

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

AVM VISION INVESTMENTS LTD
(Registered Number 07998235)

30 June 2013

TUESDAY



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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

Europe House
170 Windmill Road West
Sunbury on Thames
Middlesex
TW16 7HB

AUDITOR

BDO LLP
55 Baker Street
London
W1U 7EU

AVM VISION INVESTMENTS LTD

Directors' report for the year ended 30 June 2013

The directors present their report and the audited financial statements for the year ended 30 June 2013.

Principal activities

The principal activity of the company during the period was that of holding company for AVM Limited and for IEG Limited, which was acquired on 3 December 2012.

Directors

The directors of the company in office during the year ended 30 June 2013 were:

EC Cook
A Lurie
S Porter
M Storey

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.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

By order of the Board



S Porter
Director

25 October 2013

DIRECTORS' RESPONSIBILITIES

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;
- 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 and 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 year ended 30 June 2013 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

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2013 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 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; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime.



Nick Whitaker (Senior statutory auditor)
For and on behalf of BDO LLP, Statutory auditor
London, United Kingdom
25 October 2013

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

AVM VISION INVESTMENTS LTD

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2013**

	<u>Notes</u>	<u>2013</u> £'000	<u>2012</u> £'000
Administrative expenses		(474)	(3)
Operating Loss		<u>(474)</u>	<u>(3)</u>
Interest payable	3	<u>(2,619)</u>	<u>-</u>
Loss on ordinary activities before taxation	2	(3,093)	(3)
Taxation	6	444	-
Loss on ordinary activities after taxation		<u><u>(2,649)</u></u>	<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 30 JUNE 2013

	<u>Notes</u>	<u>2013</u> £'000	<u>2012</u> £'000
Fixed Assets			
Investments	7	<u>14,389</u>	<u>10,415</u>
		<u>14,389</u>	<u>10,415</u>
Current Assets			
Debtors (including £9,079,000 (2012 - £8,009,000) due after one year)	8	9,466	8,649
Creditors: amounts falling due within one year	9	<u>(12,478)</u>	<u>(8,914)</u>
Net Current Liabilities		<u>(3,012)</u>	<u>(265)</u>
Total Assets less Current Liabilities		11,377	10,150
Creditors: amounts falling due after more than one year	10	<u>(13,964)</u>	<u>(10,088)</u>
Net (Liabilities)/Assets		<u><u>(2,587)</u></u>	<u><u>62</u></u>
Capital and Reserves			
Called up share capital	11	1	1
Share premium account	12	64	64
Profit and loss account	12	<u>(2,652)</u>	<u>(3)</u>
Shareholders' (Deficit)/Funds	13	<u><u>(2,587)</u></u>	<u><u>62</u></u>

The financial statements have been prepared in accordance with the special provisions of the Companies Act 2006 relating to companies subject to the small companies regime.

The financial statements on pages 4 to 10 were approved by the board of directors on 25 October 2013 and signed on its behalf by:



Edward Cook
Director

AVM VISION INVESTMENTS LTD

Notes to the Accounts for the year ended 30 June 2013

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.

Having prepared cash flow projections through to December 2014, and after considering these projections and the cash requirements of the business, the parent company, AVM Vision Limited, 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 Europe House, 170 Windmill Road West, Sunbury on Thames TW16 7HB. 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 £3,000 (2012 - £2,000).

3 Interest payable

Interest payable on secured term loans
Interest payable on loan from parent company

	<u>2013</u>	<u>2012</u>
	£'000	£'000
Interest payable on secured term loans	1,416	-
Interest payable on loan from parent company	1,203	-
	<u>2,619</u>	<u>-</u>

Notes to the Accounts for the year ended 30 June 2013 (continued)

	2013 £'000	2012 £'000
4 Directors' remuneration		
Aggregate emoluments	216	-
Company contributions paid to money purchase pension schemes	50	-
	<u>266</u>	<u>-</u>

Retirement benefits are accruing to one of the directors (2012 - one) under money purchase schemes.

5 Employees		
Staff costs were:		
Wages and salaries	216	-
Social security costs	30	-
Other pension costs	50	-
	<u>296</u>	<u>0</u>

The average monthly number of employees (including executive directors) employed by the company during the year was:

	Number	Number
Directors	2	-
Others	-	-
	<u>2</u>	<u>-</u>

	2013 £'000	2012 £'000
6 Taxation		
Analysis in period:		
Current year tax:		
UK corporation tax	(444)	-
	<u>(444)</u>	<u>-</u>

Factors affecting the tax charge for the period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK during the year of 23.75% (2012 - 25.5%). The differences are explained below:

Loss on ordinary activities before tax	<u>(3,093)</u>	<u>(3)</u>
Loss before tax at standard corporation tax rate of 23.75% (2012 - 25.5%)	(735)	(1)
Effects of:		
Expenses not deductible for tax purposes	-	1
Unpaid group relief	285	-
Losses carried forward	6	-
	<u>(444)</u>	<u>-</u>

Factors which may affect future tax charges

Factors which may affect future tax charges include the reversal of timing differences between depreciation and capital allowances on fixed assets.

