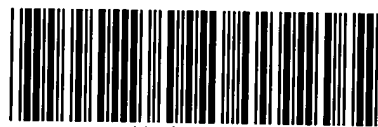


Financial Statements Electronic Theatre Controls Limited

For the year ended 31 December 2014

SATURDAY



A4CVFDX5

A16

01/08/2015

#72

COMPANIES HOUSE

Registered number: 03057796

Electronic Theatre Controls Limited

Company Information

Directors

A Bennette
F Foster
G O'Grady
R Titus
S Downs

Company secretary

G O'Grady

Registered number

03057796

Registered office

Unit 26-28
Victoria Industrial Estate
Victoria Road
London
W3 6UU

Independent auditor

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
Grant Thornton House
Melton Street
Euston Square
London
NW1 2EP

Electronic Theatre Controls Limited

Contents

	Page
Directors' report	1 - 2
Strategic report	3
Independent auditor's report	4 - 5
Profit and loss account	6
Balance sheet	7
Cash flow statement	8
Notes to the financial statements	9 - 19

Electronic Theatre Controls Limited

Directors' report For the year ended 31 December 2014

The directors present their report and the financial statements for the year ended 31 December 2014.

Results and dividends

The profit for the year, after taxation, amounted to £2,436,754 (2013 - £1,963,757).

Particulars of dividends paid are detailed in note 16 to the financial statements.

Directors

The directors who served during the year were:

A Bennette
F Foster
G O'Grady
R Titus
S Downs

Financial risk management objectives and policies

The strategic report contains information on the principal risks and uncertainties facing the business.

Directors' responsibilities statement

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 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 judgments 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.

Electronic Theatre Controls Limited

**Directors' report
For the year ended 31 December 2014**

Disclosure of information to auditor

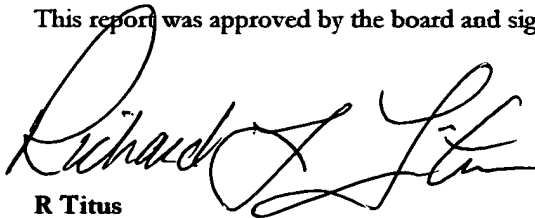
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that 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.

Auditor

The auditor, Grant Thornton UK LLP, 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.

A handwritten signature in black ink, appearing to read 'Richard Titus', written over the printed name and title.

R Titus
Director

Date: 17-4-2015

Electronic Theatre Controls Limited

Strategic report For the year ended 31 December 2014

Introduction

The principal activity of the company during the year was the sale and distribution of theatre lighting equipment. Overall the directors are satisfied with the performance given the challenging economic environment.

Business review

The directors were pleased to note that both UK sales and exports increased. The gross profit % increased in line with expectations.

Consistent with trends in the industry, the company maintains a strong emphasis on LED products while maintaining a focus on traditional theatrical lighting products.

Principal risks and uncertainties

The company uses various financial instruments including cash, equity investment and various items such as trade debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations. The main risks arising from the company's financial statements are currency risk and credit risk.

The company is exposed to currency risk on sales to overseas customers which are invoiced in foreign currencies, mainly in the Euro, and on purchases from the parent company in the United States. The company hedges against the risk of foreign exchange fluctuations on these balances using forward currency contracts.

The company's principal financial assets are cash and trade debtors. The credit risk associated with the cash is limited as the counterparties have high credit ratings assigned by international credit rating agencies. The principal credit risk arises therefore from its trade debtors. In order to manage credit risks the directors set limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed by the credit controller on a regular basis in conjunction with debt ageing and collection history.

Financial key performance indicators

The directors believe the key performance indicator of the business to be turnover, with the following results achieved in the year.

Like-for-like sales	Increase of 10.0% (2013: decrease of 0.6%)
UK sales	Increase of 14.3% (2013: decrease of 9.2%)
Export sales	Increase of 7.0% (2013: increase of 6.9%)

During the year, overall demand for our products increased despite the difficult economic situation which continues in most markets.

