Company Registration No. SC296233 (England and Wales)

SKYLINE INSTALLATIONS (SCOTLAND) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2011

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SKYLINE INSTALLATIONS (SCOTLAND) LIMITED

COMPANY INFORMATION

Directors	AVC Wireless Networks Limited	(Appointed 29 July 2010)
	Mrs Pauline Bell	
	Mr Robert Bell	
Secretary	C.J. Terry	
Company number	SC296233	
Registered office	1 Cambuslang Court Glasgow Strathclyde United Kingdom G32 8FH	
Auditors	WMT Torrington House 47 Holywell Hill St Albans Hertfordshire AL1 1HD	

SKYLINE INSTALLATIONS (SCOTLAND) LIMITED

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SKYLINE INSTALLATIONS (SCOTLAND) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JANUARY 2011

The directors present their report and financial statements for the year ended 31 January 2011.

Principal activities and review of the business
The principal activity of the company continued to be that of providing computer, internet, telephone and television services to homes throughout the United Kingdom.

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

Risks and uncertainties
The company is exposed to a variety of risks. These range from the wider effects of the general economy and external competition to those more specific to the company, such as its own financial strength and size. The board regularly review these risks and their potential impact on the company. The board monitors the company's performance through use of regular financial information and management reports. The board focuses on the company's levels of profitability, liquidity and balance sheet strength.

Competitive pressure is a continuing risk to the company. The company manages this risk by continuing to provide excellent standards of service to its customers.

Treasury operations and financial instruments
The company operates a treasury function which is responsible for managing the liquidity and interest risks associated with the company's activities. The company's principal financial instruments include bank overdrafts and loans, the main purpose of which is to raise finance for the company's operations. In addition the company has various other financial assets and liabilities such as trade debtors and trade creditors arising directly from operations.

Liquidity risks
The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

Interest rate risk
The company is exposed to interest rate risk on bank overdrafts and loans. The company manages debt so as to reduce its exposure to changes in interest rates.

Credit risk
Investments of cash surpluses and borrowings are made through banks and companies which fulfil credit rating criteria approved by the board.

Results and dividends
The results for the year are set out on page 5.

An interim ordinary dividend was paid amounting to £35,376 (2010: £70,837). The directors do not recommend the payment of a final dividend.

Future developments
The company intends to continue its present management policies for the foreseeable future.

SKYLINE INSTALLATIONS (SCOTLAND) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2011

Directors
The following directors have held office since 1 February 2010:

AVC Wireless Networks Limited (Appointed 29 July 2010)
Mrs Pauline Bell
Mr Robert Bell

Statement of 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;
- 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.

Statement of disclosure to auditors
So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

C TERRY FOR AND ON BEHALF OF AVC WIRELESS NETWORKS LIMITED.

27 October 2011

SKYLINE INSTALLATIONS (SCOTLAND) LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SKYLINE INSTALLATIONS (SCOTLAND) LIMITED

We have audited the financial statements of Skyline Installations (Scotland) Limited for the year ended 31 January 2011 set out on pages 5 to 18. 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 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

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, 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.

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 31 January 2011 and of its profit 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.

Comparative figures

No audit was undertaken in the previous year and the opening balances are therefore unaudited. Nothing has come to our attention in the course of our audit to indicate that they are materially mis-stated. Our opinion is therefore not qualified in this respect.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF SKYLINE INSTALLATIONS (SCOTLAND) 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 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.

WMT

Graham Wintle (Senior Statutory Auditor)
for and on behalf of WMT

27 October 2011

Chartered Accountants
Statutory Auditor

Torrington House
47 Holywell Hill
St Albans
Hertfordshire
AL1 1HD

SKYLINE INSTALLATIONS (SCOTLAND) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JANUARY 2011

	Notes	2011	Restated and Unaudited 2010
		£	£
Turnover	2	1,495,780	1,132,308
Cost of sales		(1,065,617)	(860,084)
Gross profit		430,163	272,224
Administrative expenses		(397,113)	(275,041)
Operating profit/(loss)	3	33,050	(2,817)
Other interest receivable and similar income	4	-	22
Interest payable and similar charges	5	(86)	(420)
Profit/(loss) on ordinary activities before taxation		32,964	(3,215)
Tax on profit/(loss) on ordinary activities	6	(9,326)	(105)
Profit/(loss) for the year	13	23,638	(3,320)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

SKYLINE INSTALLATIONS (SCOTLAND) LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 JANUARY 2011

	Notes	2011 £	Restated and Unaudited 2010 £
Profit/(loss) for the financial year		23,638	(3,320)
Prior year adjustment	13	(66,618)	-
Total gains and losses recognised since last financial statements		(42,980)	(3,320)

SKYLINE INSTALLATIONS (SCOTLAND) LIMITED

BALANCE SHEET

AS AT 31 JANUARY 2011

	Notes	2011 £	2011 £	Restated and unaudited 2010 £	Restated and unaudited 2010 £
Fixed assets					
Tangible assets	8		15,722		22,028
Current assets					
Stocks	9	5,000		18,640	
Debtors	10	123,959		55,245	
Cash at bank and in hand		31,408		6,663	
		160,367		80,548	
Creditors: amounts falling due within one year	11	(250,725)		(165,480)	
Net current liabilities			(90,358)		(84,932)
Total assets less current liabilities			(74,636)		(62,904)
Capital and reserves					
Called up share capital	12		8		2
Profit and loss account	13		(74,644)		(62,906)
Shareholders' funds	14		(74,636)		(62,904)

Approved by the Board and authorised for issue on 27 October 2011

C TERRY

Director FOR AND ON BEHALF OF AVC WIRELESS NETWORKS LIMITED.

