Visual Action Holdings 3054629

Report and Financial Statements

31 December 2010

Directors
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M Vadgama
A Vafa

Secretary
M Vadgama

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Directors' report

The directors present their report and financial statements for the year ended 31 December 2010

Results and dividends

The net loss for the year amounted to £242,000 (2009 – loss £2,012,000) The directors do not recommend the payment of a final dividend (2009 – £nil)

Principal activities and review of the business

The principal activity of the company during the year was that of a holding company

As shown in the company's profit and loss account on page 7, the company's performance has resulted in a loss of £242,000 This is primarily due to settlement costs associated with leasehold properties The balance sheet on page 8 of the financial statements reflects the loss this year in line with expectations

The balance sheet on page 8 of the financial statements reflects the loss this year in line with expectations

The company's directors believe that the above performance indicators are those that are key to understanding the development and performance of the business

Future developments

The directors do not anticipate any change in the principal activity of the company in the foreseeable future

Principal risks and uncertainties

The company's performance is impacted by the value of investments held in UK, inter-company balances held in foreign currency and property costs The company closely monitors these risks and takes necessary action where required

Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements

Directors

The directors who held office during the year and subsequent changes, were as follows

D J Davies (resigned 11 May 2011)
J M McIlwain(appointed 11 May 2011)
M Vadgama
A Vafa

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware Having made enquiries of fellow directors and the company's auditor, the directors have taken all the steps that they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Directors' report

Auditors

In accordance with s 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as auditor of the company

On behalf of the Board

M Vadgama
Director 20/9/11

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) 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 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 proper 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

Independent auditor's report

to the members of Visual Action Holdings

We have audited the financial statements of Visual Action Holdings for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Statement of Total Recognized Gains and Losses the Balance Sheet, and the related notes 1 to 16 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 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 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 (APB'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 Directors Report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on the 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 2010 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Independent auditor's report

to the members of Visual Action Holdings (Continued)

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

Ernst & Young LLP

Michael Wansbury (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
London
21 September 2011

Profit and loss account

for the year ended 31 December 2010

	Notes	*2010* *£000*	*2009* *£000*
Turnover		–	–
Administrative expenses		(245)	(491)
Investment impairment		–	(1,521)
Operating loss	2	(245)	(2,012)
Other interest receivable and similar income	5	3	–
Loss on ordinary activities before taxation		(242)	(2,012)
Tax on loss on ordinary activities	6	–	–
Loss for the financial year	12	(242)	(2,012)

Statement of total recognised gains and losses

for the year ended 31 December 2010

There are no recognised gains or losses other than the loss of £242,000 attributable to the shareholders for the year ended 31 December 2010 (2009 – loss of £2,012,000)

Balance sheet

at 31 December 2010

	Notes	2010 £000	2009 £000
Fixed assets			
Investments	7	–	–
Current assets			
Debtors	8	39,553	40,467
Cash at bank		–	1
		39,553	40,468
Creditors: amounts falling due within one year	9	(2,871)	(2,639)
Net current assets		36,682	37,829
Total assets less current liabilities		36,682	37,829
Provisions for liabilities	10	–	(905)
		36,682	36,924
Capital and reserves			
Called up share capital	11	10,020	10,020
Share premium account	12	24,444	24,444
Other reserves	12	4,855	4,855
Profit and loss account	12	(2,637)	(2,395)
Shareholders' funds	12	36,682	36,924

M Vadgama
Director 2/9/11

Notes to the financial statements

at 31 December 2010

1. Accounting policies

Basis of preparation

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

Going Concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements

Consolidated financial statements

The financial statements contain information about Visual Action Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, AVSC Europe Limited, a company incorporated in the United Kingdom

Statement of cash flows

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a statement of cash flows in the financial statements on the grounds that the company is wholly owned and its parent undertaking, AVSC Europe Limited prepares consolidated financial statements which are publicly available

Investments

Investments held as fixed assets are stated at cost less any provision for impairment in value

The carrying values of investments are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions

- provision is made for deferred tax that would arise on remittance of the retained earnings of subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable,

- deferred tax assets are recognised only to the extent that the directors consider that it is 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 is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date

Notes to the financial statements

at 31 December 2010

All differences are taken to the profit and loss account

1. Accounting policies (continued)

Operating lease agreements

Rentals receivable under operating leases are accounted for on the straight line basis over the periods of the leases and are included within other operating income Rentals payable under operating leases are charged in the Profit and Loss Account on a straight line basis over the lease term

Provisions for liabilities

A provision is recognised when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation

2. Operating loss

This is stated after charging

	2010	*2009*
	£000	*£000*
Auditor's remuneration – audit services	6	6
Operating lease rentals – land and buildings	192	481

3. Directors' emoluments

	2010	*2009*
	£000	*£000*
Emoluments	–	–

Directors received no remuneration for their services in respect of the Company in the current year These directors' remuneration is borne by other companies within the Group Their time spent on the activities of the Company is negligible

4. Staff costs

The company had no employees during the year or the prior year, other than the directors

