

Company Registration No. 08245994 (England and Wales)

Stage Electrics Group Limited

**Annual report and
group financial statements
for the year ended 31 July 2020**

Stage Electrics Group Limited

Company information

Directors	Trevor Smallwood John Laycock Maria Townsend
Secretary	Quayseco Limited
Company number	08245994
Registered office	Encore House Unit 3 Britannia Road Patchway Bristol BS34 5TA
Independent auditor	Saffery Champness LLP St Catherine's Court Berkeley Place Clifton Bristol BS8 1BQ
Bankers	Barclays Bank plc 86 Queens Road Clifton Bristol BS8 1RB
Solicitors	Burges Salmon LLP One Glass Wharf Bristol BS2 0ZX

Stage Electrics Group Limited

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Stage Electrics Group Limited

Strategic report

For the year ended 31 July 2020

The directors have pleasure in presenting the Strategic Report, the Director's Report and the financial statements for the year ended 31 July 2020. The comparative period shown is for the year ended 31 July 2019.

Fair review of the business

The year ended 31 July 2020 has seen a 6% increase on profit before tax for continuing operations following the disposal in the year of our hire and events division, SLX. Profit before tax on continuing operations is £1.390m in 2020 vs £1.317m in 2019. Due to Covid-19 restrictions and the negative impact this pandemic is having on our markets, our continuing operations. Revenue on continuing operations was down 11% on the prior year at £19.79m vs £22.36m in 2019. This is a strong result in difficult trading conditions where we have managed to strengthen our cash and profitability to support us through these unprecedented times.

We have continued to focus on those parts of the business most important to our many customers and this is reflected in these financial statements, with customers' needs in mind we have continued investing in R&D whilst building on our current core business which has grown gross profit margins in the year. We are showing a positive statement of comprehensive income with a profit after tax on continuing operations improvement on the prior year at £1.396m vs £1.095m in 2019.

Principal risks and uncertainties

The management of the business and the execution of the group's strategy are subject to a number of risks. The key business risks and uncertainties are considered to relate to Covid-19, Brexit, the ever-increasing competition from UK and overseas competitors where we have seen some amalgamation, and the effect of changes in government policy on the funding of arts and educational facilities.

These risks are mitigated and monitored through continued development of potential markets, continued review of assets and expected life, regular review of the impact of Brexit both in respect of foreign currency valuation and legislation and review of various trade bodies, government Covid-19 assistance and arts related funding. We anticipate that our markets will be those that recover slower as and when the globe recovers from Covid-19, we have measures in place to navigate through these challenges.

Development and performance

Trading following year end has been as expected for install and service, Box sales has been most affected by Covid -19. This has resulted in redundancies in this area. We have a strong order book for Install and Service for 2020/21. In addition, we continue to have the support of our lenders as the board look to use these unprecedented times to focus on future strategies.

The commercial environment in the group's marketplace is expected to remain very competitive, with a slow recovery from Covid-19. The group expects 20/21 to be a challenging year with reduced levels of trade.

However, with the sale of our loss-making SLX division which required regular large cash investments we are more liquid, able to respond to the challenges of Covid-19 whilst focusing on developing further growth in the remaining businesses with new strategic initiatives.

Key performance indicators

The gross margin for continuing operations in the period was 30% (2019: 28.6%), with profit before tax on continuing operations being 7.0% this year against 4.9% 2019. The board are focused on margin management for all new business operations and this is reflected in the new year trading.

Stage Electrics Group Limited

Strategic report (continued)

For the year ended 31 July 2020

Future outlook

Trading following year end has been above expectations, going into the new year with the largest order book we have seen in many years. In addition, we continue to have the support of our lenders as the board look to generate further growth through new products and markets in 2020/21.

The commercial environment in the group's marketplace is expected to remain very competitive. However, with the sale of our loss making SLX division which also required regular large cash investments we expect to be more liquid and able to focus greater on developing further growth in the remaining profitable businesses, we will continue to obtain further operating efficiencies, whilst developing our Opus range. The group is confident of maintaining market share and improving current levels of performance.

On behalf of the board

Maria Townsend

Director

12 November 2020

Stage Electrics Group Limited

Directors' report

For the year ended 31 July 2020

The directors present their annual report and financial statements for the year ended 31 July 2020.

Principal activities

The principal activity of the group during the year continued to be the sale, hire and installation of stage, lighting and sound equipment for the entertainment, construction and leisure industries.