Company Registration No. SC296233

SKYLINE INSTALLATIONS (SCOTLAND) LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JANUARY 2011

	£	2011 £	£	Restated and Unaudited 2010 £
Net cash inflow from operating activities		74,156		3,186
Returns on investments and servicing of finance				
Interest received	-		22	
Interest paid	(86)		(420)	
Net cash outflow for returns on investments and servicing of finance		(86)		(398)
Taxation		(17,386)		(18,938)
Capital expenditure				
Receipts from sales of tangible assets	4,000		-	
Net cash inflow/(outflow) for capital expenditure		4,000		-
Equity dividends paid		(35,376)		(70,837)
Net cash inflow/(outflow) before management of liquid resources and financing		25,308		(86,987)
Financing				
Issue of ordinary share capital	6		-	
Capital element of hire purchase contracts	(474)		(6,048)	
Net cash outflow from financing		(468)		(6,048)
Increase/(decrease) in cash in the year		24,840		(93,035)

SKYLINE INSTALLATIONS (SCOTLAND) LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JANUARY 2011

1 Reconciliation of operating profit/(loss) to net cash inflow from operating activities

	2011	Restated and Unaudited 2010
	£	£
Operating profit/(loss)	33,050	(2,817)
Depreciation of tangible assets	2,120	4,995
Loss on disposal of tangible assets	186	-
Decrease/(increase) in stocks	13,640	(18,640)
Increase in debtors	(60,654)	(21,162)
Increase in creditors within one year	85,814	40,810
Net cash inflow from operating activities	74,156	3,186

2 Analysis of net funds

	Unaudited 1 February 2010	Cash flow	Other non-cash changes	31 January 2011
	£	£	£	£
Net cash:				
Cash at bank and in hand	6,663	24,745	-	31,408
Bank overdrafts	(95)	95	-	-
	6,568	24,840	-	31,408
Bank deposits	-	-	-	-
Debt:				
Finance leases	(474)	474	-	-
Net funds	6,094	25,314	-	31,408

3 Reconciliation of net cash flow to movement in net funds

	2011	Unaudited 2010
	£	£
Increase/(decrease) in cash in the year	24,840	(93,035)
Cash outflow from decrease in debt and lease financing	474	6,048
Movement in net funds in the year	25,314	(86,987)
Opening net funds	6,094	93,081
Closing net funds	31,408	6,094

NOTES TO THE CASH FLOW STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2011

4 Liquid resources

Liquid resources represent cash in hand and at bank.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2011

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	10% on reducing balance
Plant and machinery	25% on reducing balance
Computer equipment	25% on reducing balance
Fixtures, fittings & equipment	25% on reducing balance
Motor vehicles	25% on reducing balance

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

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

1.6 Stock

Stock is valued at the lower of cost and net realisable value.

1.7 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.8 Restatement of prior year

Other creditors in the 2010 accounts were restated from £23,014 to £89,632 due to an error in accounting for subcontractor costs. The result for the year therefore changed from a profit of £63,298 to a loss of £3,320 and retained reserves as at 1 February 2010 were consequently restated from a retained profit of £3,712 to a retained loss of £62,906.

1.9 Going concern

The accounts have been prepared on a going concern basis on the basis that the company has the continued support of its parent company.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit/(loss)

	2011	Unaudited 2010
	£	£
Operating profit/(loss) is stated after charging:		
Depreciation of tangible assets	2,120	4,995
Loss on disposal of tangible assets	186	-
Operating lease rentals		
- Plant and machinery	182	468

Audit fees for the company were paid by AVC Global Services Group plc.

Auditors' remuneration

Fees payable to the company's auditor for accountancy	8,304	4,587
	8,304	4,587

4 Investment income

	2011	Unaudited 2010
	£	£
Bank interest	-	22
	-	22

5 Interest payable

	2011	Unaudited 2010
	£	£
On bank loans and overdrafts	1	1
Hire purchase interest	85	419
	86	420

6 Taxation	2011	Unaudited 2010
	£	£
Domestic current year tax		
U.K. corporation tax	9,326	105
Total current tax	9,326	105
Factors affecting the tax charge for the year		
Profit/(loss) on ordinary activities before taxation	32,964	(3,215)
Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 28.00% (2010 - 21.00%)	9,230	(675)
Effects of:		
Non deductible expenses	655	-
Depreciation add back	594	1,049
Capital allowances	(446)	(628)
Tax losses utilised	(339)	-
Other tax adjustments	(368)	359
	96	780
Current tax charge for the year	9,326	105

The company has estimated losses of £ nil (2010 - £ 1,212) available for carry forward against future trading profits.