This report was approved by the board on 17/4/2015 and signed on its behalf.

R Titus
Director



Independent auditor's report to the members of Electronic Theatre Controls Limited

We have audited the financial statements of Electronic Theatre Controls Limited for the year ended 31 December 2014, which comprise the Profit and loss account, the Balance sheet, the Cash flow statement and reconciliation of net cash flow to movement in net funds/debt and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 December 2014 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 matter 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.



Independent auditor's report to the members of Electronic Theatre Controls 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.

Grant Thornton UK LLP

Harold Wilson (Senior statutory auditor)

for and on behalf of

Grant Thornton UK LLP

Statutory Auditor

Chartered Accountants

London

Date: *24 April 2015*

Electronic Theatre Controls Limited

Profit and loss account For the year ended 31 December 2014

	Note	2014 £	2013 £
Turnover	2	15,694,246	14,261,839
Cost of sales		<u>(9,455,985)</u>	<u>(8,666,571)</u>
Gross profit		6,238,261	5,595,268
Administrative expenses		<u>(3,106,017)</u>	<u>(3,002,190)</u>
Operating profit	3	<u>3,132,244</u>	<u>2,593,078</u>
Profit on ordinary activities before taxation		3,132,244	2,593,078
Tax on profit on ordinary activities	6	<u>(695,490)</u>	<u>(629,321)</u>
Profit for the financial year	14	<u><u>2,436,754</u></u>	<u><u>1,963,757</u></u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and loss account.

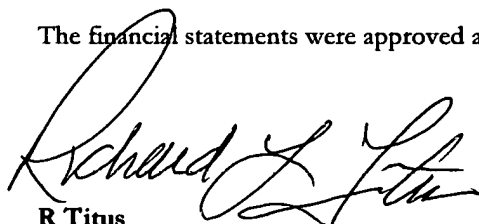
The notes on pages 9 to 19 form part of these financial statements.

Electronic Theatre Controls Limited
Registered number: 3057796

Balance sheet
As at 31 December 2014

	Note	£	2014 £	£	2013 £
Fixed assets					
Tangible assets	7		159,138		138,406
Current assets					
Stocks	8	844,338		936,594	
Debtors	9	3,463,309		2,537,497	
Cash at bank and in hand		2,596,988		1,224,028	
		<u>6,904,635</u>		<u>4,698,119</u>	
Creditors: amounts falling due within one year	10	<u>(3,107,654)</u>		<u>(3,656,797)</u>	
Net current assets			<u>3,796,981</u>		<u>1,041,322</u>
Total assets less current liabilities			<u>3,956,119</u>		<u>1,179,728</u>
Provisions for liabilities					
Other provisions	12		<u>(868,902)</u>		<u>(529,265)</u>
Net assets			<u><u>3,087,217</u></u>		<u><u>650,463</u></u>
Capital and reserves					
Called up share capital	13		16,000		16,000
Profit and loss account	14		<u>3,071,217</u>		<u>634,463</u>
Shareholders' funds	15		<u><u>3,087,217</u></u>		<u><u>650,463</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17/4/2015


R Titus
 Director

The notes on pages 9 to 19 form part of these financial statements.

Electronic Theatre Controls Limited

Cash flow statement For the year ended 31 December 2014

	Note	2014 £	2013 £
Net cash flow from operating activities	17	2,958,977	3,788,628
Taxation		(662,545)	(751,535)
Capital expenditure and financial investment	18	(115,472)	(75,258)
Equity dividends paid		-	(3,500,000)
Cash inflow/(outflow) before financing		2,180,960	(538,165)
Financing	18	(808,000)	-
Increase/(Decrease) in cash in the year		1,372,960	(538,165)

Reconciliation of net cash flow to movement in net funds/debt For the year ended 31 December 2014

	2014 £	2013 £
Increase/(Decrease) in cash in the year	1,372,960	(538,165)
Cash outflow from decrease in debt and lease financing	808,000	-
Movement in net debt in the year	2,180,960	(538,165)
Net funds at 1 January 2014	416,028	954,193
Net funds at 31 December 2014	2,596,988	416,028

The notes on pages 9 to 19 form part of these financial statements.

