Registration number: 05943914

VELOCITY ACQUISITIONS LIMITED

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

VELOCITY ACQUISITIONS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2015

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VELOCITY ACQUISITIONS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2015

Directors	David Mills Julie Randall Paolo Guglielmini
Company secretary	Julie Randall
Registered Office	Hadley House Bayshill Road Cheltenham Gloucestershire GL50 3AW
Auditors	Ernst & Young LLP No.1 Colmore Square Birmingham B4 6HQ

VELOCITY ACQUISITIONS LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their strategic report and the financial statements for the year ended 31 December 2015. The company has transitioned to FRS 101 (Reduced disclosure framework) as described in note 2.

Results and Dividends

The loss for the year, after taxation, amounted to £262,000 (2014 – £560,000). The company did not pay any dividends during the year (2014 – nil).

Business Review

Fair review of the business
The principal activity of the company continued to be that of an intermediate holding company in the Vero Software group of companies ("the group"). The group develops and distribute software which is focused on the Computer Aided Manufacturing ("CAM") market. This software is distributed globally and our customers operate in diverse industry sectors.

Velocity Acquisitions Limited's ultimate parent company,is Hexagon AB. Hexagon's large customer base and extensive offering in manufacturing industry provides significant opportunities for the future growth of the group's software brands.

The income statement is set out on page 9. The results for the company show a loss after tax for the year of £262,000 (2014-£560,000) and a net liability position of £5,481,000 (2014 – £5,219,000).

The directors view the result for the year and the year-end financial position to be in line with their expectations.

Future Developments
The directors have prepared these financial statements on a break up basis as it is the intention of the group to simplify its holdings by closing some of the intermediary holding companies. The expectation is that this will be done within twelve months of the authorisation of these financial statements.

Principal risks and uncertainties
The principal risks and uncertainties discussed in this section are not an exhaustive list but are considered some of the principal risks and uncertainties faced by the business. Our aim is to manage and control identified risk through established processes but it cannot be eliminated completely.

Liquidity risk and cash flow risk
Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The company is party to a cash-pooling arrangement which allows overdrafts and current account surpluses to be netted off with each company's respective balance. The group monitors cash balances to ensure payment profiles can be honoured in the full at the appropriate date.

Investment risk
The company is exposed to risk of impairment of its investments, the investments are reviewed regularly and are valued according to the future cash flows that they will generate. The future cashflows of the underlying investments are substantial and impairment risk is considered minimal.

Approved by the board and signed on its behalf by:

J Randall
....
Julie Randall
Company Secretary
26 September 2016

VELOCITY ACQUISITIONS LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their report and the financial statements for the year ended 31 December 2015.

Principal Activity
The principal activity of the company is that of an intermediate holding company within the Vero group of companies.

Directors of the company
The directors who held office during the year were as follows:

P Guglielmini
J Randall
D Mills

Basis other than going concern
The directors believe it is appropriate to prepare the financial statements on a break up basis as it is the intention to reorganise the group to a simplified structure by closing the intermediary holding companies within twelve months from the date of authorisation of these financial statements. The assets and liabilities of the company have been classified as current and a letter of parental support has been obtained from Hexagon AB to assist Velocity Acquisitions Limited in meeting its liabilities as and when they fall due, but only to the extent that funds are not otherwise available to Velocity Acquisitions Limited to meet such liabilities. No other adjustments were necessary to the amounts at which the remaining net assets are included in these financial statements

Disclosure of information to the auditors
Each director has taken the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of the information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

Post balance sheet event
On 2nd September 2016 the directors received acknowledgement from Companies House of their request to dissolve the following dormant subsidiary companies: Pathtrace Ltd, Radan Computational Ltd and Huckerby Royall Systems Ltd. It is anticipated that these companies will be struck off the register within three months of this date. These companies are indirect investments of Velocity Acquisitions Limited by virtue of its 100% investment in Planit Holdings Ltd.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

Approved by the board and signed on its behalf by:

J Randall

....
Julie Randall
Company Secretary
26 September 2016

VELOCITY ACQUISITIONS LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2015

The directors are responsible for preparing the Directors' Report, the Strategic Report and the financial statements in accordance with the 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 Financial Reporting Standard 101 Reduced Disclosure Framework (FRS101) and in accordance with applicable accounting standards. 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 the period. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- Notify the company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of 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. As described in Note 2, these financial statements have been prepared on a break up basis.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VELOCITY ACQUISITIONS LIMITED FOR THE YEAR ENDED 31 DECEMBER 2015

We have audited the financial statements of Velocity Acquisitions Limited for the year ended 31 December 2015 which comprise the Income Statement, the Statement of Financial Position, The Statement of changes in equity and the related notes 1 to 14. 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), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. The financial statements have been prepared on a break-up basis.