7 Dividends	2011	Unaudited 2010
	£	£
Ordinary interim paid	35,376	70,837

An interim dividend of £4,422 (2010: £35,418) per ordinary share was paid during the year.

8 **Tangible fixed assets**

	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 February 2010 - unaudited	12,800	1,537	2,975	27,556	44,868
Disposals	-	-	-	(7,441)	(7,441)
At 31 January 2011	12,800	1,537	2,975	20,115	37,427
Depreciation					
At 1 February 2010 - unaudited	2,240	1,051	976	18,573	22,840
On disposals	-	-	-	(3,255)	(3,255)
Charge for the year	792	92	376	860	2,120
At 31 January 2011	3,032	1,143	1,352	16,178	21,705
Net book value					
At 31 January 2011	9,768	394	1,623	3,937	15,722
At 31 January 2010 - unaudited	10,560	486	1,999	8,983	22,028

Included above are assets held under finance leases or hire purchase contracts as follows:

	Motor vehicles
	£
Net book values	
At 31 January 2011	-
At 31 January 2010	4,186
Depreciation charge for the year	
At 31 January 2011	-
At 31 January 2010	1,046

9 Stocks	2011 £	Unaudited 2010 £
Finished goods and goods for resale	5,000	18,640

10 Debtors	2011 £	Unaudited 2010 £
Trade debtors	95	54,949
Amounts owed by parent and fellow subsidiary undertakings	115,804	-
Corporation tax	8,060	-
Other debtors	-	296
	123,959	55,245

11 Creditors: amounts falling due within one year	2011 £	Unaudited and restated 2010 £
Bank loans and overdrafts	-	95
Net obligations under hire purchase contracts	-	474
Trade creditors	24,153	26,030
Taxes and social security costs	94,696	37,543
Other creditors	108,036	89,632
Accruals and deferred income	23,840	11,706
	250,725	165,480

Net obligations under hire purchase contracts		
Repayable within one year	-	474
Finance charges and interest allocated to future accounting periods	-	-
	-	474

12 Share capital	2011	Unaudited 2010
	£	£
Allotted, called up and fully paid		
8 Ordinary shares of £1 each	8	2

On 29 July 2010 6 ordinary shares were issued to AVC Global Services Group Plc who now own 75% of the company.

13 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 February 2010 as previously reported - unaudited	3,712
Prior year adjustment	(66,618)
Balance at 1 February 2010 as restated	(62,906)
Profit for the year	23,638
Dividends paid	(35,376)
Balance at 31 January 2011	(74,644)

Other creditors in the 2010 accounts were restated from £23,014 to £89,632 due to an error in accounting for subcontractor costs. Reserves as at 1 February 2010 were therefore restated from a retained profit of £3,712 to a retained loss of £62,906.

14 Reconciliation of movements in shareholders' funds	2011	Restated and Unaudited 2010
	£	£
Profit/(Loss) for the financial year	23,638	(3,320)
Dividends	(35,376)	(70,837)
	(11,738)	(74,157)
Proceeds from issue of shares	6	-
Net depletion in shareholders' funds	(11,732)	(74,157)
Opening shareholders' funds	(62,904)	11,253
Closing shareholders' funds	(74,636)	(62,904)

15 Financial commitments

At 31 January 2011 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 January 2012:

	Land and buildings	
		Unaudited
	2011	2010
	£	£
Operating leases which expire:		
Within one year	-	456

16 Directors' remuneration

		Unaudited
	2011	2010
	£	£
Remuneration for qualifying services	117,276	12,910

17 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

		Unaudited
	2011	2010
	Number	Number
Directors	2	2
Staff	8	8
	10	10

		Unaudited
Employment costs	2011	2010
	£	£
Wages and salaries	241,523	93,512
Social security costs	11,468	16,937
	252,991	110,449

18 Control

The ultimate parent company in this year is AVC Global Services Group plc. The ultimate controlling party in the current year is M. J. Every by virtue of his majority shareholding in AVC Global Services Group plc.

In the prior year the ultimate controlling party was Robert Bell by virtue of his shareholding in the company.

19 Related party relationships and transactions

AVC Installations Limited is a related party of Skyline Installations (Scotland) Limited by virtue of having the same ultimate parent company. During the year the company made sales amounting to £1,421,364 (2010 : £Nil) and received purchases amounting to £85,450 (2010 : £Nil) with AVC Installations Limited.

AVC Global Services Group plc is the ultimate parent company of Skyline Installations (Scotland) Limited. At the year end the company was owed £115,804 (2010 : £Nil) from AVC Global Services Group plc.