

AGM FACILITIES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011



Company Registration No 01372991 (England and Wales)

AGM FACILITIES LIMITED

COMPANY INFORMATION

Directors	D V Taylor M A Taylor R E Sumner
Secretary	R E Sumner
Company number	01372991
Registered office	AGM House London Road Copford Colchester Essex CO6 1GT
Auditors	Beaumont Seymour 47 Butt Road Colchester Essex CO3 3BZ
Business address	AGM House London Road Copford Colchester Essex CO6 1GT

AGM FACILITIES LIMITED

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AGM FACILITIES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2011

The directors present their report and financial statements for the year ended 30 September 2011

Principal activities and review of the business

The principal activity of the company was that of holding and managing the business premises of a group of companies headed by its parent company, AGM plc. In addition, the company employs senior group personnel and provides management services to group companies.

Principal risks and uncertainties

The company has procedures to manage the major risks faced. Where possible, the board takes action to eliminate, reduce or mitigate specific risks through the adoption of appropriate strategies, the main emphasis being placed on the continued holding of the company's property asset. This includes safeguarding the condition of the property by the use of ongoing inspection and maintenance plans.

Financial risks

The company's operations do not expose it to significant financial risks. The company's principal financial liabilities are loans to group companies that are monitored by the use of internal reports forming part of the management accounting procedures.

The financial position at the year end is considered satisfactory by the directors.

Results and dividends

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

The directors do not recommend payment of an ordinary dividend.

Directors

The following directors have held office since 1 October 2010:

D V Taylor
M A Taylor
R E Sumner

Creditor payment policy

The company does not follow any published code or standard on payment practice for suppliers of goods and services. However, its policy is to pay in accordance with suppliers' standard terms of business, subject to any specific agreement. The company's purchases from third parties are minimal and, in this context, the creditors' days calculation is not significant.

Auditors

The auditors, Beaumont Seymour, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

AGM FACILITIES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2011

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.

By order of the board



R E Sumner
Secretary

16 December 2011

AGM FACILITIES LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AGM FACILITIES LIMITED

We have audited the financial statements of AGM Facilities Limited for the year ended 30 September 2011 set out on pages 5 to 20. 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).

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 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 30 September 2011 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- 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.

AGM FACILITIES LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF AGM FACILITIES 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



Mr Andrew John Griggs FCCA (Senior Statutory Auditor)
for and on behalf of Beaumont Seymour Limited

30 January 2012

Chartered Certified Accountants
Statutory Auditor

47 Butt Road
Colchester
Essex
CO3 3BZ

AGM FACILITIES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2011

	Notes	2011 £	2010 £
Turnover	2	376,111	295,079
Cost of sales		(29,622)	-
Gross profit		346,489	295,079
Administrative expenses		(894,089)	(815,721)
Other operating income		399,600	434,400
Operating loss	3	(148,000)	(86,242)
Provision/(Reversal of provision) for diminution in value of fixed assets		(822,031)	292,971
(Loss)/profit on ordinary activities before interest		(970,031)	206,729
Interest payable and similar charges	4	(8,414)	(8,964)
(Loss)/profit on ordinary activities before taxation		(978,445)	197,765
Tax on (loss)/profit on ordinary activities	5	(6,244)	-
(Loss)/profit for the year	14	(984,689)	197,765

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

AGM FACILITIES LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 30 SEPTEMBER 2011

	Notes	2011 £	2010 £
(Loss)/profit for the financial year		(984,689)	197,765
Unrealised deficit on revaluation of properties		<u>(324,795)</u>	<u>(134,196)</u>
Total recognised gains and losses relating to the year		<u>(1,309,484)</u>	<u>63,569</u>

Note of historical cost profits and losses

	2011 £	2010 £
Reported (loss)/profit on ordinary activities before taxation	(978,445)	197,765
Difference between an historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	<u>(15,419)</u>	<u>5,473</u>
Historical cost (loss)/profit on ordinary activities before taxation	<u>(993,864)</u>	<u>203,238</u>
Historical cost (loss)/profit for the year retained after taxation, extraordinary items and dividends	<u>(1,000,108)</u>	<u>203,238</u>