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 Standard 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 and 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 Director's Report, Strategic Report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently material incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for out 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 2015 and of its loss for the year ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; including FRS 101 Reduced Disclosure Framework; 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 and Strategic 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 VELOCITY ACQUISITIONS LIMITED FOR THE YEAR ENDED 31 DECEMBER 2015

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 of directors 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

Andrew Merrick (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
Birmingham
26 September 2016

VELOCITY ACQUISITIONS LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 £000	2014 £000
Turnover		-	-
Administrative expenses		-	-
Operating result		-	-
Finance costs	5	(329)	(714)
Loss on ordinary activities before taxation		(329)	(714)
Income tax on loss on ordinary activities	6	67	154
Loss for the financial year		(262)	(560)

The Company had no other comprehensive income during the year, as such total comprehensive income is the same as profits for the financial year.

VELOCITY ACQUISITIONS LIMITED
BALANCE SHEET
AS AT 31 DECEMBER

	Note	2015 £000	2014 £000
Fixed Assets			
Investments	7	-	29,889
Current assets			
Investments held for sale	7	29,889	-
Trade and other receivables	8	67	796
Creditors: amounts falling due within one year	9	(35,437)	(35,904)
Net current liabilities		(5,481)	(35,108))
Net liabilities		(5,481)	(5,219)
Equity			
Called up share capital	10	20	20
Share premium account		1,955	1,955
Profit and loss account		(7,456)	(7,194)
Shareholders' deficit		(5,481)	(5,219)

Approved by the Board and authorised for issue on 26 September 2016 and signed on its behalf by:

JRandall
....
J Randall
Director

VELOCITY ACQUISITIONS LIMITED
STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER

	Called-up share capital	**Share premium**	**Retained earnings**	**Total**
Balance as at 1 January 2014	20	1,955	(6,634)	(4,659)
Profit (loss) for the financial year			(560)	(560)
Total comprehensive income for the year			(560)	(560)
Balance at 31 December 2014	20	1,955	(7,194)	(5,219)
Balance at 1 January 2015	20	1,955	(7,194)	(5,219)
Profit (loss) for the financial year			(262)	(262)
Total comprehensive income for the year			(262)	(262)
Balance as at 31 December 2015	20	1,955	(7,456)	(5,481)

1. **Authorisation of financial statements and statement of compliance with FRS 101**

The financial statements of Velocity Acquisitions Limited for the year ended 31 December 2015 were authorised for issue by the board of directors on 26th September 2016 and statement of financial position was signed on the board's behalf by Julie Randall. Velocity Acquisitions Limited is incorporated and domiciled in England and Wales.

These financial statements were prepared in accordance with Financial Reporting Standard 101 reduced Framework (FRS101) and in accordance with applicable accounting standards. The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

The Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Hexagon AB (Incorporated in Sweden). The results of Hexagon AB are included in the consolidated financial statements of Hexagon AB is which are available from Lilla Bantorget 15, P.O. Box 3692, SE-103 59, Stockholm, Sweden.

The principal accounting policies adopted by the company are set out in note 2.