Directors

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

Trevor Smallwood

John Laycock

Maria Townsend

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were proposed. The directors do not recommend payment of a further dividend.

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Auditor

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

Stage Electrics Group Limited

Directors' report (continued) For the year ended 31 July 2020

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

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

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

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of its fair review of the business, details of the group's risks and uncertainties and also its future developments.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

Maria Townsend
Director

12 November 2020

Stage Electrics Group Limited

Independent auditor's report

To the members of Stage Electrics Group Limited

Opinion

We have audited the financial statements of Stage Electrics Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 July 2020 which comprise the group statement of comprehensive income, the group statement of financial position, the company statement of financial position, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including a summary of 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 group's and the parent company's affairs as at 31 July 2020 and of the group's 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Stage Electrics Group Limited

Independent auditor's report (continued)

To the members of Stage Electrics Group Limited

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 our 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Stage Electrics Group Limited

Independent auditor's report (continued)

To the members of Stage Electrics Group Limited

Responsibilities of directors

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, 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

Neil Davies (Senior Statutory Auditor)

for and on behalf of Saffery Champness LLP

16 November 2020

Chartered Accountants

Statutory Auditors

St Catherine's Court
Berkeley Place
Clifton
Bristol
BS8 1BQ

Stage Electrics Group Limited

Group statement of comprehensive income
For the year ended 31 July 2020

	Notes	Continuing operations	Discontinued operations	31 July 2020	Continuing operations	Discontinued operations	31 July 2019
		£	£	£	£	£	£
Turnover	3	19,790,029	1,082,182	20,872,211	22,365,719	6,534,438	28,900,157
Cost of sales		(13,831,406)	(469,376)	(14,300,782)	(15,956,546)	(2,735,538)	(18,692,084)
Gross profit		5,958,623	612,806	6,571,429	6,409,173	3,798,900	10,208,073
Administrative expenses		(4,931,727)	(823,312)	(5,755,039)	(4,807,843)	(4,016,923)	(8,824,766)
Other operating income		544,475	-	544,475	10,750	-	10,750
Exceptional items	4	(141,847)	-	(141,847)	(229,918)	-	(229,918)
Operating profit	5	1,429,524	(210,506)	1,219,018	1,382,162	(218,023)	1,164,139
Interest payable and similar expenses							
Profit/(loss) on disposal of operations	9	(39,087)	(10,198)	(49,285)	(65,167)	(73,394)	(138,561)
- Loss on disposal of discontinued operations		-	(2,111,311)	(2,111,311)	-	-	-
(Loss)/profit before taxation		1,390,437	(2,332,015)	(941,578)	1,316,995	(291,417)	1,025,578
Tax on (loss)/profit	11	5,418	-	5,418	(221,594)	72,847	(148,747)
(Loss)/profit for the financial year		1,395,855	(2,332,015)	(936,160)	1,095,401	(218,570)	876,831

(Loss)/profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

Stage Electrics Group Limited

Group statement of financial position

As at 31 July 2020

			2020	2019
	Notes	£	£	£
Fixed assets				
Goodwill	13		504,269	605,638
Tangible assets	14		53,809	3,399,416
			<u>558,078</u>	<u>4,005,054</u>
Current assets				
Stocks	17	1,568,948	1,637,044	
Debtors	18	2,630,743	4,166,662	
Cash at bank and in hand		2,748,303	463,121	
		<u>6,947,994</u>	<u>6,266,827</u>	
Creditors: amounts falling due within one year	19	(3,755,997)	(5,922,206)	
Net current assets			<u>3,191,997</u>	<u>344,621</u>
Total assets less current liabilities			<u>3,750,075</u>	<u>4,349,675</u>
Creditors: amounts falling due after more than one year	20	(958,334)	(405,386)	
Provisions for liabilities	23	-	(216,388)	
Net assets			<u><u>2,791,741</u></u>	<u><u>3,727,901</u></u>
Capital and reserves				
Called up share capital	25	509,245	509,245	
Share premium account	26	99,950	99,950	
Capital redemption reserve	27	98,012	98,012	
Profit and loss reserves		2,084,534	3,020,694	
Total equity			<u><u>2,791,741</u></u>	<u><u>3,727,901</u></u>

Stage Electrics Group Limited

Group statement of financial position (continued)

As at 31 July 2020

The financial statements were approved by the board of directors and authorised for issue on 12 November 2020 and are signed on its behalf by:

Maria Townsend

Director

Stage Electrics Group Limited

Company statement of financial position

As at 31 July 2020

			2020	2019
	Notes	£	£	£
Fixed assets				
Investments	15		5,298,556	5,321,317
Current assets				
Debtors	18	-	4,100	
Cash at bank and in hand		4,800	2,641	
		<u>4,800</u>	<u>6,741</u>	
Creditors: amounts falling due within one year	19	(940)	(487,091)	
Net current assets/(liabilities)			<u>3,860</u>	<u>(480,350)</u>
Total assets less current liabilities			<u>5,302,416</u>	<u>4,840,967</u>
Creditors: amounts falling due after more than one year	20	(4,661,891)	(4,063,857)	
Net assets			<u><u>640,525</u></u>	<u><u>777,110</u></u>
Capital and reserves				
Called up share capital	25		509,245	509,245
Share premium account	26		99,950	99,950
Capital redemption reserve	27		98,012	98,012
Profit and loss reserves			(66,682)	69,903
Total equity			<u><u>640,525</u></u>	<u><u>777,110</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £136,585 (2019 - £747,280 profit).

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Stage Electrics Group Limited

Company statement of financial position (continued)

As at 31 July 2020

The financial statements were approved by the board of directors and authorised for issue on 12 November 2020 and are signed on its behalf by:

Maria Townsend

Director

Company Registration No. 08245994

Stage Electrics Group Limited

Group statement of changes in equity
For the year ended 31 July 2020

	Share capital	Share premium account	Capital redemption reserve	Profit and loss reserves	Total
Notes	£	£	£	£	£
Balance at 1 August 2018	509,245	99,950	98,012	2,293,863	3,001,070
Year ended 31 July 2019:					
Profit and total comprehensive income for the year	-	-	-	876,831	876,831
Dividends	12	-	-	(150,000)	(150,000)
Balance at 31 July 2019	509,245	99,950	98,012	3,020,694	3,727,901
Year ended 31 July 2020:					
Loss and total comprehensive income for the year	-	-	-	(936,160)	(936,160)
Balance at 31 July 2020	509,245	99,950	98,012	2,084,534	2,791,741

Stage Electrics Group Limited

**Company statement of changes in equity
For the year ended 31 July 2020**

		Share capital	Share premium account	Capital redemption reserve	Profit and loss reserves	Total
	Notes	£	£	£	£	£
Balance at 1 August 2018		509,245	99,950	98,012	(527,377)	179,830
Year ended 31 July 2019:						
Profit and total comprehensive income for the year		-	-	-	747,280	747,280
Dividends	12	-	-	-	(150,000)	(150,000)
Balance at 31 July 2019		509,245	99,950	98,012	69,903	777,110
Year ended 31 July 2020:						
Loss and total comprehensive income for the year		-	-	-	(136,585)	(136,585)
Balance at 31 July 2020		509,245	99,950	98,012	(66,682)	640,525

Stage Electrics Group Limited

Group statement of cash flows
For the year ended 31 July 2020

		2020	2019
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	30	1,731,584	1,194,268
Interest paid		(49,285)	(138,561)
Income taxes paid		(104,847)	-
Net cash inflow from operating activities		1,577,452	1,055,707
Investing activities			
Proceeds of disposal of business		227,000	-
Purchase of tangible fixed assets		(22,461)	(586,206)
Proceeds on disposal of tangible fixed assets		13,940	254,050
Net cash generated from/(used in) investing activities		218,479	(332,156)
Financing activities			
Repayment of preference shares		(25,000)	(25,000)
Repayment of debentures		(111,150)	(123,340)
Proceeds of new bank loans		1,000,000	-
Payment of finance leases obligations		(122,568)	(149,560)
Dividends paid to equity shareholders		(150,000)	-
Net cash generated from/(used in) financing activities		591,282	(297,900)
Net increase in cash and cash equivalents		2,387,213	425,651
Cash and cash equivalents at beginning of year		361,090	(64,561)
Cash and cash equivalents at end of year		2,748,303	361,090
Relating to:			
Cash at bank and in hand		2,748,303	463,121
Bank overdrafts included in creditors payable within one year		-	(102,031)

Stage Electrics Group Limited

Notes to the financial statements For the year ended 31 July 2020

1 Accounting policies

Company information

Stage Electrics Group Limited ("the company") is a private limited company by shares incorporated in England and Wales. The registered office is Encore House, Unit 3 Britannia Road, Patchway, Bristol, BS34 5TA. With effect from 2 October 2019 the name of the company was changed from SLX Group Limited to Stage Electrics Group Limited.

