

**AVM VISION INVESTMENTS LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 2015**



## **AVM VISION INVESTMENTS LIMITED**

### **COMPANY INFORMATION**

<b>Directors</b>	J Allen E Cook A Lurie M Storey
<b>Registered number</b>	07998235
<b>Registered office</b>	Europe House 170 Windmill Road Sunbury-on-Thames TW16 7HB
<b>Independent auditor</b>	BDO LLP 55 Baker Street London W1U 7EU

# **AVM VISION INVESTMENTS LIMITED**

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## **AVM VISION INVESTMENTS LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2015**

The Directors present their strategic report on the Company for the year ended 30 June 2015.

#### **Overview**

The Company is an intermediate holding and financing Company and there have been no significant changes to these activities during the year. The Company does not trade.

#### **Business review**

The Company completed a successful refinancing on 24 March 2015 through the agreement of term loan facilities with HSBC Bank plc. The proceeds were used to repay the Company's secured term loans which will result in significantly lower interest payments in the future.

#### **Key performance indicators**

Given the nature of the Company's activity as an intermediate holding and financing Company the Directors do not consider that analysis using Key Performance indicators is necessary to an understanding of the development, performance or position of the Company. Key performance indicators in respect of the trading subsidiaries, AVM Impact Limited and Impact Marcom Limited, are disclosed in the Strategic Reports within the financial statements of those companies. Key performance indicators for the group as a whole are disclosed in the financial statements of AVMI Group Limited.

#### **Principal risks and uncertainties**

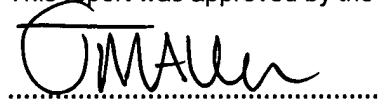
As an intermediate holding and financing Company the principal risk the Company faces is that the carrying value of its investments in its trading subsidiaries may not be fully recoverable, or that the trading activities do not generate sufficient free cash flow to settle loan payments as they fall due. To mitigate this risk the Directors monitor the performance of the subsidiaries to determine whether there are any indicators for potential impairment.

The Company is exposed to interest rate changes on the HSBC secured term loans but has mitigated this risk by entering an interest rate hedging agreement for three years applicable on 2/3rds of the term loan facility. Therefore the Directors do not consider the Group to have any material exposure to interest rate risk.

#### **Future developments and outlook**

The Company expects its trading subsidiaries to continue to be cash generative and capable of delivering long term profitable growth.

This report was approved by the board and signed on its behalf.



**J Allen**  
Director

Date: 22 October 2015

## **AVM VISION INVESTMENTS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2015**

The Directors present their report and the financial statements for the year ended 30 June 2015.

#### **Principal activities**

The principal activity of the Company during the year was that of an intermediate holding and financing Company.

#### **Results**

The loss for the year, after taxation, amounted to £4,165,000 (2014 - loss of £3,844,000).

#### **Directors**

The Directors who served during the year were:

J Allen  
E Cook  
A Lurie  
M Storey

#### **Going concern**

The Company is in a net liabilities position at the year end. The Company is funded through cash generation by its subsidiaries, term loan facilities with HSBC, shareholder loans and equity. The group as a whole is trading comfortably within its financial covenants. The Directors have reviewed the financial position and forecasts of the Company's subsidiaries for the forthcoming financial year in making their assessment of the Company's going concern. The Directors believe, after due and careful enquiry, and taking into account forecast cash generation by its subsidiaries, that the Company has sufficient resources for its present requirements and will be able to meet its liabilities as they fall due for the foreseeable future. For these purposes the foreseeable future is taken to mean a period of at least 12 months from the date of approval of these financial statements. On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis.

**AVM VISION INVESTMENTS LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2015**

**Provision of information to auditor**

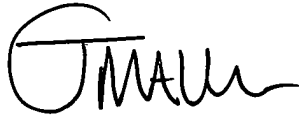
Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Company's auditor is 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 auditor in connection with preparing its report and to establish that the Company's auditor is aware of that information.

**Auditor**

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



.....  
**J Allen**  
Director

Date: 22 October 2015

## **AVM VISION INVESTMENTS LIMITED**

### **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 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 financial statements; and
- 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.

## **AVM VISION INVESTMENTS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVM VISION INVESTMENTS LIMITED**

We have audited the financial statements of AVM Vision Investments Limited for the year ended 30 June 2015 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 statement of Directors' responsibilities, 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 Financial Reporting Council's (FRC'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 FRC's website at [www.frc.org.uk/auditscopeukprivate](http://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 2015 and of its 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.

#### **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.



**AVM VISION INVESTMENTS LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVM VISION INVESTMENTS 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 or 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,

**BDO LLP**

**Stuart Collins** (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
London  
United Kingdom

Date: 22 October 2015

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

**AVM VISION INVESTMENTS LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30 JUNE 2015**

	Note	2015 £000	2014 £000
Administrative expenses		<u>(899)</u>	<u>(499)</u>
<b>OPERATING LOSS</b>	2	<b>(899)</b>	<b>(499)</b>
Interest payable and similar charges	6	<u>(3,266)</u>	<u>(3,349)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(4,165)</b>	<b>(3,848)</b>
Tax on loss on ordinary activities	8	<u>-</u>	<u>4</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>	14	<b><u>(4,165)</u></b>	<b><u>(3,844)</u></b>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the profit and loss account.

