

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

AVM VISION INVESTMENTS LTD

(Registered Number 07998235)

4 July 2012

WEI SATURDAY



A27O4BJ7

A15	04/05/2013	#69
	COMPANIES HOUSE	-- --
	A24ZYYI0	
A53	27/03/2013	#86
	COMPANIES HOUSE	

AVM VISION INVESTMENTS LTD

COMPANY INFORMATION

DIRECTORS

EC Cook
A Lurie
S Porter
M Storey

SECRETARY

S Porter

COMPANY NUMBER

07998235 (England and Wales)

REGISTERED OFFICE

1 Old Lodge Place
St Margarets
Twickenham
London
TW1 1RQ

AUDITOR

PKF (UK) LLP
Farringdon Place
20 Farringdon Road
London
EC1M 3AP

AVM VISION INVESTMENTS LTD

Directors' report for the period ended 4 July 2012

The directors present their report and the audited financial statements for the period ended 4 July 2012

Principal activities

The company was incorporated on 20 March 2012. On 29 June 2012 1 Ordinary share of £0.01, representing 100% of the company's share capital, was issued to AVM Vision Ltd.

The principal activity of the company during the period was that of holding company for AVM Limited, which was acquired on 4 July 2012.

Review of business, future developments, principal risks and uncertainties

The company did not trade in the period from incorporation until 4 July 2012, on which date it acquired 100% of the share capital of AVM Ltd. The group is well placed to make further progress in the coming year. The retention rate of the group's maintenance clients remained strong throughout the year, underpinning the strategy of focusing on recurring revenues, and the group ended the year with an excellent forward order book and order pipeline.

Directors

The directors of the company in office during the period ended 4 July 2012 were

EC Cook (appointed 4 July 2012)

A Lurie (appointed 20 March 2012)

S Porter (appointed 4 July 2012)

N Seaman (appointed 20 March 2012, resigned 4 July 2012)

M Storey (appointed 4 July 2012)

Statement as to disclosure of information to auditor

So far as each of the directors are aware at the time that this report was approved

- a) there is no relevant audit information of which the auditor is unaware, and
- b) they have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the Board



S Porter
Director

15 November 2012

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

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

In preparing these financial statements the directors are required to

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVM VISION INVESTMENTS LTD

We have audited the financial statements of AVM Vision Investments Limited for the period ended 4 July 2012 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's 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. If we become aware of any 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 4 July 2012 and of its loss for the period 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 directors' report for the financial year for which the financial statements have been prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report to you 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 have not been made, or
- we have not received all the information and explanations we require for our audit.

Nick Whitaker (UK) LLP

Nick Whitaker (Senior statutory auditor)
for and on behalf of PKF (UK) LLP, Statutory auditor
London, UK

20 November 2012

AVM VISION INVESTMENTS LTD

**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 4 JULY 2012**

	<u>Notes</u>	<u>Total</u> <u>2012</u> £'000
Administrative expenses		(3)
Operating Loss		<u>(3)</u>
Interest payable		<u>-</u>
Loss on ordinary activities before taxation	2	(3)
Taxation		<u>-</u>
Loss on ordinary activities after taxation		<u><u>(3)</u></u>

The results above relate entirely to continuing operations

There were no recognised gains and losses other than the loss for the year

There is no difference between the results as declared in the profit and loss account and the results on an unmodified historical cost basis

BALANCE SHEET AS AT 4 JULY 2012

	<u>Notes</u>	<u>2012</u> £'000
Fixed Assets		
Investments	3	10,415
		<u>10,415</u>
Current Assets		
Debtors (including £8,009,000 due after one year)	4	8,649
Cash at bank and in hand		-
		<u>8,649</u>
Creditors: amounts falling due within one year	5	(8,914)
		<u>(8,914)</u>
Net Current Liabilities		<u>(265)</u>
Total Assets less Current Liabilities		10,150
Creditors: amounts falling due after more than one year	6	(10,088)
		<u>62</u>
Capital and Reserves		
Called up share capital	7	1
Share premium account	8	64
Profit and loss account	8	(3)
Shareholders' Funds	9	<u>62</u>

The financial statements on pages 6 to 11 were approved by the board of directors on 15 November 2012 and signed on its behalf by



Edward Cook
Director

AVM VISION INVESTMENTS LTD

Notes to the Accounts for the period ended 4 July 2012

1 Accounting policies

(a) Basis of accounting

These financial statements are prepared under the historical cost convention, the accounting policies set below, and in accordance with the Companies Act 2006 and applicable accounting standards

The parent company, AVM Vision Ltd, has confirmed its intention to continue to support the company so that it may meet its liabilities as they fall due for a period of at least one year from the date of approval of these financial statements and hence the directors consider it appropriate to prepare these financial statements on a going concern basis

(b) Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted

(c) Group accounts

In accordance with Section 400, Companies Act 2006 Group accounts have not been prepared on the grounds that the company is a wholly owned subsidiary of AVM Vision Limited, a company incorporated in England. Copies of AVM Vision Limited consolidated financial statements can be obtained from the Company Secretary at 1 Old Lodge Place, St Margarets, Twickenham TW1 1RQ. As a result these accounts present information about AVM Vision Investments Limited as an individual undertaking and not about its group

(d) Cash flow statement

The company is exempt from preparing a cash flow statement as required by Financial Reporting Standard No 1 as it is a wholly owned subsidiary undertaking whose parent prepares consolidated accounts which include a consolidated cash flow statement