The group consists of Stage Electrics Group Limited and all of its subsidiaries as listed in note 16.

1.1 Accounting convention

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

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

Stage Electrics Group Limited

Notes to the financial statements (continued)

For the year ended 31 July 2020

1 Accounting policies (continued)

The group financial statements incorporate those of Stage Electrics Group Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 July 2020. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The group has entered into a joint operation. This is not a separate entity and as such the group has not accounted for the operation under the equity method. The joint operation is accounted for as an ordinary contract in the groups operation reflecting the level of interest that the group holds as per the contractual agreement in place.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future.

The directors have considered the position of the group as a result of coronavirus. Trading activity has reduced, however as the government has allowed construction to continue during lockdown, the group has been able to continue with a number of its ongoing projects.

The group has made use of a number of government measures including the furlough scheme, the Coronavirus Business Interruption Loan Scheme and deferral of VAT liabilities, amongst others. With the help of these measures and strict cost management, the group has ended the financial year with a strong balance sheet.

The directors have prepared prudent cash flow forecasts for the next twelve months which show that the group's cash position remains positive during that period.

Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

1 Accounting policies (continued)

Turnover is taken on fixed price contracts while the contract is in progress, having regard to the proportion of the total contract which has been completed at the statement of financial position date, estimated by reference to the costs incurred to date versus the total estimated costs to completion. Provision is made for all foreseeable losses.

Turnover on equipment sales is recognised at the point of despatch and turnover on hire of equipment is recognised on a straight line basis from the hire date.

Amounts recoverable on contracts represent turnover recognised, primarily on fixed price contracts, which has not yet been invoiced to clients net of any provision for unrecoverable amounts. Such amounts are separately disclosed within debtors.

Conversely, amounts due on contracts represent amounts invoiced before work carried out. Such amounts are separately disclosed within creditors.

1.5 Intangible fixed assets - goodwill

Goodwill arising on the acquisition of subsidiary undertakings represents the excess of the fair value of the consideration over the fair value of the identifiable assets and liabilities acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

Negative goodwill arising on the acquisition of subsidiary undertakings represents the excess of the fair value of the identifiable assets and liabilities acquired over the fair value of the consideration. The excess is initially recognised in the statement of financial position. Subsequently, the excess exceeding the fair value of consideration is recognised in the statement of comprehensive income in the periods expected to be benefited.

Trademarks

Concessions, patents, licences and trademarks purchased by the Group are amortised to nil by equal annual instalments over their useful economic lives, generally their respective unexpired periods, of between three and five years.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Stage Electrics Group Limited

Notes to the financial statements (continued)

For the year ended 31 July 2020

1 Accounting policies (continued)

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

Leasehold land and buildings	Straight line over unexpired lease term - maximum 50 years
Plant and equipment	25% straight line basis
Fixtures and fittings	10% straight line basis
Hire equipment	10% and 20% straight line basis
Motor vehicles	25% straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

1.7 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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

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

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

Stage Electrics Group Limited

Notes to the financial statements (continued)

For the year ended 31 July 2020

1 Accounting policies (continued)

1.8 Stocks

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

Stocks are valued using the average costing method.

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

1.9 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand and deposits held at call with banks. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

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

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

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

Basic financial assets

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

1 Accounting policies (continued)

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.11 Equity instruments

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

1 Accounting policies (continued)

1.12 Taxation

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

Current tax

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

Deferred tax

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

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 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 fixed assets.

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

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

1.14 Retirement benefits

The group operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

1 Accounting policies (continued)

1.15 Leases

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

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

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

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

1.18 Exceptional costs

Material items which fall outside the ongoing activities of the company are separately disclosed in the statement of comprehensive income where they are relevant to understanding the true and fair view of financial performance of the company for the period reported.

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

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

Impairment of intangible assets

The Group considers whether intangible assets and/or goodwill are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units. This requires estimations of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

Revenue recognised in respect of long term contracts

Revenue is recognised in respect of long term contracts. Revenue is recognised based on the cost of completion method and requires managements best estimate of the expected total costs to complete and the overall outcome of the contract. Related amounts due to or from long term contracts is included in the financial statements based on the agreed contract and management knowledge of variations and modifications as the contract progresses reflecting all available knowledge at any point in time.

