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**FOCUSVISION (EUROPE) LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2008**

WEDNESDAY



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## **FOCUSVISION (EUROPE) LIMITED**

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### **COMPANY INFORMATION**

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**DIRECTORS**

E Grosogeat (appointed 30 January 2009)  
W Yort (appointed 30 January 2009)  
P Houlahan (resigned 30 January 2009)  
J Houlahan (resigned 30 January 2009)  
Mrs J Houlahan (resigned 30 January 2009)

**COMPANY SECRETARY**

Taylor Wessing Secretaries Limited

**COMPANY NUMBER**

05271302

**REGISTERED OFFICE**

5 New Street Square  
London  
EC4A 3TW

**AUDITORS**

Horwath Clark Whitehill LLP  
Chartered Accountants & Registered Auditors  
St Bride's House  
10 Salisbury Square  
London  
EC4Y 8EH

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**FOCUSVISION (EUROPE) LIMITED**

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## **FOCUSVISION (EUROPE) LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008**

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The directors present their report and the financial statements for the year ended 31 December 2008.

#### **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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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 proper accounting records that 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 1985. 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.

#### **PRINCIPAL ACTIVITIES**

The principal activity of the company during the year was the provision of video conferencing facilities.

#### **DIRECTORS**

The directors who served during the year were:

E Grosgeat (appointed 30 January 2009)  
Mrs J Houlahan (resigned 30 January 2009)  
P Houlahan (resigned 30 January 2009)  
W Yort (appointed 30 January 2009)  
J Houlahan (resigned 30 January 2009)

#### **PROVISION OF INFORMATION TO AUDITORS**

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

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

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**FOCUSVISION (EUROPE) LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2008**


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**AUDITORS**

The auditors, Horwath Clark Whitehill LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the board on *17 DECEMBER 2009* and signed on its behalf.

  
E Groszogeat  
Director

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## **FOCUSVISION (EUROPE) LIMITED**

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### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FOCUSVISION (EUROPE) LIMITED**

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We have audited the financial statements of Focusvision (Europe) Limited for the year ended 31 December 2008, set out on pages 5 to 10. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **BASIS OF AUDIT OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

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**FOCUSVISION (EUROPE) LIMITED**

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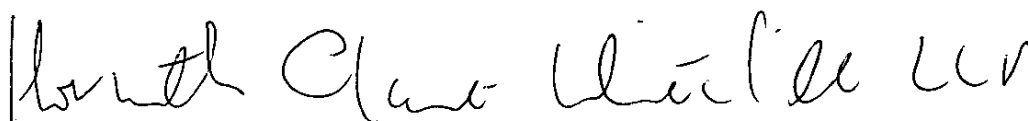
**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FOCUSVISION (EUROPE) LIMITED**

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**OPINION**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' report is consistent with the financial statements.



**HORWATH CLARK WHITEHILL LLP**

Chartered Accountants  
Registered Auditors

St Bride's House  
10 Salisbury Square  
London  
EC4Y 8EH

Date:

22 December 2009.

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**FOCUSVISION (EUROPE) LIMITED**

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**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2008**

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	Note	2008 £	2007 £
<b>TURNOVER</b>	1,2	<b>1,415,739</b>	<b>1,236,235</b>
Cost of sales		<b>(782,159)</b>	<b>(643,966)</b>
<b>GROSS PROFIT</b>		<b>633,580</b>	<b>592,269</b>
Administrative expenses		<b>(661,361)</b>	<b>(836,306)</b>
<b>OPERATING LOSS</b>	3	<b>(27,781)</b>	<b>(244,037)</b>
Interest receivable		<b>131</b>	<b>207</b>
Interest payable		<b>-</b>	<b>(52)</b>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(27,650)</b>	<b>(243,882)</b>
Tax on loss on ordinary activities	4	<b>-</b>	<b>2,799</b>
<b>LOSS FOR THE FINANCIAL YEAR</b>	8	<b>(27,650)</b>	<b>(241,083)</b>

The notes on pages 7 to 10 form part of these financial statements.