AGM FACILITIES LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2011

	Notes	2011 £	£	2010 £	£
Fixed assets					
Tangible assets	6		4,089,346		4,209,322
Current assets					
Stocks	7	3,000		-	
Debtors	8	697,072		671,496	
Cash at bank and in hand		26,239		8,290	
		726,311		679,786	
Creditors amounts falling due within one year	9	(4,715,146)		(4,036,546)	
Net current liabilities			(3,988,835)		(3,356,760)
Total assets less current liabilities			100,511		852,562
Creditors amounts falling due after more than one year	10		(811,674)		(260,485)
Provisions for liabilities	11		(6,244)		-
			(717,407)		592,077
Capital and reserves					
Called up share capital	13	2,000		2,000	
Revaluation reserve	14	427,316		755,276	
Profit and loss account	14	(1,146,723)		(165,199)	
Shareholders' funds	15		(717,407)		592,077

Approved by the Board and authorised for issue on 16 December 2011

R E Sumner
Director

Company Registration No 01372991

AGM FACILITIES LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2011

	£	2011 £	£	2010 £
Net cash inflow from operating activities		592,672		297,240
Returns on investments and servicing of finance				
Interest paid	(8,414)		(8,964)	
Net cash outflow for returns on investments and servicing of finance		(8,414)		(8,964)
Capital expenditure				
Payments to acquire tangible assets	(1,149,481)		(235,059)	
Net cash outflow for capital expenditure		(1,149,481)		(235,059)
Net cash (outflow)/inflow before management of liquid resources and financing		(565,223)		53,217
Financing				
New long term bank loan	569,217		-	
Other new short term loans	30,783		-	
Repayment of long term bank loan	(18,028)		(17,266)	
Repayment of other short term loans	1,200		1,072	
Net cash inflow/(outflow) from financing		583,172		(16,194)
Increase in cash in the year		17,949		37,023

Warning - There are exceptional items in the profit and loss account. As the system cannot interpret whether these affect cashflow, and if so which section of the cashflow they affect, you will need to make a local page and adjust the format accordingly.

AGM FACILITIES LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2011

1	Reconciliation of operating loss to net cash inflow from operating activities	2011	2010
		£	£
	Operating loss	(148,000)	(86,242)
	Depreciation of tangible assets	122,631	98,276
	(Increase)/decrease in stocks	(3,000)	-
	Increase in debtors	(25,576)	(666,275)
	Increase in creditors within one year	646,617	951,481
	Net cash inflow from operating activities	592,672	297,240

2	Analysis of net debt	1 October 2010	Cash flow	Other non-cash changes	30 September 2011
		£	£	£	£
	Net cash				
	Cash at bank and in hand	8,290	17,949	-	26,239
	Bank deposits	-	-	-	-
	Debt				
	Debts falling due within one year	(16,648)	(31,983)	-	(48,631)
	Debts falling due after one year	(260,485)	(551,189)	-	(811,674)
		(277,133)	(583,172)	-	(860,305)
	Net debt	(268,843)	(565,223)	-	(834,066)

3	Reconciliation of net cash flow to movement in net debt	2011	2010
		£	£
	Increase in cash in the year	17,949	37,023
	Cash (inflow)/outflow from (increase)/decrease in debt	(583,172)	16,193
	Movement in net debt in the year	(565,223)	53,216
	Opening net debt	(268,843)	(322,059)
	Closing net debt	(834,066)	(268,843)

AGM FACILITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2011

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings

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 from rentals of freehold and leasehold properties

1.4 Tangible fixed assets and depreciation

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

Land and buildings Freehold	4% Straight line
Land and buildings Leasehold	Straight line over the life of the lease
Plant and machinery	25% Reducing balance
Computer equipment	25% Reducing balance
Motor vehicles	

The part of the annual depreciation charge on revalued assets which relates to the revaluation surplus is transferred from the revaluation reserve to the profit and loss account

1.5 Stock

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

1.6 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

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 Cashflow statement

In accordance with the exemptions provided under FRS 1, no cashflow statement has been prepared.

1.9 Related party transactions

The company has taken advantage of the exemption available under FRS 8 whereby it has not disclosed transactions with its parent company and wholly owned members of the group to which it belongs.