3 Turnover and other revenue

	2020	2019
	£	£
Turnover analysed by class of business		
Sale of goods	18,193,963	20,597,987
Rendering of services	2,678,248	8,302,170
	<u>20,872,211</u>	<u>28,900,157</u>

Stage Electrics Group Limited

Notes to the financial statements (continued)

For the year ended 31 July 2020

3 Turnover and other revenue (continued)

	2020	2019
	£	£
Other significant revenue		
Grants received	544,100	-
	<u> </u>	<u> </u>

In the opinion of the directors disclosure of information relating to turnover attributable to the markets supplied in the course of the year would be seriously prejudicial to the interests of the company, it is therefore not disclosed.

Other income recognised in the financial statements relates to government grants received under the Coronavirus Job Retention Scheme.

4 Exceptional item	2020	2019
	£	£
Internal restructuring cost	141,847	229,918
	<u> </u>	<u> </u>

During the year the group incurred costs totalling £141,847 in relation to internal restructuring. These costs are not expected to re-occur.

5 Operating profit	2020	2019
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	37,042	15,642
Government grants	(544,100)	-
Depreciation of owned tangible fixed assets	191,721	843,945
Depreciation of tangible fixed assets held under finance leases	44,243	193,492
Profit on disposal of tangible fixed assets	(12,951)	(26,991)
Amortisation of intangible assets	101,369	102,800
Operating lease charges	182,898	381,160
	<u> </u>	<u> </u>

Stage Electrics Group Limited

Notes to the financial statements (continued)

For the year ended 31 July 2020

6 Auditor's remuneration

	2020	2019
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group, company and the company's subsidiaries	32,910	31,950
For other services		
Taxation compliance services	6,465	6,280

7 Employees

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

	Group		Company	
	2020	2019	2020	2019
	Number	Number	Number	Number
Administrative staff	19	30	-	-
Sales and hire	109	145	-	-
	128	175	-	-

Their aggregate remuneration comprised:

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Wages and salaries	4,286,384	5,608,934	103,660	107,472
Social security costs	399,605	483,098	-	-
Pension costs	202,198	224,581	-	-
	4,888,187	6,316,613	103,660	107,472

Stage Electrics Group Limited

Notes to the financial statements (continued)

For the year ended 31 July 2020

8 Directors' remuneration

	2020	2019
	£	£
Remuneration for qualifying services	196,812	175,900
Company pension contributions to defined contribution schemes	11,011	7,667
	<u>207,823</u>	<u>183,567</u>

9 Interest payable and similar expenses

	2020	2019
	£	£
Interest on bank overdrafts and loans	23,862	36,811
Other interest on financial liabilities	15,711	39,994
Interest on finance leases and hire purchase contracts	9,712	61,756
	<u>49,285</u>	<u>138,561</u>

10 Discontinued operations

Loss on disposal of discontinued operations

On 11 October 2019 the group disposed of the trade and assets of its Hire and Events division SLX. The corresponding amounts have been classified and restated in the statement of comprehensive income as discontinued operations as they represented a separate major line of business.

11 Taxation

	2020	2019
	£	£
Current tax		
UK corporation tax on profits for the current period	102,880	104,847
Foreign current tax on profits for the current period	65,701	-
	<u>168,581</u>	<u>104,847</u>
Deferred tax		
Origination and reversal of timing differences	(194,469)	43,900
Changes in tax rates	20,470	-
	<u>(173,999)</u>	<u>43,900</u>
Total deferred tax		
	<u>(173,999)</u>	<u>43,900</u>
Total tax (credit)/charge for the year	<u>(5,418)</u>	<u>148,747</u>

Stage Electrics Group Limited**Notes to the financial statements (continued)****For the year ended 31 July 2020****11 Taxation (continued)**

The actual (credit)/charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2020	2019
	£	£
(Loss)/profit before taxation	(941,578)	1,025,578
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(178,900)	194,860
Tax effect of expenses that are not deductible in determining taxable profit	31,470	3,826
Tax effect of utilisation of tax losses not previously recognised	-	(6,428)
Unutilised tax losses carried forward	157,599	-
Change in unrecognised deferred tax assets	(38,917)	(38,422)
Effect of change in corporation tax rate	20,470	-
Permanent capital allowances in excess of depreciation	-	8,370
Depreciation on assets not qualifying for tax allowances	2,860	(5,682)
Other non-reversing timing differences	-	(957)
Deferred tax adjustments in respect of prior years	-	(6,820)
Taxation (credit)/charge for the year	(5,418)	148,747