2. **Accounting policies**

Basis of preparation

The Company transitioned from previously extant UK GAAP to FRS 101 for all periods presented. Note 14 discloses any material adjustment arising from the transition. The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2015.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

a. The requirements of paragraphs 45(b) and 46-52 of IFRS2 Share based payment, because the share based payment arrangement concerns the instruments of another group entity;
b. The requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS3 Business Combinations.
c. The requirements of paragraph 33 (c) of IFRS5 Non Current Assets Held for Sale and Discounted Operations
d. The requirements of IFRS7 Financial Instruments: Disclosures.
e. The requirements of paragraphs 91-99 of IFRS13 Fair Value Measurement.
f. The requirement in paragraph 38 of IAS1 'presentation of financial statements' to present comparative information in respect of:
   (i) Paragraph 79(a)(iv) of IAS1;
   (ii) Paragraph 73(e) of IAS16 Property, plant and equipment;
   (iii) Paragraph 118(e) of IAS 38 Intangible Assets;
   (iv) Paragraphs 76 and 79(d) of IAS 40 Investment Property;
g. The requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS1 Presentation of financial statements;
h. The requirements of IAS 7 Statement of cash flows;
i. The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
j. The requirements of paragraphs 17 of IAS 24 Related party disclosures
k. The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
l. The requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c) -135€ of IAS 36 Impairment of Assets.

2. Accounting policies (continued)

Basis other than going concern

The directors believe it is appropriate to prepare the financial statements on a break up basis as it is the intention to reorganise the group to a simplified structure by closing the intermediary holding companies within twelve months from the date of authorisation of these financial statements. The assets and liabilities of the company have been classified as current and a letter of parental support has been obtained from Hexagon AB to assist Velocity Acquisitions in meeting its liabilities as and when they fall due, but only to the extent that funds are not otherwise available to Velocity Acquisitions to meet such liabilities. No other adjustments were necessary to the amounts at which the remaining net assets are included in these financial statements

Revenue Recognition

As the company does not trade and therefore there is no recorded turnover for the year.

Investments

Investments have been classed as current in 2015 due to the use of the break up basis. Investments are stated at cost less provision for impairment in value.

Taxation

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of the assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:
When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realise or liability is settled, based on the tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legally enforcement right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net payment.

Income tax is charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.**Financial instruments**

Financial assets

Financial assets with the scope of IAS39 are classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments as appropriate. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows;

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss.

2. Accounting policies (continued)

Financial liabilities

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value thorough profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

3. Auditors remuneration

The auditor's remuneration for the period has been met by its parent company, Vero Software Limited.

4. Directors remuneration

None of the directors received remuneration for their services to the company as the services provided to the company are incidental to their wider role in the group.

5. Interest payable and similar charges

Interest payable includes £329,000 (2014 - £714,000) payable on loans from group companies.

6. Taxation

Tax on Loss on ordinary activities

	2015 £000	2014 £000
Current Tax		
Group Relief receivable	(67)	(154)

The differences are reconciled below

Reconciliation of current tax charge

	2015 £000	2014 £000
Loss on ordinary activities before tax	(329)	(714)
Tax on loss on ordinary activities at standard CT rate of 20.25% (PY: 21.49%)	(67)	(154)
Effects of:		
Group relief surrendered	67	154
Receipt for group relief	(67)	(154)
Total current tax credit for the period	(67)	(154)

Factors that may affect future tax charges

The standard rate of Corporation Tax in the UK reduced from 21% to 20% with effect from 1 April 2015. Accordingly, the company's profits for this accounting period are taxed at an effective rate of 20.25%.

The July 2015 Budget announced an intention to further reduce the UK corporation tax rate to 19% from 1 April 2017 and 18% by 1 April 2020 and to 17% from April 2020. The rate change to 17% was not substantively enacted at the balance sheet date and as such has not been reflected in the financial statements.

No deferred tax asset is recognised due to the uncertainty of the company's future profitability.

7. Investments

	2015	2014
	£000	£000
Investments held as fixed assets		
Shares in group undertakings and participating interests	-	29,889
Current asset investments held for sale		
Shares in group undertakings and participating interests	29,889	-

The investments of the company have been classified as current assets held for sale in 2015 due to the planned restructure of the group.

