the carrying amount of the property, plant and equipment, and note 2.13 for the useful economic lives for each class of assets.

Stock 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 stock and the associated provisioning required. When calculating the stock provision, management considers the nature and condition of stock, as well as applying assumptions around anticipated saleability of finished goods and future usage of raw materials.

Revenue recognition

The percentage of completion method is used to determine the appropriate amount of revenues and profits to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs.

WHITE LIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

4. Turnover

An analysis of turnover by class of business is as follows:

	2021 £	2020 £
Provision of goods and services to the entertainment industry	20,962,616	38,318,476

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	19,875,887	34,901,266
Rest of Europe	205,618	1,930,812
Rest of the world	881,111	1,486,398
	20,962,616	38,318,476

5. Other operating income

	2021 £	2020 £
Other operating income	528	-
Other grant income	25,000	-
Coronavirus job retention scheme income	2,463,429	70,406
	2,488,957	70,406

6. Operating (loss)/profit

The operating (loss)/profit is stated after charging/(crediting):

	2021 £	2020 £
Research & development charged as an expense	27,000	24,542
Depreciation of property, plant and equipment	2,674,969	3,595,688
Profit on disposal of property, plant and equipment	(230,842)	(157,371)
Amortisation of intangible assets	224,088	224,089
Cost of inventories recognised as an expense	12,229,726	17,755,138
Exchange differences	116,009	(24,080)
Operating lease payments recognised as an expense	1,183,085	1,109,265

WHITE LIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

7. Auditor's remuneration

	2021 £	2020 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>42,500</u>	<u>32,000</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the group accounts of the parent company.

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2021 £	2020 £
Wages and salaries	6,809,929	8,921,296
Social security costs	683,008	898,141
Cost of defined contribution scheme	644,022	787,952
Compensation for loss of office	281,105	-
	<u>8,418,064</u>	<u>10,607,389</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2021 No.	2020 No.
Administration	27	45
Sales	95	83
Technical	99	132
	<u>221</u>	<u>260</u>

WHITE LIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

9. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	706,591	910,549
Company contributions to defined contribution pension schemes	71,122	91,063
	<u>777,713</u>	<u>1,001,612</u>

The highest paid director received remuneration of £87,353 (2020: £120,952).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £7,573 (2020: £16,856).

The number of directors who exercised share options during the year was Nil (2020: 2).

The number of directors who are entitled to receive shares under long-term incentive schemes during the year was 3 (2020: 3).

10. Interest payable and similar expenses

	2021 £	2020 £
Bank interest payable	6,130	109,106
Finance leases	148,477	259,592
	<u>154,607</u>	<u>368,698</u>

11. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on (losses)/profits for the year	-	92,749
Adjustments in respect of previous periods	(174,714)	-
Total current tax charge	<u>(174,714)</u>	<u>92,749</u>
Deferred tax		
Origination and reversal of timing differences	174,714	56,844
Taxation on (losses)/profits	<u>-</u>	<u>149,593</u>

WHITE LIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

11. Taxation (continued)

Factors affecting tax for the year

The tax assessed for the year is higher than (2020: *higher than*) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £	2020 £
(Loss)/profit before tax	(4,275,015)	47,146
(Loss)/profit multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	(812,253)	8,958
Effects of:		
Fixed asset differences	18,673	20,410
Expenses not deductible for tax purposes	4,995	18,548
Other permanent differences	5	-
Deferred tax not recognised	799,482	-
Losses carried back	163,812	-
Utilisation of tax losses	(174,714)	-
Remeasurement of deferred tax for change in tax rates	-	(55,557)
Deferred tax	-	157,234
Total tax charge for the year	-	149,593

Factors that may affect future tax charges

Factors that may affect future tax charges The March 2021 Budget announced a further increase to the main rate of corporation tax to 25% from April 2023. This rate has not been substantively enacted at the statement of financial position date, as a result deferred tax balances as at 31 March 2021 continue to be measured at 19%.