12 Dividends

	2020	2019
	£	£
Final paid	-	150,000

Stage Electrics Group Limited

Notes to the financial statements (continued)

For the year ended 31 July 2020

13 Intangible fixed assets

Group	Goodwill £	Trademarks £	Total £
Cost			
At 1 August 2019 and 31 July 2020	1,013,687	17,500	1,031,187
Amortisation and impairment			
At 1 August 2019	408,049	17,500	425,549
Amortisation charged for the year	101,369	-	101,369
At 31 July 2020	509,418	17,500	526,918
Carrying amount			
At 31 July 2020	504,269	-	504,269
At 31 July 2019	605,638	-	605,638

Goodwill

Goodwill arose on the acquisition of the share capital of Performing Arts Technology Limited on 3 June 2014. It is being amortised over its estimated useful economic life of 10 years.

Company

The Company holds no intangible fixed assets.

Stage Electrics Group Limited

Notes to the financial statements (continued)
For the year ended 31 July 2020

14 Tangible fixed assets

Group	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Hire equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 August 2019	164,231	610,861	116,367	10,538,813	423,536	11,853,808
Additions	-	21,752	-	709	-	22,461
Disposals	(60,159)	(268,765)	(58,656)	(10,539,522)	(365,318)	(11,292,420)
At 31 July 2020	104,072	363,848	57,711	-	58,218	583,849
Depreciation and impairment						
At 1 August 2019	144,085	532,838	103,131	7,310,361	363,977	8,454,392
Depreciation charged in the year	20,146	39,367	2,297	157,877	16,277	235,964
Eliminated in respect of disposals	(60,159)	(242,123)	(48,914)	(7,468,238)	(340,882)	(8,160,316)
At 31 July 2020	104,072	330,082	56,514	-	39,372	530,040
Carrying amount						
At 31 July 2020	-	33,766	1,197	-	18,846	53,809
At 31 July 2019	20,146	78,023	13,236	3,228,452	59,559	3,399,416

The company had no tangible fixed assets at 31 July 2020 or 31 July 2019.

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Plant and equipment	-	16,356	-	-
Motor vehicles	-	42,409	-	-
Hire equipment	-	1,325,962	-	-
	-	1,384,727	-	-

Stage Electrics Group Limited

Notes to the financial statements (continued)

For the year ended 31 July 2020

15 Fixed asset investments

		Group		Company	
		2020	2019	2020	2019
	Notes	£	£	£	£
Investments in subsidiaries	16	-	-	5,298,556	5,321,317

Movements in fixed asset investments

Company

Shares in group undertakings

£

Cost or valuation

At 1 August 2019

5,321,317

Redemption of preference shares

(22,761)

At 31 July 2020

5,298,556

Carrying amount

At 31 July 2020

5,298,556

At 31 July 2019

5,321,317

Stage Electrics Group Limited

Notes to the financial statements (continued)

For the year ended 31 July 2020

16 Subsidiaries

Details of the company's subsidiaries at 31 July 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
				0	0
Northern Light and Technical Services Limited	England and Wales	Theatre and performance supplies	Ordinary £1 shares	0	100.00
Performing Arts Technology Limited	England and Wales	Holding company	"A" Ordinary £1 shares	100.00	0
SE1 Events Limited	England and Wales	Dormant	Ordinary £1 shares	0	100.00
Stage Electrics Limited	England and Wales	Dormant	Ordinary £1 shares	0	100.00
Stage Electrics Partnership Limited	England and Wales	Theatre and performance supplies	Ordinary £1 shares, "C" Ordinary £1 shares, Preference £1 shares	100.00	0
Studio Electrics Limited	England and Wales	Dormant	Ordinary £1 shares	0	100.00
Theatre Direct limited	England and Wales	Dormant	Ordinary £1 shares	0	100.00
Theatre Vision Limited	England and Wales	Dormant	Ordinary £1 shares	0	100.00

All entities listed above which include an indirect holding are directly owned by subsidiary undertakings within the group.

The registered address of Northern Light Stage and Technical Services Limited and Performing Arts Technology Limited is 4th Floor 115 George Street, Edinburgh, EH2 4JN.

