

Company Registration No. 06537279 (England and Wales)

Control4 EMEA Limited
Directors' Report And Financial Statements
For The Year Ended 31 December 2013

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CONTROL4 EMEA LIMITED

COMPANY INFORMATION

Directors	Mr J G Bishop Mr D E Strong
Secretary	Mr J G Bishop
Company number	06537279
Registered office	Unit 3 Green Park Business Centre Sutton-on-the-Forest York YO61 1ET
Auditors	Ernst & Young LLP 24 Marina Court Castle Street Hull HU1 1TJ
Bankers	Barclays Bank plc 1-3 Parliament Street York YO1 8SE

CONTROL4 EMEA LIMITED

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CONTROL4 EMEA LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present the strategic report and financial statements for the year ended 31 December 2013.

Review of the business

The Company's core business continues to be the distribution of home automation products developed and manufactured by its parent company, Control4 Corporation, a public company traded on the NASDAQ and incorporated in the United States. The primary distribution activities consist of identifying and qualifying dealers and other distributors in the United Kingdom, Europe and other countries in the region and providing training and technical support for these customers.

Our key performance metrics include turnover, operating expenses and operating profit which are summarized for the annual periods ended December 31, 2013 and 2012:

	2013	2012	Change
	£'000	£'000	%
Turnover	8,634	7,375	17
Gross profit margin	1,940	1,864	4
Administrative expenses	1,548	1,367	13
Operating profit	392	496	(21)

The Company's turnover increased by 17% in 2013 compared to 2012 primarily as a result of increased sales in the United Kingdom resulting from the introduction of new products as well as the addition of new dealers and distributors.

Our gross profit margin was 22% in 2013 compared to 25% in 2012. The decrease in gross profit margin percentage was the result of the introduction of new, lower dealer and distributor pricing aimed at increasing sales.

Administrative expenses consist primarily of salaries and wages, rent and travel expenses.

Financial instruments

The company does not actively use financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk associated with selling on credit, and manages this through credit control procedures. The nature of its financial instruments means that they are not subject to a price risk or liquidity risk.

Sales in the United Kingdom are priced in Sterling and sales to other countries in the region are priced in US dollars. The company maintains Euro and US Dollar bank accounts which are used to manage exchange rate risk, primarily through the payment of stock purchases which are priced in US Dollars.

Liquidity Risk

The Company retains sufficient cash to ensure it has available operating funds. In addition, the Company has access to longer term funding through its parent, Control4 Corporation. As of December 31, 2013, the Company had outstanding intercompany borrowings totalling £2.1 million. There is no fixed repayment date on the intercompany borrowings.

CONTROL4 EMEA LIMITED

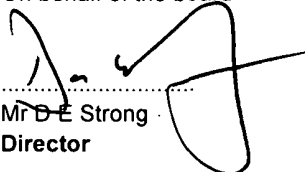
STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

Future developments

The Company anticipates continued growth in turnover in the United Kingdom, Europe and other countries for which it has distribution responsibilities. The Company does not anticipate expanding its operations beyond those currently pursued as a distributor of Control4 Corporation products.

On September 10, 2014, Control4 Corporation through its wholly owned subsidiary, Control4 EMEA Ltd, completed the acquisition of Extra Vegetables Limited, a company incorporated in England and Wales, pursuant to a Stock Purchase Agreement dated August 28, 2014 by and among Control4 EMEA and all of the shareholders of Extra Vegetables. Each Selling Shareholder also agreed to become an employee of Control4 EMEA or Control4. The total purchase price for Control4's acquisition of Extra Vegetables was \$882,246 in cash, which included a base purchase price of \$675,000 and \$207,246 as payment for the Company's net working capital.

On behalf of the board



.....
Mr D E Strong
Director
.....

Sept 19, 2014

CONTROL4 EMEA LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their report and financial statements for the year ended 31 December 2013.