**FOCUSVISION (EUROPE) LIMITED**  
**REGISTERED NUMBER: 05271302**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2008**

	Note	£	2008 £	£	2007 £
<b>CURRENT ASSETS</b>					
Debtors	5	433,193		512,894	
Cash at bank		146,403		31,014	
		<u>579,596</u>		<u>543,908</u>	
<b>CREDITORS:</b> amounts falling due within one year	6	<u>(843,959)</u>		<u>(780,621)</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(264,363)</u>		<u>(236,713)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>(264,363)</u>		<u>(236,713)</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	7		1,000		1,000
Profit and loss account	8		<u>(265,363)</u>		<u>(237,713)</u>
<b>SHAREHOLDERS' DEFICIT</b>	9		<u>(264,363)</u>		<u>(236,713)</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on  
17 DECEMBER 2009

*E. Grosoggeat*

**E Grosoggeat**  
Director

The notes on pages 7 to 10 form part of these financial statements.

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## **FOCUSVISION (EUROPE) LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008**

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#### **1. ACCOUNTING POLICIES**

##### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007).

The financial statements have been prepared on a going concern basis notwithstanding the fact that the company has made losses. The directors consider this basis to be appropriate as the company has obtained a commitment from its parent undertaking to provide sufficient financial support to enable the company to discharge its debts and liabilities.

##### **1.2 Cash flow**

The financial statements do not include a Cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective January 2007).

##### **1.3 Turnover**

Turnover comprises revenue recognised by the company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts.

##### **1.4 Operating leases**

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

##### **1.5 Deferred taxation**

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

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

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

Deferred tax assets and liabilities are not discounted.

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## FOCUSVISION (EUROPE) LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.6 Foreign currencies

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

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

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

##### 1.7 Pensions

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

#### 2. TURNOVER

66% of the company's turnover (2007 - 66%) is attributable to geographical markets outside the United Kingdom.

#### 3. OPERATING LOSS

The operating loss is stated after charging:

	2008 £	2007 £
Auditors' remuneration	9,600	12,500
Pension costs	-	3,750
Operating lease costs - land and buildings	22,395	22,395

During the year, no director received any emoluments (2007 - £NIL).

#### 4. TAXATION

	2008 £	2007 £
Adjustments in respect of prior periods	-	(2,799)
<b>Tax on loss on ordinary activities</b>	<b>-</b>	<b>(2,799)</b>

The company has not recognised a potential deferred tax asset of approximately £37,150 (2007: £37,750) as it is considered more likely than not that suitable taxable profits will not be available in the foreseeable future to offset the losses carried forward. In accordance with FRS 19, the directors will continue to assess in the future whether deferred tax assets should be recognised in respect of this item.

**FOCUSVISION (EUROPE) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

**5. DEBTORS**

	2008 £	2007 £
Trade debtors	396,540	477,106
Other debtors	36,653	35,788
	<u>433,193</u>	<u>512,894</u>

**6. CREDITORS:  
Amounts falling due within one year**

	2008 £	2007 £
Trade creditors	64,604	108,541
Amounts owed to group undertakings	679,507	602,524
Other creditors	99,848	69,556
	<u>843,959</u>	<u>780,621</u>

**7. SHARE CAPITAL**

	2008 £	2007 £
<b>Authorised, allotted, called up and fully paid</b>		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

**8. RESERVES**

	Profit and loss account £
At 1 January 2008	(237,713)
Loss for the Year	(27,650)
	<u>(265,363)</u>
At 31 December 2008	<u>(265,363)</u>

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**FOCUSVISION (EUROPE) LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2008**

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**9. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Opening shareholders' (deficit)/funds	<b>(236,713)</b>	<b>4,370</b>
Loss for the Year	<b>(27,650)</b>	<b>(241,083)</b>
	<hr/>	<hr/>
Closing shareholders' deficit	<b>(264,363)</b>	<b>(236,713)</b>
	<hr/>	<hr/>

**10. OPERATING LEASE COMMITMENTS**

At 31 December 2008 the company had annual commitments under non-cancellable operating leases as follows:

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
<b>Expiry date:</b>		
Between 2 and 5 years	<b>22,395</b>	<b>22,395</b>
	<hr/>	<hr/>

**11. RELATED PARTY TRANSACTIONS**

Transactions with related parties are as follows:

Focusvision Worldwide, Inc. (parent company) recharged expenses of £366,945 (2007 £437,724) in the year. As at 31 December 2008, the company owed Focusvision Worldwide, Inc. £679,507 (2007: £602,524).

**12. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The immediate parent company is Focusvision Worldwide Inc., a company incorporated in the United States of America. The ultimate parent company is Focusvision Holdings Inc., a company incorporated in the United States of America. Copies of group financial statements are not available to the public.