The registered address of all other subsidiaries is Encore House, Unit 3 Britannia Road Patchway Trading Estate, Patchway, Bristol, United Kingdom, BS34 5TA.

17 Stocks

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Finished goods and goods for resale	1,568,948	1,637,044	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Stage Electrics Group Limited

Notes to the financial statements (continued)

For the year ended 31 July 2020

18 Debtors

	Group		Company	
	2020	2019	2020	2019
Amounts falling due within one year:	£	£	£	£
Trade debtors	1,141,826	2,866,558	-	-
Gross amounts owed by contract customers	935,280	843,801	-	-
Other debtors	356,568	4,950	-	4,100
Prepayments and accrued income	197,069	408,964	-	-
	<u>2,630,743</u>	<u>4,124,273</u>	<u>-</u>	<u>4,100</u>
Deferred tax asset (note 23)	-	42,389	-	-
	<u>2,630,743</u>	<u>4,166,662</u>	<u>-</u>	<u>4,100</u>

19 Creditors: amounts falling due within one year

		Group		Company	
		2020	2019	2020	2019
	Notes	£	£	£	£
Debenture loans	21	-	111,150	-	111,150
Bank loans and overdrafts	21	41,666	102,031	-	-
Obligations under finance leases	22	-	509,986	-	-
Other borrowings	21	-	25,000	-	25,000
Trade creditors		1,855,880	2,747,664	-	-
Gross amounts owed to contract customers		697,547	504,915	-	-
Corporation tax payable		168,581	104,847	-	-
Other taxation and social security		591,674	749,478	-	-
Dividends payable		-	150,000	-	150,000
Other creditors		29,168	547,761	940	200,941
Accruals and deferred income		371,481	369,374	-	-
		<u>3,755,997</u>	<u>5,922,206</u>	<u>940</u>	<u>487,091</u>

Stage Electrics Group Limited

Notes to the financial statements (continued)

For the year ended 31 July 2020

20 Creditors: amounts falling due after more than one year

		Group		Company	
		2020	2019	2020	2019
	Notes	£	£	£	£
Bank loans and overdrafts	21	958,334	-	-	-
Obligations under finance leases	22	-	405,386	-	-
Amounts owed to group undertakings		-	-	4,661,891	4,063,857
		<u>958,334</u>	<u>405,386</u>	<u>4,661,891</u>	<u>4,063,857</u>
		<u><u>958,334</u></u>	<u><u>405,386</u></u>	<u><u>4,661,891</u></u>	<u><u>4,063,857</u></u>

21 Loans and overdrafts

		Group		Company	
		2020	2019	2020	2019
		£	£	£	£
Debenture loans		-	111,150	-	111,150
Bank loans		1,000,000	-	-	-
Bank overdrafts		-	102,031	-	-
Preference shares		-	25,000	-	25,000
		<u>1,000,000</u>	<u>238,181</u>	<u>-</u>	<u>136,150</u>
		<u><u>1,000,000</u></u>	<u><u>238,181</u></u>	<u><u>-</u></u>	<u><u>136,150</u></u>
Payable within one year		41,666	238,181	-	136,150
Payable after one year		958,334	-	-	-
		<u><u>958,334</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

Stage Electrics Group Limited

Notes to the financial statements (continued)

For the year ended 31 July 2020

21 Loans and overdrafts (continued)

Group

The group has provided a cross company guarantee in respect of the bank overdraft by way of fixed and floating charge over the assets of the group.

The long term loan relates to an application made by the group under the Coronavirus Business Interruption Loan Scheme. As a result, under the terms of the scheme, the Secretary of State for Business, Energy and Industrial Strategy has provided a limited guarantee to Barclays Bank for 80% of the loan balance.

No repayments are required for the first 12 months. Following that, equal monthly instalments will be paid of £20,833 with the final repayment falling due in May 2025. Interest will be charged after the first 12 months at a floating rate of 2.65% + LIBOR.

Company

The company has guaranteed the bank overdraft facility of the group by way of cross company guarantee by fixed and floating charge over the assets of the group.