Electronic Theatre Controls Limited

Notes to the financial statements For the year ended 31 December 2014

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 Going concern

The directors consider that there is sufficient working capital for the company to meet its external liabilities as they fall due for the foreseeable future and therefore consider it appropriate to prepare the Financial Statements on a going concern basis.

1.3 Turnover

The turnover shown in the profit and loss account represents amounts invoiced, net of VAT, as recognised when the customer assumes the risks and rewards of ownership.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold Property	-	over the period of the lease
Plant & machinery	-	20% straight line
Fixtures & fittings	-	20% - 50% straight line

1.5 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

1.6 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.7 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Electronic Theatre Controls Limited

Notes to the financial statements For the year ended 31 December 2014

1. Accounting policies (continued)

1.8 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

1.9 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1.10 Financial instruments

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 asset of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

1.11 Provisions for liabilities and charges

Provision is made for warranty costs on an experienced based cost percentage of sales under warranty.

Provision is made for the the estimated costs of dilapidation expected to be payable on expiry of the lease.

Electronic Theatre Controls Limited

Notes to the financial statements For the year ended 31 December 2014

2. Turnover

An analysis of turnover by geographical location is as follows:

	2014	2013
	£	£
United Kingdom	6,857,056	6,000,625
Overseas	8,837,190	8,261,214
	<u>15,694,246</u>	<u>14,261,839</u>

3. Operating profit

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

	2014	2013
	£	£
Depreciation of tangible fixed assets:		
- owned by the company	94,740	163,045
Auditor's remuneration	26,775	25,500
Operating lease rentals:		
- other operating leases	172,790	189,612
Net (gain) / loss on foreign currency translation	(24,049)	10,688
	<u></u>	<u></u>

4. Staff costs

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

	2014	2013
	£	£
Wages and salaries	1,493,109	1,361,985
Social security costs	155,411	138,273
Other pension costs	24,501	22,862
	<u>1,673,021</u>	<u>1,523,120</u>

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

	2014	2013
	No.	No.
Administrative staff	<u>32</u>	<u>32</u>

Electronic Theatre Controls Limited

Notes to the financial statements For the year ended 31 December 2014

5. Directors' remuneration

	2014 £	2013 £
Remuneration	<u>224,295</u>	<u>215,766</u>
Value of company pension contributions to money purchase schemes	<u>5,876</u>	<u>5,798</u>

During the year retirement benefits were accruing to 2 directors (2013 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £124,122 (2013 - £114,827).

6. Taxation

	2014 £	2013 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	<u>678,224</u>	<u>625,933</u>
Foreign tax on income for the year	<u>4,750</u>	<u>-</u>
Total current tax	<u>682,974</u>	<u>625,933</u>
Deferred tax		
Origination and reversal of timing differences	(257)	3,388
Adjustments in respect of prior periods	<u>12,773</u>	<u>-</u>
Total deferred tax (see note 11)	<u>12,516</u>	<u>3,388</u>
Tax on profit on ordinary activities	<u>695,490</u>	<u>629,321</u>

Electronic Theatre Controls Limited

Notes to the financial statements For the year ended 31 December 2014

6. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2013 - higher than) the standard rate of corporation tax in the UK of 21.49% (2013 - 23.25%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	3,132,244	2,593,078
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.49% (2013 - 23.25%)	673,119	602,891
Effects of:		
Fixed asset differences	1,425	-
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	8,055	19,373
Capital allowances for year in excess of depreciation	(9,726)	19,095
Other timing differences leading to an increase in taxation	10,101	(15,335)
Difference in tax rates	-	(91)
Overseas tax suffered	4,750	4,754
Double taxation relief	(4,750)	(4,754)
Current tax charge for the year (see note above)	682,974	625,933