Principal activities

The principal activity of the company continued to be that of distribution of specialist electronic control equipment.

Results and dividends

The profit for the year was £222,702 (2012 - £318,519).

The directors do not recommend payment of a dividend.

Directors

The following directors have held office since 1 January 2013:

Mr J G Bishop
Mr D E Strong

Auditors

The auditors, Ernst & Young LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

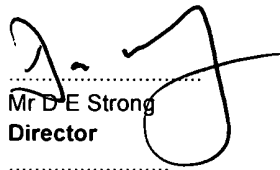
CONTROL4 EMEA LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board


.....
Mr D E Strong
Director
.....

Sep 19, 2014

CONTROL4 EMEA LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CONTROL4 EMEA LIMITED

We have audited the financial statements of Control4 EMEA Limited for the year ended 31 December 2013 set out on pages 7 to 18. 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 auditors' 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 - 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

CONTROL4 EMEA LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF CONTROL4 EMEA 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.



Richard Frostick
(Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP

22/8/2014

Chartered Accountants
Statutory Auditor

24 Marina Court
Castle Street
Hull
HU1 1TJ

CONTROL4 EMEA LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 £	2012 £
Turnover	2	8,634,148	7,374,537
Cost of sales		(6,693,895)	(5,510,553)
Gross profit		1,940,253	1,863,984
Administrative expenses		(1,545,884)	(1,367,261)
Operating profit	3	394,369	496,723
Other interest receivable and similar income	4	15	449
Interest payable and similar charges	5	(93,981)	(74,303)
Profit on ordinary activities before taxation		300,403	422,869
Tax on profit on ordinary activities	6	(77,701)	(104,350)
Profit for the year	15	222,702	318,519

The profit and loss account has been prepared on the basis that all operations are continuing operations.

Statement of Total Recognised Gains and Losses for the year ended 31 December 2013.

There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £222,702 in the year ended 31 December 2013 (2012 - £318,519).

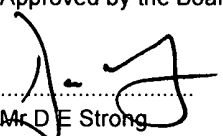
There are no recognised gains and losses other than those passing through the profit and loss account.

CONTROL4 EMEA LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2013

	Notes	2013 £	£	2012 £	£
Fixed assets					
Tangible assets	7		215,537		154,018
Current assets					
Stocks	8	1,344,677		761,569	
Debtors	9	1,303,319		1,115,730	
Cash at bank and in hand		181,555		261,442	
		2,829,551		2,138,741	
Creditors: amounts falling due within one year	10	(2,575,641)		(2,098,824)	
Net current assets			253,910		39,917
Total assets less current liabilities			469,447		193,935
Provisions for liabilities	11		(121,000)		(79,779)
			348,447		114,156
Capital and reserves					
Called up share capital	14		1		1
Other reserves	15		85,067		-
Profit and loss account	15		263,379		114,155
Shareholders' funds	16		348,447		114,156

Approved by the Board and authorised for issue on


Mr D E Strong

Director

SEP 19, 2014

Company Registration No. 06537279

CONTROL4 EMEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1 Accounting policies

1.1 Accounting convention

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

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

1.2 Turnover

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

In the case of long term contracts, turnover reflects the contract activity during the year and represents a proportion of total contract value consistent with the actual stage of completion of the work.

1.3 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 less estimated residual value of each asset over its expected useful life, as follows:

Leasehold improvements	33-67% straight line
Plant and machinery	25% straight line
Computer equipment	33% straight line
Fixtures, fittings and equipment	33-67% straight line

1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Stock

Stock is valued at the lower of cost and net realisable value.

1.6 Revenue recognition

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account.

The attributable profit on long term contracts is recognised once their outcome can be assessed with reasonable certainty. The profit recognised reflects the proportion of work completed to date on the project. Full provision is made for losses on all contracts in the year in which the loss is first foreseen.