2 Loss on ordinary activities before taxation

The loss before taxation is stated after charging auditor's remuneration for the audit of these financial statements of £2,000

3 Investments

	<u>2012</u> £'000
Cost	
At 20 March 2012	-
Investment in AVM Limited	<u>10,415</u>
At 4 July 2012	<u>10,415</u>
Impairment	
At 20 March 2012 and 4 July 2012	<u>-</u>
Net book amount	
At 4 July 2012	<u>10,415</u>
At 20 March 2012	<u>-</u>

AVM VISION INVESTMENTS LTD

Notes to the Accounts for the period ended 4 July 2012 (continued)

3 Investments (continued)

On 4 July 2012 the company acquired the whole of the share capital of AVM Ltd for an aggregate consideration of £10,415,000. Of this consideration an amount of £640,000 was placed in escrow to cover any liability arising on settlement of the Employee Benefit Trust scheme. The book and fair values of the assets and liabilities acquired were as follows:

	AVM Ltd £'000
Tangible fixed assets	856
Stocks	1,650
Debtors	7,575
Cash	42
	<u>10,123</u>
Creditors < 1 year	(8,490)
Creditors > 1 year	(8,428)
Provisions	100
	<u>(16,818)</u>
Net Assets	(6,695)
Goodwill	17,110
Consideration	<u>10,415</u>
Satisfied by	
Cash	7,807
Loan notes	1,693
Acquisition expenses	915
	<u>10,415</u>

The loan notes of £1,693,496 were subsequently converted into £29,590 equity and £1,663,906 preference shares in AVM Vision Investments Ltd's parent company, AVM Vision Limited.

The consolidated results of AVM Ltd in the accounting period to 4 July 2012, the date of acquisition, were as follows:

	£'000
Turnover	<u>40,052</u>
Operating profit	<u>1,598</u>
Profit before taxation	<u>595</u>
Profit after taxation	<u>566</u>

There were no other recognised gains and losses other than the profit above and therefore no separate statement of total recognised gains and losses has been presented.

The consolidated profit after tax of AVM Ltd in the year from 1 July 2010 to 30 June 2011, the period prior to the period of acquisition, was £138,000.

AVM VISION INVESTMENTS LTD

Notes to the Accounts for the period ended 4 July 2012 (continued)

	<u>2012</u> £'000
4 Debtors	
Amounts falling due within one year	
Other debtors	640
	<u>640</u>
Amounts falling due after one year	
Amounts due from group companies	8,009
	<u>8,009</u>
	<u>8,649</u>
5 Creditors	
Amounts falling due within one year	
Amounts due to parent company	7,356
Accruals	3
Other creditors	1,555
	<u>8,914</u>
6 Creditors	
Amounts falling due after more than one year	
Secured term loans	10,088
	<u>10,088</u>

	<u>At 4 July 2012</u>	
	Number	Value £
7 Share Capital		
Allotted, issued and fully paid:		
Ordinary shares of 1p	65,410	654
	<u>65,410</u>	<u>654</u>

During the period the company allotted 65,410 ordinary shares for consideration of £65,410. The aggregate nominal value of the shares allotted was £654.

AVM VISION INVESTMENTS LTD

Notes to the Accounts for the period ended 4 July 2012 (continued)

8 Statement of movement on reserves

	Share Premium £'000	Profit and Loss account £'000
At 20 March 2012	-	-
Arising on shares issued during the period	64	-
Loss for the year	-	(3)
At 4 July 2012	<u>64</u>	<u>(3)</u>

2012
£'000

9 Reconciliation of movement in shareholders' funds

Opening shareholders' funds	-
Issue of shares	65
Closing shareholders' funds	<u>65</u>

10 Contingent liabilities

The company has given cross guarantees and floating charges over its assets in respect of facilities granted to the parent company. No loss is expected to arise in connection with these arrangements.

11 Ultimate parent undertaking and related party transactions

The company is controlled by AVM Vision Limited, the parent company of the AVM group, which is registered in England and Wales and prepares group accounts. Copies of the group accounts may be obtained from the Company Secretary, 1 Old Lodge Place, St Margarets, Twickenham, London TW1 1RQ. The ultimate controlling party is The Third Alcuin Fund LP, by virtue of its majority shareholding in AVM Vision Limited.

Fees of £320,000 were paid to Alcuin Capital Partners LLP, the fund manager of the group's ultimate controlling party, The Third Alcuin Fund LP, for services provided in connection with completing the transaction to purchase the AVM Limited group. These fees form part of the 'acquisition expenses' capitalised into the £10,415,000 cost of investment, as detailed in note 13. Monitoring fees of £12,000 were also paid to Alcuin Capital Partners LLP in the year. These form part of the prepayments balance at the year end.

Loan arrangement fees of £200,000 were paid in relation to the loan facility provided by Indigo Capital V Sarl, a shareholder of AVM Vision Limited. These fees have been deducted from the term loan liability at the year end and will be released to the profit and loss account over the term of the loan. Monitoring fees of £10,000 were also paid to Indigo Capital LLP, the fund manager of Indigo Capital V Sarl, in the year. These form part of the prepayments balance at the year end.

Advantage has been taken of the exemption under Financial Reporting Standard 8 'Related Party Transactions' not to disclose transactions with entities that are part of the AVM Vision Limited group on the grounds that all the voting rights of the company are controlled by AVM Vision Limited.