7. Tangible fixed assets

	Plant & machinery £	Short Term Leasehold Property £	Fixtures & fittings £	Total £
Cost				
At 1 January 2014	31,995	1,211,736	328,588	1,572,319
Additions	-	-	115,472	115,472
Disposals	-	-	(52,011)	(52,011)
At 31 December 2014	31,995	1,211,736	392,049	1,635,780
Depreciation				
At 1 January 2014	16,664	1,131,273	285,976	1,433,913
Charge for the year	3,483	63,623	27,634	94,740
On disposals	-	-	(52,011)	(52,011)
At 31 December 2014	20,147	1,194,896	261,599	1,476,642
Net book value				
At 31 December 2014	11,848	16,840	130,450	159,138
At 31 December 2013	15,331	80,463	42,612	138,406

Electronic Theatre Controls Limited

Notes to the financial statements For the year ended 31 December 2014

8. Stocks

	2014	2013
	£	£
Raw materials	39,640	35,875
Finished goods and goods for resale	804,698	900,719
	<u>844,338</u>	<u>936,594</u>

9. Debtors

	2014	2013
	£	£
Trade debtors	2,242,855	1,424,282
Amounts owed by group undertakings	816,108	768,274
Other debtors	101,988	4,544
Prepayments and accrued income	107,649	115,142
VAT recoverable	159,832	177,862
Deferred tax asset (see note 11)	34,877	47,393
	<u>3,463,309</u>	<u>2,537,497</u>

10. Creditors: Amounts falling due within one year

	2014	2013
	£	£
Trade creditors	100,349	103,534
Amounts owed to group undertakings	2,385,664	1,958,040
Corporation tax	312,513	292,084
Other taxation and social security	151,600	49,230
Accruals and deferred income	157,528	445,909
Share capital treated as debt (Note 13)	-	808,000
	<u>3,107,654</u>	<u>3,656,797</u>

Disclosure of the terms and conditions attached to the non-equity shares repaid in the year are made in note 13.

Electronic Theatre Controls Limited

Notes to the financial statements For the year ended 31 December 2014

11. Deferred tax asset

	2014 £	2013 £
At 1 January 2013	47,393	50,781
Movement during year	(12,516)	(3,388)
At 31 December 2013	<u>34,877</u>	<u>47,393</u>

The deferred tax asset is made up as follows:

	2014 £	2013 £
Accelerated capital allowances	13,396	(8,427)
Tax losses carried forward	(48,273)	(38,966)
	<u>(34,877)</u>	<u>(47,393)</u>

12. Provisions

	2014 £
At 1 January 2014	529,265
Additions	339,637
At 31 December 2014	<u>868,902</u>

Provisions relate to dilapidations on existing leased property and customer warranties.

13. Share capital

	2014 £	2013 £
Shares classified as capital		
Authorised		
100,000 Ordinary Shares shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid		
16,000 Ordinary Shares shares of £1 each	<u>16,000</u>	<u>16,000</u>

Electronic Theatre Controls Limited

Notes to the financial statements For the year ended 31 December 2014

13. Share capital (continued)

	2014 £	2013 £
Shares classified as debt		
Authorised		
808,000 Preference Shares shares of £1 each	-	808,000
Allotted, called up and fully paid		
808,000 Preference Shares shares of £1 each	-	808,000

The preference shares are non-equity shares which are repaid during the year. They did not carry rights to dividend or interest and were redeemable at the option of the company. Preference shareholders had the right on winding up to receive, in priority to any other class of shares, the capital paid on the shares. They were not entitled to vote at a general meeting of the company other than on a resolution for the winding up of the company or reduction of its share capital, the sale of the undertaking of the company, alteration of the objects clause of the memorandum of association or the variation or abrogation of preference share rights.