AGM FACILITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2011

1 Accounting policies (continued)

1 10 Other operating income

The company provides management services to its parent and fellow subsidiary companies. The amounts charged reflect the level of services and expertise provided. Income is recognised in relation to the period for which it is earned.

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 loss	2011 £	2010 £
Operating loss is stated after charging		
Depreciation of tangible assets	122,631	98,276

Auditors' remuneration

Fees payable to the company's auditor for the audit of the company's annual accounts

4,874 3,583

Accountancy

4,307 2,375

Taxation

400 275

9,581 6,233

4 Interest payable	2011 £	2010 £
On bank loans and overdrafts	342	311
On loans repayable after five years	8,072	8,653
	8,414	8,964

AGM FACILITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2011

5	Taxation	2011 £	2010 £
	Total current tax	-	-
	Deferred tax		
	Deferred tax charge/credit current year	6,244	-
	Factors affecting the tax charge for the year		
	(Loss)/profit on ordinary activities before taxation	(978,445)	197,765
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 27.00% (2010 - 21.00%)	(264,180)	41,531
	Effects of		
	Depreciation add back	33,110	19,922
	Capital allowances	(8,905)	(2,137)
	Diminution in value of FA	221,949	(60,808)
	Losses available for group relief	18,026	1,492
		264,180	(41,531)
	Current tax charge for the year	-	-

AGM FACILITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2011

6 Tangible fixed assets

	Land and buildings Freehold £	Land and buildings Leasehold £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation					
At 1 October 2010	3,381,150	1,325,000	61,529	-	4,767,679
Additions	1,001,080	-	123,134	25,267	1,149,481
Revaluation	(1,208,082)	(475,000)	-	-	(1,683,082)
At 30 September 2011	3,174,148	850,000	184,663	25,267	4,234,078
Depreciation					
At 1 October 2010	388,661	150,205	19,491	-	558,357
Revaluation	(386,051)	(150,205)	-	-	(536,256)
Charge for the year	68,768	6,249	41,297	6,317	122,631
At 30 September 2011	71,378	6,249	60,788	6,317	144,732
Net book value					
At 30 September 2011	3,102,770	843,751	123,875	18,950	4,089,346
At 30 September 2010	2,992,489	1,174,795	42,038	-	4,209,322

During the year the freehold and leasehold properties have been valued at an open market valuation by a firm of independent Chartered Surveyors in accordance with RICS Valuation Standards. The directors are satisfied that the aggregate value of properties at 30 September 2011 is not less than the revised amount stated in the financial statements.

In respect of the leasehold property the diminution in value is a reversal of previous unrealised gains and the reduction has been charged to the revaluation reserve. If the property was sold for its revalued amount it would be necessary to replace it with similar property, and rollover relief against tax on the gain would be available. Accordingly, no timing differences arise and no provision has been made for deferred tax in respect of the revaluation.

Freehold properties were transferred from fellow subsidiaries of AGM plc on 1st October 2008. The consideration for the transfer was based on an independent surveyors report carried out in 2006.

AGM FACILITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2011

6 Tangible fixed assets (continued)

Comparable historical cost for the land and buildings included at valuation

	£
Cost	
At 1 October 2010	3,844,312
Additions	1,001,080
	<u>4,845,392</u>
At 30 September 2011	
Depreciation based on cost	
At 1 October 2010	206,436
Charge for the year	90,436
	<u>296,872</u>
At 30 September 2011	
Net book value	
At 30 September 2011	<u>4,548,520</u>
At 30 September 2010	<u>3,637,876</u>

7 Stocks	2011 £	2010 £
Finished goods and goods for resale	<u>3,000</u>	<u>-</u>

8 Debtors	2011 £	2010 £
Trade debtors	33,375	13
Amounts owed by parent and fellow subsidiary undertakings	626,594	662,316
Other debtors	31,100	8,942
Prepayments and accrued income	6,003	225
	<u>697,072</u>	<u>671,496</u>

AGM FACILITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2011

9 Creditors amounts falling due within one year	2011 £	2010 £
Bank loans and overdrafts	48,631	16,648
Trade creditors	33,814	1,222
Amounts owed to parent and fellow subsidiary undertakings	4,532,726	3,896,885
Taxes and social security costs	19,314	16,126
Other creditors	12,941	1,835
Accruals and deferred income	67,720	103,830
	<u>4,715,146</u>	<u>4,036,546</u>