WHITE LIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

12. Intangible fixed assets

	Development costs £	Goodwill £	Total £
Cost			
At 1 April 2020	260,177	382,000	642,177
At 31 March 2021	260,177	382,000	642,177
Amortisation			
At 1 April 2020	130,089	288,000	418,089
Charge for the year	130,088	94,000	224,088
At 31 March 2021	260,177	382,000	642,177
Net book value			
At 31 March 2021	-	-	-
At 31 March 2020	130,088	94,000	224,088

WHITE LIGHT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

13. Tangible fixed assets

	Motor vehicles, warehouse & computer equipment £	Production equipment £	Total £
Cost			
At 1 April 2020	545,440	38,863,577	39,409,017
Additions	103,292	1,434,073	1,537,365
Disposals	(16,521)	(1,081,985)	(1,098,506)
At 31 March 2021	<u>632,211</u>	<u>39,215,665</u>	<u>39,847,876</u>
Depreciation			
At 1 April 2020	362,656	31,571,769	31,934,425
Charge for the year	62,237	2,612,732	2,674,969
Disposals	(16,521)	(1,038,010)	(1,054,531)
At 31 March 2021	<u>408,372</u>	<u>33,146,491</u>	<u>33,554,863</u>
Net book value			
At 31 March 2021	<u>223,839</u>	<u>6,069,174</u>	<u>6,293,013</u>
At 31 March 2020	<u>182,784</u>	<u>7,291,808</u>	<u>7,474,592</u>

Change in accounting estimate

During the year, the Company conducted a review of the useful economic lives of production equipment. It was noted through this review, that some classes of production equipment assets continued to be utilised beyond their previous useful economic life of 4 years. As a result, the expected useful life of these classes of equipment increased from 4 to 6 years. The effect of these changes in the year was a decrease in the depreciation charge recognised in cost of sales of £800,849, with a corresponding increase in the carrying value of production equipment assets as at 31 March 2021.

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2021 £	2020 £
Production equipment	<u>3,289,868</u>	<u>4,015,704</u>

WHITE LIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

14. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 April 2020	1,494
At 31 March 2021	1,494
Impairment	
At 1 April 2020	1,494
At 31 March 2021	1,494
Net book value	
At 31 March 2021	-
At 31 March 2020	-

Subsidiary undertakings

The following was a direct subsidiary undertaking of the Company:

Name	Nature of business	Class of shares	Holding
White Light (Macau) Limited	Support performing arts	Ordinary	96%

The registered office address of the above subsidiary is Suite 16A, Edificio Great Will, 665 Avenida de Praia Grande, Macau.

15. Stocks

	2021 £	2020 £
Finished goods and goods for resale	1,250,230	1,304,364

WHITE LIGHT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

16. Debtors

	2021 £	2020 £
Due after more than one year		
Deferred tax asset	240,676	415,390
	<u>240,676</u>	<u>415,390</u>
	2021 £	2020 £
Due within one year		
Trade debtors	1,833,743	7,047,158
Amounts owed by group undertakings	542,112	648,036
Other debtors	127,898	76,327
Prepayments and accrued income	2,367,139	1,319,356
Amounts recoverable on long-term contracts	-	62,261
Tax recoverable	180,349	176,242
Grants receivable	700,000	-
	<u>5,751,241</u>	<u>9,329,380</u>

17. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank overdrafts	-	1,356,140
Bank loans	450,000	-
Trade creditors	3,655,775	3,144,529
Amounts owed to group undertakings	782,907	782,907
Other taxation and social security	850,702	1,360,625
Obligations under finance lease and hire purchase contracts	1,620,684	1,805,195
Other creditors	52,705	337,898
Accruals and deferred income	5,504,398	7,523,052
	<u>12,917,171</u>	<u>16,310,346</u>

The bank overdraft of £Nil (2020: £1,356,140) is secured by a fixed and floating charge on all assets of the Company.

WHITE LIGHT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

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

	2021 £	2020 £
Bank loans	2,550,000	-
Net obligations under finance leases and hire purchase contracts	1,355,781	1,748,965
	<u>3,905,781</u>	<u>1,748,965</u>

19. Loans

Analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year		
Bank loans	450,000	-
Amounts falling due 1-2 years		
Bank loans	600,000	-
Amounts falling due 2-5 years		
Bank loans	1,800,000	-
Amounts falling due after more than 5 years		
Bank loans	150,000	-
	<u>3,000,000</u>	<u>-</u>

The bank loans were drawn down in July 2020. The first repayment will be made in July 2021 and the loan will then be repaid in 59 monthly instalments of £50,000 (exclusive of interest). The final repayment of £50,000 is due to be made in June 2026. Interest is charged at a rate of 3.99% per annum over the Bank of England Base Rate payable on the outstanding principal amount of the loan monthly and on the final repayment date. The loan can be prepaid at any time. The loan is secured by a fixed and floating charge on all assets of the Company.

WHITE LIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2021 £	2020 £
Within one year	1,722,107	1,929,032
Between 1-5 years	1,419,908	1,829,426
Less: future finance charges	(165,550)	(204,298)
	<u>2,976,465</u>	<u>3,554,160</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 totalling £2,976,465 (2020: £3,554,160) 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.