14. Reserves

	Profit and loss account £
At 1 January 2014	634,463
Profit for the financial year	2,436,754
At 31 December 2014	3,071,217

15. Reconciliation of movement in shareholders' funds

	2014 £	2013 £
Opening shareholders' funds	650,463	2,186,706
Profit for the financial year	2,436,754	1,963,757
Dividends (Note 16)	-	(3,500,000)
Closing shareholders' funds	3,087,217	650,463

16. Dividends

	2014 £	2013 £
Dividends paid on equity capital	-	3,500,000

Electronic Theatre Controls Limited

**Notes to the financial statements
For the year ended 31 December 2014**

17. Net cash flow from operating activities

	2014	2013
	£	£
Operating profit	3,132,244	2,593,078
Depreciation of tangible fixed assets	94,740	163,045
Decrease/(increase) in stocks	92,256	(92,764)
(Increase)/decrease in debtors	(938,327)	990,827
Increase in creditors	238,427	131,398
Increase in provisions	339,637	3,044
Net cash inflow from operating activities	2,958,977	3,788,628

18. Analysis of cash flows for headings netted in cash flow statement

	2014	2013
	£	£
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(115,472)	(75,258)
Financing		
Shares treated as debt - Redeemed	(808,000)	-

19. Analysis of changes in net funds

	1 January 2014	Cash flow	Other non-cash changes	31 December 2014
	£	£	£	£
Cash at bank and in hand	1,224,028	1,372,960	-	2,596,988
Debt:				
Debts due within one year	(808,000)	808,000	-	-
Net funds	416,028	2,180,960	-	2,596,988

Electronic Theatre Controls Limited

Notes to the financial statements For the year ended 31 December 2014

20. Pension commitments

The company operates a defined contributions 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 £24,501 (2013 - £22,862). Contributions totalling £nil (2013- £nil) were payable to the fund at the balance sheet date and are included in creditors.

21. Operating lease commitments

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
	2014	2013	2014	2013
	£	£	£	£
Expiry date:				
Within 1 year	-	-	8,617	-
Between 2 and 5 years	-	68,822	7,051	15,201
After more than 5 years	168,660	156,011	-	-
	<u>168,660</u>	<u>156,011</u>	<u>-</u>	<u>-</u>

22. Related party transactions

Transactions with related parties are listed below. These are other companies within the group.

2014

	Sales to related party 2014 £	Purchases from related party 2014 £	Amounts owed by related party 2014 £	Amounts owed to related party 2014 £
Electronic Theatre Controls Inc	173,053	8,364,744	19,060	1,758,761
Electronic Theatre Controls Italia Srl	6,842	631,869	1,546	178,418
Electronic Theatre Controls GmbH	10,703	39,762	7	1,381
Avab Transtechnik SARL	2,198,354	826	795,495	-
Penko Engineering BV	6,664	810,752	-	447,104
ETC Asia	6,767	-	-	-
Total	<u>2,402,383</u>	<u>9,847,953</u>	<u>816,108</u>	<u>2,385,664</u>

Electronic Theatre Controls Limited

Notes to the financial statements For the year ended 31 December 2014

2013

	Sales to related party 2013 £	Purchases from related party 2013 £	Amounts owed by related party 2013 £	Amounts owed to related party 2013 £
Electronic Theatre Controls Inc	146,274	7,949,202	3,623	1,798,912
Electronic Theatre Controls Italia Srl	13,509	528,544	-	127,402
Electronic Theatre Controls GmbH	25,516	95,386	4,259	4,461
Avab Transtechnik SARL	2,208,676	9,824	751,369	1,141
Penko Engineering BV	14,399	170,173	4,346	26,124
ETC Asia	4,669	-	4,677	-
Total	<u>2,413,043</u>	<u>8,753,129</u>	<u>768,274</u>	<u>1,958,040</u>

23. Parent Company

The ultimate parent company is Electronic Theatre Controls Inc., a company incorporated in the United States of America.