The bankers have the following securities,-

(i) A right of set-off incorporated in all legal mortgages, life policies, mortgage debentures and guarantees,

(ii) An unscheduled mortgage debenture incorporating a fixed and floating charge over all current and future assets of the company,

(iii) A composite guarantee between the following - Aquatronic Group Management plc, Aquatech Pressmain Limited, Acorn Pressurisation Services Limited, Acorn Mechanical Services Limited, AGM Metalwork Limited, AGM Pump Services Limited, O S Locke Limited, Engineering Safety Inspection Services Limited, Pressmain (Pressurisation) Co Limited, Autron Products Limited, AGM Facilities Limited and Power Gates Limited

AGM FACILITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2011

10 Creditors amounts falling due after more than one year	2011 £	2010 £
Bank loans	811,674	260,485
Analysis of loans		
Not wholly repayable within five years by instalments	260,305	277,133
Wholly repayable within five years	600,000	-
	860,305	277,133
Included in current liabilities	(48,631)	(16,648)
	811,674	260,485
Instalments not due within five years	171,462	190,686
Loan maturity analysis		
In more than one year but not more than two years	49,086	16,610
In more than two years but not more than five years	591,126	53,189
In more than five years	171,462	190,686

11 Provisions for liabilities

Deferred tax liability £

Profit and loss account	6,244
Balance at 30 September 2011	6,244

The deferred tax liability is made up as follows:

	2011 £	2010 £
Accelerated capital allowances	6,244	-

AGM FACILITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2011

12 Pension and other post-retirement benefit commitments

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

	2011 £	2010 £
Contributions payable by the company for the year	8,605	8,808
Contributions payable to the fund at the year end and included in creditors	(1,499)	(1,260)

13 Share capital

Allotted, called up and fully paid
2,000 Ordinary £1 shares of £1 each

	2011 £	2010 £
	2,000	2,000

14 Statement of movements on reserves

	Revaluation reserve £	Profit and loss account £
Balance at 1 October 2010	755,276	(165,199)
Loss for the year	-	(984,689)
Transfer from revaluation reserve to profit and loss account	(3,165)	3,165
Revaluation during the year	(324,795)	-
Balance at 30 September 2011	427,316	(1,146,723)

AGM FACILITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2011

15 Reconciliation of movements in shareholders' funds	2011 £	2010 £
(Loss)/Profit for the financial year	(984,689)	197,765
Other recognised gains and losses	(324,795)	134,196
Net (depletion in)/addition to shareholders' funds	(1,309,484)	331,961
Opening shareholders' funds	592,077	260,116
Closing shareholders' funds	<u>(717,407)</u>	<u>592,077</u>

16 Directors' remuneration	2011 £	2010 £
Remuneration for qualifying services	311,597	318,793
Company pension contributions to defined contribution schemes	6,531	7,777
	<u>318,128</u>	<u>326,570</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2010 - 1)

Remuneration disclosed above include the following amounts paid to the highest paid director

Remuneration for qualifying services	<u>94,633</u>	<u>91,822</u>
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AGM FACILITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2011

17 Employees

Number of employees

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

	2011 Number	2010 Number
Directors	3	3
Staff	16	12
	<u>19</u>	<u>15</u>

Employment costs

	2011 £	2010 £
Wages and salaries	574,116	522,380
Social security costs	61,268	52,300
Other pension costs	8,605	8,808
	<u>643,989</u>	<u>583,488</u>

18 Control

The company is a wholly owned subsidiary of Aquatronic Group Management plc, a company registered in England and Wales

Aquatronic Group Management plc prepares consolidated financial statements and copies are available from - Aquatronic Group Management plc, AGM House, London Road, Copford, Colchester, Essex CO6 1GT

The ultimate controlling party is Mr D V Taylor

AGM FACILITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2011

19 Related party relationships and transactions

Loans to directors

The following loan has been made to a director of the company covering travelling expenses and disbursements

Description	Opening Balance £	Net Movement £	Closing Balance £
M A Taylor	7,055	(319)	6,736
	<u>7,055</u>	<u>(319)</u>	<u>6,736</u>