22 Finance lease obligations

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Future minimum lease payments due under finance leases:				
Within one year	-	509,986	-	-
In two to five years	-	405,386	-	-
	<u>-</u>	<u>915,372</u>	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>915,372</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

Stage Electrics Group Limited

Notes to the financial statements (continued)

For the year ended 31 July 2020

23 Deferred taxation

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

	Liabilities 2020	Liabilities 2019	Assets 2020	Assets 2019
Group	£	£	£	£
Accumulated capital allowances	-	216,388	-	-
Tax losses	-	-	-	5,055
Other short term timing differences	-	-	-	37,334
	<u>-</u>	<u>216,388</u>	<u>-</u>	<u>42,389</u>
	<u><u>-</u></u>	<u><u>216,388</u></u>	<u><u>-</u></u>	<u><u>42,389</u></u>

The company has no deferred tax assets or liabilities.

	Group 2020	Company 2020
Movements in the year:	£	£
Liability at 1 August 2019	173,999	-
Credit to profit or loss	(194,469)	-
Effect of change in tax rate - profit or loss	20,470	-
	<u></u>	<u></u>
Asset at 31 July 2020	<u><u></u></u>	<u><u></u></u>

Deferred tax is not recognised in respect of capital tax losses of £623,458 and accumulated capital allowances of £157,599 as it is not sufficiently probable that they will be recovered against the reversal of deferred tax liabilities or future taxable profits.

24 Retirement benefit schemes

	2020	2019
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	202,198	224,581
	<u></u>	<u></u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

Stage Electrics Group Limited

Notes to the financial statements (continued)

For the year ended 31 July 2020

25 Share capital

	Group and company	
	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
Ordinary shares of £1 each	750	750
"A" ordinary shares of £1 each	508,495	508,495
	<u>509,245</u>	<u>509,245</u>
	<u><u>509,245</u></u>	<u><u>509,245</u></u>

Ordinary shares are entitled to one vote per share and to receive dividends equally out of the profits of the company. The "A" Ordinary shares are not entitled to vote or receive dividends out of the profits of the company. "A" Ordinary shares rank second in priority on a return of capital or capital reduction.

26 Share premium account

The share premium account represents the premium arising on the issue of equity shares, net of issue expenses.

27 Capital redemption reserve

The capital redemption reserve represents the value of ordinary shares repurchased by the company.

28 Operating lease commitments

Lessee

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

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Within one year	296,409	252,853	-	-
Between two and five years	677,501	388,594	-	-
	<u>973,910</u>	<u>641,447</u>	<u>-</u>	<u>-</u>
	<u><u>973,910</u></u>	<u><u>641,447</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

Stage Electrics Group Limited

Notes to the financial statements (continued)

For the year ended 31 July 2020

29 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020	2019
	£	£
Aggregate compensation	231,362	183,567
	<u> </u>	<u> </u>

During the current and previous period no director received remuneration through the company; the above is in respect of the group. No guarantees have been given or received.

Group

During the period the company made sales of £3,945 (2019: £8,210) to and purchases of £8,506 (2019: £216,954) from Clifton Marquee Company Limited, a company related by virtue of a common director.

Group and company

In the prior year the directors advanced the company £200,000, which was fully repaid in the period. During the period interest of £20,055 (2019: £20,671) was paid to the directors in respect of these loans.

Stage Electrics Group Limited

Notes to the financial statements (continued)

For the year ended 31 July 2020

30 Cash generated from group operations

	2020	2019
	£	£
(Loss)/profit for the year after tax	(936,160)	876,831
Adjustments for:		
Taxation (credited)/charged	(5,418)	148,747
Finance costs	49,285	138,561
Gain on disposal of tangible fixed assets	(12,951)	(26,991)
Loss on disposal of business	2,111,311	-
Amortisation and impairment of intangible assets	101,369	102,800
Depreciation and impairment of tangible fixed assets	235,964	1,037,437
Movements in working capital:		
Decrease/(increase) in stocks	68,096	(239,793)
Decrease in debtors	1,493,530	53,099
Decrease in creditors	(1,373,442)	(896,423)
Cash generated from operations	1,731,584	1,194,268

31 Analysis of changes in net funds/(debt) - group

	1 August 2019	Cash flows	Acquisitions and disposals	31 July 2020
	£	£	£	£
Cash at bank and in hand	463,121	2,285,182	-	2,748,303
Bank overdrafts	(102,031)	102,031	-	-
	<u>361,090</u>	<u>2,387,213</u>	<u>-</u>	<u>2,748,303</u>
Borrowings excluding overdrafts	(136,150)	(863,850)	-	(1,000,000)
Obligations under finance leases	(915,372)	106,152	809,220	-
	<u>(690,432)</u>	<u>1,629,515</u>	<u>809,220</u>	<u>1,748,303</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.