1.7 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.8 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

CONTROL4 EMEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

1 Accounting policies

(Continued)

1.9 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.10 Warranty provision

The company offers a warranty on the majority of its sales that covers defective products. As of 31 December 2013 the company has accrued total reserves of £120,000 (2012 - £79,779), which are included in provisions for liabilities, for estimated product returns and costs related to product warranties. Provisions for return allowances and product warranties are recorded at the time revenue is recognised.

2 Turnover

Geographical market

	Turnover	
	2013	2012
	£	£
United Kingdom	5,903,906	4,578,563
Europe	2,469,927	2,357,916
Rest of the World	260,315	438,058
	<u>8,634,148</u>	<u>7,374,537</u>

3 Operating profit

	2013	2012
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	107,735	50,841
Loss on disposal of tangible assets	-	201
Operating lease rentals	15,544	12,700
Auditors' remuneration (including expenses and benefits in kind)	18,784	20,515
and after crediting:		
Profit on disposal of tangible assets	(162)	-
Profit on foreign exchange transactions	(33,711)	(31,043)
	<u>(33,829)</u>	<u>(31,043)</u>

4 Investment income

	2013	2012
	£	£
Bank interest	15	449
	<u>15</u>	<u>449</u>

CONTROL4 EMEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

5	Interest payable	2013	2012
		£	£
	On amounts payable to group companies	93,981	74,303
		<u> </u>	<u> </u>
6	Taxation	2013	2012
		£	£
	Domestic current year tax		
	U.K. corporation tax	73,000	43,350
	Adjustment for prior years	701	-
		<u> </u>	<u> </u>
	Total current tax	73,701	43,350
	Deferred tax		
	Deferred tax credit current year	4,000	61,000
		<u> </u>	<u> </u>
		77,701	104,350
		<u> </u>	<u> </u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	300,403	422,869
		<u> </u>	<u> </u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.25% (2012 - 24.50%)	69,844	103,603
		<u> </u>	<u> </u>
	Effects of:		
	Non deductible expenses	3,936	3,892
	Depreciation add back	25,048	12,505
	Capital allowances	(35,158)	(16,818)
	Tax losses utilised	-	(57,680)
	Other tax adjustments	10,031	(2,152)
		<u> </u>	<u> </u>
		3,857	(60,253)
		<u> </u>	<u> </u>
	Current tax charge for the year	73,701	43,350
		<u> </u>	<u> </u>

The Finance Act 2013 received Royal Assent on 17 July 2013 and announced a reduction in the main rate of corporation tax from 23% to 21% with effect from 1 April 2014 and to 20% with effect from 1 April 2015. Deferred tax has been provided at 20% being the rate enacted at the Balance Sheet date.

CONTROL4 EMEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

7 Tangible fixed assets

	Leasehold improvements	Plant and machinery	Fixtures, fittings and equipment	Total
	£	£	£	£
Cost				
At 1 January 2013	66,724	93,446	115,267	275,437
Additions	123,670	10,615	37,066	171,351
Disposals	(1,600)	(7,164)	(21,584)	(30,348)
At 31 December 2013	188,794	96,897	130,749	416,440
Depreciation				
At 1 January 2013	5,453	66,251	49,715	121,419
On disposals	(1,598)	(6,231)	(20,422)	(28,251)
Charge for the year	49,820	14,808	43,107	107,735
At 31 December 2013	53,675	74,828	72,400	200,903
Net book value				
At 31 December 2013	135,119	22,069	58,349	215,537
At 31 December 2012	61,271	27,195	65,552	154,018

8 Stocks

	2013 £	2012 £
Finished goods and goods for resale	1,344,677	761,569

9 Debtors

	2013 £	2012 £
Trade debtors	1,053,876	912,382
Other debtors	-	23,962
Prepayments and accrued income	249,443	176,386
Deferred tax asset (see note 11)	-	3,000
	1,303,319	1,115,730