AVM VISION INVESTMENTS LTD

Notes to the Accounts for the year ended 30 June 2013 (continued)

7 Investments

	£'000
Cost	
At 5 July 2012	10,415
Acquisition	<u>3,974</u>
At 30 June 2013	<u>14,389</u>
Impairment	
At 5 July 2012 and 30 June 2013	<u>-</u>
Net book amount	
At 30 June 2013	<u>14,389</u>
At 5 July 2012	<u>10,415</u>

On 3 December 2012 the company acquired the whole of the share capital of IEG Ltd for an aggregate consideration of £3,974,000. The book and fair values of the assets and liabilities acquired were as follows:

	IEG Ltd £'000
Tangible fixed assets	452
Stocks	944
Debtors	3,730
Cash	143
Deferred tax asset	<u>309</u>
	<u>5,578</u>
Creditors < 1 year	(5,035)
Creditors > 1 year	<u>(1,167)</u>
	<u>(6,202)</u>
Net Liabilities	(624)
Goodwill	<u>4,598</u>
Consideration	<u>3,974</u>
Satisfied by:	
Cash	2,878
Deferred consideration	1,000
Acquisition expenses	<u>96</u>
	<u>3,974</u>

During the seven months following acquisition the IEG group has contributed £10,633,000 of turnover and £353,000 of the operating profit on ordinary activities before taxation of the AVM Vision Ltd group.

The consolidated profit after tax of IEG Limited in the period from 1 January 2012 to 3 December 2012, the period prior to the period of acquisition, was £3,000.

The deferred consideration will be settled in cash.

AVM VISION INVESTMENTS LTD

Notes to the Accounts for the year ended 30 June 2013 (continued)

	<u>2013</u> £'000	<u>2012</u> £'000
8 Debtors		
Amounts falling due within one year		
Other debtors	-	640
	<u>-</u>	<u>640</u>
Amounts falling due after one year		
Amounts due from group companies	9,466	8,009
	<u>9,466</u>	<u>8,009</u>
	<u>9,466</u>	<u>8,649</u>
9 Creditors		
Amounts falling due within one year		
Amounts due to parent company	11,412	7,356
Amounts due to group companies	296	-
Accruals	6	3
Other creditors	764	1,555
	<u>12,478</u>	<u>8,914</u>
10 Creditors		
Amounts falling due after more than one year		
Secured term loans	13,964	10,088
	<u>13,964</u>	<u>10,088</u>

The term loans are secured over the assets of the group and are repayable in full by 4 July 2018. They have a cash interest rate of 8% and a PIK Interest rate of between 2.0 and 6.5% which rolls up into the principal.

	<u>At 30 June 2013</u>		<u>At 5 July 2012</u>	
	Number	Value £	Number	Value £
11 Share Capital				
Allotted, issued and fully paid:				
Ordinary shares of 1p	65,410	654	65,410	654
	<u>65,410</u>	<u>654</u>	<u>65,410</u>	<u>654</u>

AVM VISION INVESTMENTS LTD

Notes to the Accounts for the year ended 30 June 2013 (continued)

	Share Premium £'000	Profit and Loss account £'000
12 Statement of movement on reserves		
At 5 July 2012	64	(3)
Loss for the year	-	(2,649)
At 30 June 2013	<u>64</u>	<u>(2,652)</u>

	2013 £'000	2012 £'000
13 Reconciliation of movement in shareholders' funds		
Opening shareholders' funds	62	65
Loss for the year	(2,649)	(3)
Closing shareholders' funds	<u>(2,587)</u>	<u>62</u>

14 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.

15 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, Europe House, 170 Windmill Road West, Sunbury on Thames TW16 7HB. The ultimate controlling party is The Third Alcuin Fund LP, a company incorporated in the United Kingdom, by virtue of its majority shareholding in AVM Vision Limited.

Fees of £85,000 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 IEG Limited group. These fees form part of the 'acquisition expenses' capitalised into the £3,974,000 cost of investment, as detailed in note 7. Monitoring fees of £10,000 (2012 - £12,000) were also paid to Alcuin Capital Partners LLP in the year, of which £nil (2012 - £12,000) was within the prepayments balance at the year end.

Monitoring fees of £10,000 were paid to Indigo Capital LLP, the fund manager of Indigo Capital V Sarl, in the year, of which £nil (2012 - £10,000) was within 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.

16 Principal subsidiaries

The principal subsidiaries of the company, all of which are 100% owned and all of which are incorporated in the UK, are as follows:

Name	Activities
AVM Limited	Holding company
IEG Limited	Holding company