The notes on pages 9 to 15 form part of these financial statements.

**AVM VISION INVESTMENTS LIMITED**  
**REGISTERED NUMBER: 07998235**

**BALANCE SHEET**  
**AS AT 30 JUNE 2015**

	Note	£000	2015 £000	2014 £000
<b>FIXED ASSETS</b>				
Investments	9		14,389	14,389
<b>CURRENT ASSETS</b>				
Debtors	10	2,301		7,735
<b>CREDITORS: amounts falling due within one year</b>	11	<u>(11,837)</u>		<u>(13,392)</u>
<b>NET CURRENT LIABILITIES</b>			<u>(9,536)</u>	<u>(5,657)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>4,853</u>	<u>8,732</u>
<b>CREDITORS: amounts falling due after more than one year</b>	12		<u>(15,449)</u>	<u>(15,163)</u>
<b>NET LIABILITIES</b>			<u><u>(10,596)</u></u>	<u><u>(6,431)</u></u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital	13		1	1
Share premium account	14		64	64
Profit and loss account	14		<u>(10,661)</u>	<u>(6,496)</u>
<b>SHAREHOLDERS' DEFICIT</b>	15		<u><u>(10,596)</u></u>	<u><u>(6,431)</u></u>

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



.....  
**J Allen**  
 Chief Financial Officer



.....  
**E Cook**  
 Chief Executive Officer

Date: 22 October 2015

The notes on pages 9 to 15 form part of these financial statements.

## **AVM VISION INVESTMENTS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

#### **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 applicable accounting standards.

The Company is itself a subsidiary Company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

##### **1.2 Going concern**

The Company is in a net liabilities position at the year end. The Company is funded through cash generation by its subsidiaries, term loan facilities with HSBC, shareholder loans and equity. The group as a whole is trading comfortably within its financial covenants. The Directors have reviewed the financial position and forecasts of the Company's subsidiaries for the forthcoming financial year in making their assessment of the Company's going concern. The Directors believe, after due and careful enquiry, and taking into account forecast cash generation by its subsidiaries, that the Company has sufficient resources for its present requirements and will be able to meet its liabilities as they fall due for the foreseeable future. For these purposes the foreseeable future is taken to mean a period of at least 12 months from the date of approval of these financial statements. On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis.

##### **1.3 Cash flow**

The Company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

##### **1.4 Investments**

Investments held as fixed assets are shown at cost less provision for impairment.

##### **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.

##### **1.6 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.

**AVM VISION INVESTMENTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015**

**2. OPERATING LOSS**

The operating loss is stated after charging:

	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
Exceptional items (see note 7)	<b>470</b>	<b>4</b>
	<hr/> <hr/>	<hr/> <hr/>

**3. AUDITORS' REMUNERATION**

	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	<b>7</b>	<b>4</b>
Fees payable to the Company's auditor and its associates in respect of:		
Taxation compliance services	<b>1</b>	<b>1</b>
All taxation advisory services not included above	<b>17</b>	<b>17</b>
All other non-audit services not included above	<b>45</b>	<b>45</b>
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**4. STAFF COSTS**

Staff costs, including Directors' remuneration, were as follows:

	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	<b>296</b>	<b>280</b>
Social security costs	<b>41</b>	<b>38</b>
Other pension costs	<b>2</b>	<b>17</b>
	<hr/> <hr/>	<hr/> <hr/>
	<b>339</b>	<b>335</b>

The average monthly number of employees, including the Directors, during the year was as follows:

	<b>2015</b>	<b>2014</b>
	<b>No.</b>	<b>No.</b>
Directors	<b>2</b>	<b>2</b>
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**AVM VISION INVESTMENTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015**

**5. DIRECTORS' REMUNERATION**

	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
Remuneration	<u>296</u>	<u>280</u>
Company pension contributions to defined contribution pension schemes	<u>2</u>	<u>17</u>

During the year retirement benefits were accruing to 1 Director (2014 - 1) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £155,000 (2014 - £150,000).

**6. INTEREST PAYABLE**

	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
On secured term loans	<b>1,583</b>	1,769
On loan from parent Company	<b>1,683</b>	1,580
	<u><b>3,266</b></u>	<u>3,349</u>

**7. EXCEPTIONAL ITEMS**

	<b>2015</b>	<b>2014</b>
	<b>£000</b>	<b>£000</b>
Reorganisation and restructuring costs	<u>470</u>	<u>4</u>

Exceptional items include costs associated with the corporate simplification together with the write off of unamortised arrangement fees in connection with the term loans that were repaid.