CONTROL4 EMEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

10 Creditors: amounts falling due within one year	2013 £	2012 £
Trade creditors	150,025	221,975
Amounts owed to parent and fellow subsidiary undertakings	2,125,912	1,654,718
Corporation tax	73,000	43,350
Other taxes and social security costs	24,644	20,076
Accruals and deferred income	202,060	158,705
	<u>2,575,641</u>	<u>2,098,824</u>

11 Provisions for liabilities	Deferred tax liability £	Other £	Total £
Balance at 1 January 2013	(3,000)	79,779	76,779
Profit and loss account	4,000	40,221	44,221
Balance at 31 December 2013	<u>1,000</u>	<u>120,000</u>	<u>121,000</u>

The deferred tax liability is made up as follows:

	2013 £	2012 £
Accelerated capital allowances	16,000	-
Other timing differences	(15,000)	(3,000)
	<u>1,000</u>	<u>(3,000)</u>

12 Pension and other post-retirement benefit commitments Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund, as follows:

	2013 £	2012 £
Contributions payable by the company for the year	<u>19,105</u>	<u>17,637</u>

CONTROL4 EMEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

13 Share based payments

The ultimate parent company Control4 Corporation incorporated in the US; operates share option schemes and certain employees of the Company have been granted share options in these schemes. Share options granted to employees vest over a period of 4 years and have contractual terms to exercise of 10 years. The charge booked in the current year relates to share-based payments of £11,589. In addition £73,478 has been transferred from profit and loss reserve to share based payment reserve in respect of unrecorded share based payments.

Share option plans

2003 Equity Incentive Plan

In 2003, the Board of Directors of Control4 Corporation adopted the 2003 Equity Incentive Plan (the "2003 Plan"), which provided for the granting of nonqualified and incentive share options, share appreciation rights, share awards and restricted shares. Under the 2003 Plan, the Company was able to grant nonqualified and incentive share options to directors, employees and non-employees providing services to the Company.

2013 Stock Option and Incentive plan

On June 11, 2013, the Control4 Corporation's Board of Directors adopted the 2013 Stock Option and Incentive Plan (the "2013 Plan"), which was subsequently approved by the Company's shareholders. The 2013 Plan became effective as of the closing of the Company's initial public offering. To the extent that any awards outstanding under the 2003 Plan are forfeited or lapse unexercised subsequent to August 1, 2013, the shares of common stock subject to such awards will become available for issuance under the 2013 Plan. The 2013 Plan provides for annual increases in the number of reserved shares of up to 5% of the outstanding number of shares of the Company's Common Stock. Each option is exercisable over a period of time from its date of grant at the market value on the grant date and expires after 10 years.

Control4 EMEA Ltd accounts for share-based employee compensation plans under the fair value recognition and measurement provisions under UK GAAP. The Company's share-based compensation cost is measured at the grant date, based on the fair value of the award, and is recognised as expense over the requisite service period. UK GAAP requires the cash flows resulting from the tax benefits due to tax deductions in excess of the compensation cost recognised for those options (excess tax benefits) to be classified as financing cash flows.

The fair value of share options is estimated using the Black-Scholes-Merton option-pricing model with the following weighted average assumptions:

	2013	2012
Expected volatility	56 - 59%	59 - 63%
Risk-free interest rate	0.8 - 1.7%	0.7 - 1.0%
Expected lives (years)	3.3 - 7.2	5.0 - 6.1
Annual cash dividend	\$nil	\$nil

The determination of the grant date fair value of options using an option-pricing model is affected by estimated Control4 Corporation's share fair value as well as assumptions regarding a number of other complex and subjective variables, which are estimated as follows:

Expected Volatility - As the parent company does not have a trading history for shares, the expected share price volatility for the shares was estimated by taking the average of the historical volatilities of an index fund and industry peers based on daily price observations over a period equivalent to the expected term of the share option grants. Control4 Corporation did not rely on implied volatilities of traded options in industry peers' shares because the volume of activity was relatively low. Control4 Corporation intend to continue to consistently apply this process using the same or similar public companies until a sufficient amount of historical information regarding the volatility of the share price becomes available.