Shares in group undertakings and participating interests

	Subsidiary Undertakings £000
Cost	
At 1 January 2015 and at 31 December 2015	29,889
Net book Value	
At 1 January 2015 and at 31 December 2015	29,889

Details of undertaking

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:

Undertaking	Holding	Proportion of voting rights and shares held	Principal activity
Subsidiary undertakings			
Planit Holding Limited Great Britain	Ordinary Shares	100%	Intermediate Holding Company
Planit Software Limited * Great Britain	Ordinary Shares	100%	Software consultancy & Supply
Licom Systems Gmbh * Germany	Ordinary Shares	100%	Software consultancy & Supply
Licom Systems Srl * Italy	Ordinary Shares	100%	Software consultancy & Supply
Radan CFAO SA * France	Ordinary Shares	100%	Software consultancy & Supply
Radan BV * Netherlands	Ordinary Shares	100%	Software consultancy & Supply

7. Investments (continued)

Undertaking	Holding	Proportion of voting rights and shares held	Principal activity
Radan Computational* Limited	Ordinary Shares	100%	Dormant Company
Huckerby Royal Systems Ltd*	Ordinary Shares	100%	Dormant Company
Pathtrace Limited*	Ordinary Shares	100%	Dormant Company

*Indirect investments through the company's 100% shareholding of Planit Holdings Limited.

Licom Systems Gmbh and Licom Systems Srl are treated as subsidiaries because a significant proportion of their business is derived from sales from Planit Software Limited and therefore the Group has rights to variable returns from its contractual involvement and has the ability to affect these returns.

On 1 January 2015, Planit Holdings Limited, a subsidiary of Velocity Acquisitions Limited, disposed of its investments in Planit Solutions Inc and Surfcam Inc, for a cash consideration (intercompany payable) of £62.6m to Hexagon Metrology AB, a fellow group company

8. Debtors

	2015 £000	2014 £000
Amounts owed by group undertakings	67	796
	67	**796**

9. Creditors: Amounts falling due within one year

	2015 £000	2014 £000
Amounts owed to group undertakings	35,437	35,904
	35,437	35,904

Amounts due to group undertakings are repayable on demand and are interest bearing at the group's cost of borrowing.

VELOCITY ACQUISITIONS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

10. Share Capital

Authorised Share Capital

	2015		2014	
	No. 000	**£000**	**No. 000**	**£000**
Ordinary shares of £0.01 each	300,000	3,000	300,000	3,000

Allotted, called up and fully paid shares

	2015		2014	
	No. 000	**£000**	**No. 000**	**£000**
Ordinary shares of £0.01 each	1,975	20	1,975	20

11. Post balance sheet event

On 2nd September 2016 the directors received acknowledgement from Companies House of their request to dissolve the following dormant subsidiary companies; Pathtrace Ltd, Radan Computational Ltd and Huckerby Royal Systems Ltd. It is anticipated that these companies will be struck off the register within three months of this date. These companies are indirect investments of Velocity Acquisition by virtue of its 100% investment in Planit Holdings Ltd.

12. Related party transactions

The company has taken advantage of the exemption available under IAS 24 not to provide information on related party transactions with other 100% owned undertakings within the Hexagon AB group

13. Control

The immediate parent undertaking is Velocity Investco Limited by virtue of its 100% shareholding. In the opinion of the directors, the company's ultimate parent undertaking and ultimate controlling party is Hexagon AB, a company incorporated in Sweden. This is the largest group of which the company is a member and for which group financial statements are prepared. Copies of the financial statements are available from its registered office at the following address:

Lilla Bantorget 15
P.O. Box 3692
SE-103 59
Stockholm
Sweden

14. Transition to FRS 101

For all period up to and including the year ended 31 December 2014, the company prepared its financial statements in accordance with previously extant United Kingdom generally accepted accounting practise (UK GAAP). These financial statements, for the year ended 31 December 2015, are the first Company has prepared in accordance with FRS 101.

Accordingly, the company has prepared individual financial statements which comply with FRS 101 applicable for period beginning or after 1 January 2014 and the significant accounting policies meeting those requirements are described in the relevant notes.

14. Transition to FRS 101 (continued).

In preparing these financial statements, the Company has started from an opening balance sheet as at 1 January 2014, the Company's date of transition to FRS 101, and sought to identify those changes in accounting policies and other restatements required for the first-time adoption of FRS 101.

There were no adjustments identified by the company in restating its balance sheet as at 1 January 2014 prepared under previous UK GAAP and its previously published UK GAAP financial statements for the year ended 31 December 2014.