21. Deferred taxation

	2021 £	2020 £
At beginning of year	(415,390)	(472,234)
Charged to profit or loss	174,714	56,844
At end of year	<u>(240,676)</u>	<u>(415,390)</u>

The deferred tax asset is made up as follows:

	2021 £	2020 £
Short-term timing differences	-	(25,171)
Accelerated capital allowances	(240,676)	(390,219)
	<u>(240,676)</u>	<u>(415,390)</u>

WHITE LIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

22. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
531,250 Ordinary shares of £1.00 each	531,250	531,250

The Company has one class of ordinary shares which carry no right to fixed income.

At 31 March 2021 employees held options over 22,875 (2020: 24,122) 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.

23. Reserves

Share premium account

The share premium account is used to record the aggregate amount or value of premiums paid when the Company's shares are issued at an amount in excess of nominal value.

Revaluation reserve

The revaluation reserve represents the cumulative value of revaluation movements from cost.

Capital redemption reserve

This reserve relates to the nominal value of shares that the Company has bought back.

Profit and loss account

This reserve relates to the cumulative retained earnings less amounts distributed to shareholders.

WHITE LIGHT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

24. Analysis of net debt

	At 1 April 2020 £	Cash flows £	New finance leases £	Other non- cash changes £	At 31 March 2021 £
Cash at bank and in hand	450,170	(298,720)	-	-	151,450
Bank overdrafts	(1,356,140)	1,356,140	-	-	-
Bank loans due after 1 year	-	(2,550,000)	-	-	(2,550,000)
Bank loans due within 1 year	-	(450,000)	-	-	(450,000)
Director loans	(261,780)	261,780	-	-	-
Finance leases within 1 year	(1,805,195)	1,235,217	-	(1,152,129)	(1,722,107)
Finance leases over 1 year	(1,748,965)	-	(618,775)	1,113,382	(1,254,358)
	<u>(4,721,910)</u>	<u>(445,583)</u>	<u>(618,775)</u>	<u>(38,747)</u>	<u>(5,825,015)</u>

25. Capital commitments

As at the year end, the Company had capital commitments for the purchase of production equipment of £386,955 (2020: Nil).

26. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £644,022 (2020: £787,952). Contributions totalling £46,378 (2020: £68,245) were payable to the fund at the reporting date and are included in creditors.

27. Commitments under operating leases

At 31 March 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	20,733	76,915
Later than 1 year and not later than 5 years	23,122	122,913
	<u>43,855</u>	<u>199,828</u>

WHITE LIGHT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

28. Other financial commitments

The Company is party to a Composite Company Limited Multilateral Guarantee to its bankers, for group overdraft facilities totalling £1,000,000. At the year end the overdraft balance was £Nil (2020: £1,356,140).

The Company is party to a guarantee dated 21 March 2017 in favour of HM Revenue and Customs for £200,000.

The Company is party to a Purchase Card Facility, totalling £50,000.

The guarantees are secured by fixed and floating charges on all assets of the Company.

29. Related party transactions

The Company has taken advantage of the exemption in FRS 102 Section 33.1A to not disclose transactions with wholly owned group entities.

At the year end, the Company owed £12,551 (2020: £12,551) to a subsidiary undertaking that is not wholly owned. This balance is included in creditors.

Key management are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. In the opinion of the board, the directors of the Company are considered to be key management personnel. Total compensation to key management personnel during the year was £863,028 (2020: £1,115,289).

During the year, the Company paid a salary of £21,200 (2020: £10,992) to a close family member of a director.

30. Directors' transactions

Loans between the Company and the directors were as follows:

	Rate %	Opening balance £	Interest charged £	Amounts repaid £	Closing balance £
Director A	5	57,760	1,156	(58,916)	-
Director B	1	204,020	556	(204,576)	-

The loan from Director A to the Company was unsecured and repayable from June 2018 to May 2020.

The loan from Director B to the Company was unsecured and repayable on release of the CLAS Guarantee Facility.

31. Post statement of financial position events

Subsequent to the year end White Light Limited agreed a £1.5m loan with HSBC via the Recovery Loan Scheme.

WHITE LIGHT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

32. Controlling party

The immediate parent undertaking is White Light Group Limited, a company registered in England and Wales.

The ultimate parent undertaking is WLH Limited, a company registered in England and Wales.

The largest and smallest group of undertakings for which group accounts for the year ended 31 March 2021 have been drawn up, is that headed by WLH Limited. Copies of the group accounts are available from Companies House.

The directors do not consider there to be an ultimate controlling party.