CONTROL4 EMEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

13 Share based payments

(Continued)

Risk-Free Interest Rate - The risk-free interest rate is based on the U.S. Treasury yield in effect at the time of the grant for zero-coupon U.S. Treasury notes with remaining terms similar to the expected term of the options.

Expected Lives - The expected term represents the period that the share-based awards are expected to be outstanding. For Control4 Corporation's option grants, the simplified method was used to determine the expected term, as provided by the SEC. The simplified method calculates the expected term as the average of the time-to-vesting and the contractual life of the options. The Company have used the simplified method to determine our expected term because of the limited history of share option exercise activity.

Annual Cash Dividend - Control4 Corporation have never declared or paid any cash dividends and do not presently plan to pay cash dividends in the foreseeable future. Consequently, the Company used an expected dividend yield of zero.

Share Option Plan Information

Date of grant	Years	Plan	As at 31 December 2012	Granted	Exercised	Forfeiture	As at 31 December 2013	Exercise/ share price \$
16/07/08	10	2003	22,595	-	-	-	22,595	4.89
29/12/11	10	2003	7,307	-	-	-	7,307	6.34
23/06/13	10	2013	-	4,807	-	-	4,807	11.28
08/08/13	10	2013	-	12,600	-	(1,900)	10,700	22.77
			<u>29,902</u>	<u>17,407</u>	<u>-</u>	<u>(1,900)</u>	<u>45,409</u>	

As the expense relating to share based payments which is recognised in the Profit and Loss Account is based on awards expected to vest, it has been reduced for estimated forfeitures. Share based payment accounting requires forfeitures to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimated.

14 Share capital

	2013 £	2012 £
Allotted, called up and fully paid		
1 Ordinary share of £1 each	<u>1</u>	<u>1</u>

CONTROL4 EMEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

15 Statement of movements on reserves

	Share Based Payment Reserve £	Profit and loss account £
Balance at 1 January 2013	-	114,155
Profit for the year	-	222,702
Transfers	73,478	(73,478)
Share based expense	11,589	-
Balance at 31 December 2013	85,067	263,379

16 Reconciliation of movements in shareholders' funds

	2013 £	2012 £
Profit for the financial year	222,702	318,519
Share based payment transactions	(73,478)	-
Movements on other reserves	85,067	-
Net addition to shareholders' funds	234,291	318,519
Opening shareholders' funds	114,156	(204,363)
Closing shareholders' funds	348,447	114,156

17 Financial commitments

At 31 December 2013 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2014:

	Land and buildings	
	2013 £	2012 £
Operating leases which expire:		
Within one year	5,500	-
Between two and five years	12,000	17,500
	17,500	17,500

18 Capital commitments

	2013 £	2012 £
At 31 December 2013 the company had capital commitments as follows:		
Contracted for but not provided in the financial statements	-	92,166

CONTROL4 EMEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

19 Directors' remuneration

No directors remuneration or benefits were paid during the year.

20 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2013 Number	2012 Number
G&A	5	5
Technical	4	5
Training	1	1
Sales	4	3
Logistics	2	2
	<u>16</u>	<u>16</u>

Employment costs

	2013 £	2012 £
Wages and salaries	592,095	533,799
Social security costs	68,320	63,485
Other pension costs	19,105	17,637
	<u>679,520</u>	<u>614,921</u>

21 Control

The ultimate parent company is Control4 Corporation, a company registered in the United States of America. Control4 Corporation prepares group accounts which can be obtained from 11734 S. Election Road, Salt Lake City, Utah 84020-6432.

CONTROL4 EMEA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2013

22 Related party relationships and transactions

Advantage has been taken of exemptions available under FRS 8 from disclosing transactions with other group companies.