5. Other interest receivable and similar income

	2010	*2009*
	£000	*£000*
Interest receivable on deposits	3	–

Notes to the financial statements

at 31 December 2010

6. Tax

(a) Tax on loss on ordinary activities

	2010 £000	2009 £000
Current tax	–	–
Total current tax (note 6(b))	–	–

(b) Factors affecting current tax

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 28% (2009 – 28%) The differences are explained below

	2010 £000	2009 £000
Loss on ordinary activities before taxation	(242)	(2,012)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 – 28%)	(68)	(563)
Effects of		
Non-deductible expenses	4	1
Tax losses unutilised	(253)	546
Movement in provisions	–	18
Capital allowances in arrears/(excess) of depreciation	317	(2)
Current tax for the year (note 6(a))	–	–

(c) Deferred tax

Deferred tax assets are recognised only to the extent that the directors consider that it is 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, not recognised as they are unlikely to be realised in the foreseeable future, are as follows

	Not recognised 2010 £000	2009 £000
Decelerated capital allowances	8	7
Tax losses unutilised	1,020	784
	1,028	791

Notes to the financial statements

at 31 December 2010

6. Tax (continued)

A number of changes to the UK Corporation tax system were announced in the 22 June 2010 and 23 March 2011 Budget Statements The Finance (No 2) Act 2010 included legislation to reduce the main rate of corporation tax from 28% to 27% from 1 April 2011 A further reduction to the main rate was substantively enacted on 29 March 2011 to reduce the rate from 1 April 2011 to 26% with further 1% reductions expected per annum to 23% by 1 April 2014

7. Investments

	Shares in subsidiary undertakings £000
Cost	
At 1 January 2010 and 31 December 2010	10,669
Amounts provided	
At 1 January 2010 and 31 December 2010	(10,669)
Net book value	
At 31 December 2010	-
At 1 January 2010	-

During 2009, the company fully provided against its investment of £1,520,000 in Audio Visual Services Corporation Limited following value in use calculation of its investment

Interest in group undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows

Name of company	*Proportion of ordinary shares held %*	*Nature of business*
Audio Visual Services Corporation Limited	100	Hire of audio visual equipment
VAH Subco Limited	100	Non-trading
VAH Subco (2) Limited	100	Non-trading

There is only one class of shares for each subsidiary other than as mentioned in the paragraph above

Notes to the financial statements

at 31 December 2010

8. Debtors

	2010 £000	2009 £000
Amounts owed by group undertakings	39,510	39,734
Other debtors	43	733
	39,553	40,467

9. Creditors: amounts falling due within one year

	2010 £000	2009 £000
Trade creditors	-	44
Amounts owed to group undertakings	2,865	2,589
Accruals and deferred income and other creditors	6	6
	2,871	2,639

10. Provisions for liabilities

	Provision for dilapidations £000	Provision for onerous lease £000	Total £000
At 1 January 2010	655	250	905
Utilised	(655)	(250)	(905)
At 31 December 2010	-	-	-

Notes to the financial statements

at 31 December 2010

11. Issued share capital

Allotted, called up and fully paid	*No*	*2010 £000*	*No*	*2009 £000*
Ordinary shares of £0 20 each	50,098,544	10,020	50,098,544	10,020

12. Reconciliation of shareholders' funds and movement on reserves

	Share capital £000	*Share premium account £000*	*Capital redemption reserve £000*	*Profit and loss account £000*	*Total share-holders' funds £000*
At 1 January 2009	10,020	24,444	4,855	(383)	38,936
Loss for the year	–	–	–	(2,012)	(2,012)
At 31 December 2009	10,020	24,444	4,855	(2,395)	36,924
Loss for the year	–	–	–	(242)	(242)
At 31 December 2010	10,020	24,444	4,855	(2,637)	36,682

13. Commitments under operating leases

At 31 December 2010 the company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings 2010 £000	*Land and buildings 2009 £000*
Operating leases which expire		
Within 1 year	–	318
In two to five years	–	–

14. Contingent liability

The company is grouped for VAT purposes with certain other UK group undertakings Consequently the company is contingently liable for the VAT liabilities of those other UK group undertakings

Notes to the financial statements

at 31 December 2010

15. Related party transactions

During the year the company entered into transactions, in the ordinary course of business, with other related parties Balances outstanding at 31 December 2010 are as follows

Related Party	*Amounts owed by related parties £000*	*Amounts owed to related parties £000*
VAH Subco Limited		
2010	–	1,492
2009	–	1,492
VAH Subco(2) Limited		
2010	–	882
2009	–	882
AVSC Europe Limited		
2010	39,510	–
2009	39,734	–
Audio Visual Services Corporation Limited		
2010	–	491
2009	–	215

AVSC Europe Limited is the Company's immediate parent undertaking

Refer to note 7 for description of relationship with rest of the above entities

16. Ultimate parent undertaking and controlling party

The Company's immediate parent undertaking is AVSC Europe Limited

The ultimate parent undertaking of the Company and largest and smallest group in whose financial statements the Company is consolidated as at 31 December 2010 is AVSC Holding LLC (formerly Audio Visual Services Corporation), a company incorporated in the United States of America

The directors consider the company's controlling party to be Kelso & Company, a company incorporated in the United Stated of America