**AVM VISION INVESTMENTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015**

**8. TAXATION**

	<b>2015 £000</b>	<b>2014 £000</b>
Adjustments in respect of prior periods	-	(4)
<b>Tax on loss on ordinary activities</b>	<b>-</b>	<b>(4)</b>

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2014 - higher than) the standard rate of corporation tax in the UK of 20.75% (2014 - 22.5%). The differences are explained below:

	<b>2015 £000</b>	<b>2014 £000</b>
Loss on ordinary activities before tax	<b>(4,165)</b>	<b>(3,848)</b>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.75% (2014 - 22.5%)	<b>(864)</b>	<b>(866)</b>
<b>Effects of:</b>		
Expenses not deductible for tax purposes	<b>25</b>	<b>9</b>
Adjustments to tax charge in respect of prior periods	<b>-</b>	<b>(4)</b>
Group relief	<b>839</b>	<b>857</b>
<b>Current tax charge/(credit) for the year (see note above)</b>	<b>-</b>	<b>(4)</b>

# AVM VISION INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

### 9. FIXED ASSET INVESTMENTS

	Investments in subsidiary Companies £000
<b>Cost or valuation</b>	
At 1 July 2014 and 30 June 2015	14,389
<b>Net book value</b>	
At 30 June 2015	14,389
At 30 June 2014	14,389

### Subsidiary undertakings

The following were wholly owned subsidiary undertakings of the Company at 30 June 2015:

Company name	Country	Class	Description
AVM Limited	England and Wales	Ordinary	Intermediate holding Company
IEG Limited	England and Wales	Ordinary	Dormant
AVMI Inc.	United States	Ordinary	AV and VC technology services
AVM Impact Limited	England and Wales	Ordinary	AV and VC technology services
Impact Marcom Limited	England and Wales	Ordinary	AV and VC technology services
AVMI Limited	Hong Kong	Ordinary	AV and VC technology services

All subsidiaries are indirectly held, other than AVM Limited which is a wholly owned direct subsidiary.

At the date of signing these financial statements the dormant subsidiary, IEG Limited, was in the process of being liquidated.

### 10. DEBTORS

	2015 £000	2014 £000
<b>Due after more than one year</b>		
Amounts owed by group undertakings	-	7,735
<b>Due within one year</b>		
Amounts owed by group undertakings	2,299	-
Other debtors	2	-
	<u>2,301</u>	<u>7,735</u>



**AVM VISION INVESTMENTS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2015**

**11. CREDITORS:**

**Amounts falling due within one year**

	2015 £000	2014 £000
Secured term loans	520	-
Amounts owed to parent Company	10,818	13,251
Amounts owed to other group companies	468	133
Other taxation and social security	-	2
Accruals and deferred income	31	6
	<u>11,837</u>	<u>13,392</u>

**12. CREDITORS:**

**Amounts falling due after more than one year**

	2015 £000	2014 £000
Secured term loans	<u>15,449</u>	<u>15,163</u>

The term loans brought forward were wholly repaid during the year and new term loans were obtained and drawn down.

The new term loans are secured over the assets of the Company and wider group and are repayable in line with a schedule over a term ending on 24 March 2021. The loans are subject to a floating interest rate which during the period ranged between 5-5.5% on different tranches of the total facility.

The Company has also acquired an interest rate hedging instrument relating to the new term loans. At the year end reporting date this instrument was valued at £34,000.

**13. SHARE CAPITAL**

	2015 £	2014 £
<b>Allotted, called up and fully paid</b>		
65,410 Ordinary shares of £0.01 each	<u>654</u>	<u>654</u>

**14. RESERVES**

	Share premium account £000	Profit and loss account £000
At 1 July 2014	64	(6,496)
Loss for the financial year	-	(4,165)
At 30 June 2015	<u>64</u>	<u>(10,661)</u>

# AVM VISION INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

### 15. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	2015 £000	2014 £000
Opening shareholders' deficit	(6,431)	(2,587)
Loss for the financial year	(4,165)	(3,844)
Closing shareholders' deficit	<u>(10,596)</u>	<u>(6,431)</u>

### 16. CONTINGENT LIABILITIES

The Company has given cross guarantees and floating charges over its assets in respect of facilities granted to the parent Company and in connection with the secured term loans (see note 12). No loss is expected to arise in connection with these arrangements.

### 17. RELATED PARTY TRANSACTIONS

Advantage has been taken of the exemption under Financial Reporting Standard 8 'Related Party Transactions' not to disclose transactions with wholly owned entities that are part of the AVMI Group on the grounds that all the voting rights of the Company are controlled by AVMI Group Limited

During the year, monitoring fees of £24,000 (2014: £22,000) were paid to Alcuin Capital Partners LLP, the fund manager of the group's ultimate controlling party, The Third Alcuin Fund LP.

### 18. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company is controlled by AVMI Group Limited, the parent Company of the AVMI Group, which is registered in England and Wales and prepares group accounts. Copies of the consolidated financial statements of AVMI Group Limited may be obtained from the Registrar of Companies in England and Wales, Companies House, Crown Way, Cardiff, CF14 3UZ. The ultimate controlling party is The Third Alcuin Fund LP, a Company incorporated in the United Kingdom, by virtue of its majority shareholding in AVMI Group Limited.