

Registered number: 04672443

**VISIONOSS LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2021**



**LUBBOCK FINE LLP**  
**Chartered Accountants**  
**Paternoster House**  
**65 St Paul's Churchyard**  
**London EC4M 8AB**

**VISIONOSS LIMITED**

**CONTENTS**

---

	Page
<b>Company Information</b>	1
<b>Group Strategic Report</b>	2 - 5
<b>Directors' Report</b>	6 - 7
<b>Independent Auditors' Report</b>	8 - 11
<b>Consolidated Statement of Comprehensive Income</b>	12
<b>Consolidated Balance Sheet</b>	13
<b>Company Balance Sheet</b>	14
<b>Consolidated Statement of Changes in Equity</b>	15
<b>Company Statement of Changes in Equity</b>	16
<b>Consolidated Statement of Cash Flows</b>	17
<b>Notes to the Financial Statements</b>	18 - 37

**VISIONOSS LIMITED**

**COMPANY INFORMATION**

---

<b>Directors</b>	M Frayne D Lipscombe M Caroe (appointed 6 October 2021)
<b>Company secretary</b>	D Lipscombe
<b>Registered number</b>	04672443
<b>Registered office</b>	Ashford House Grenadier Road Exeter Devon EX1 3LH
<b>Independent auditors</b>	Lubbock Fine LLP Chartered Accountants & Statutory Auditor Paternoster House 65 St Paul's Churchyard London EC4M 8AB
<b>Bankers</b>	Barclays Bank plc PO Box 87 22/24 Upper Marlborough Road St Albans Hertfordshire AL1 3HJ  Silicon Valley Bank 3003 Tasman Drive Santa Clara California 95054  ABSA Bank Ltd 1st Floor, Santyger Bldg 313 Durban Road Belville, 7530

## **VISIONOSS LIMITED**

### **GROUP STRATEGIC REPORT**

#### **FOR THE YEAR ENDED 31 AUGUST 2021**

---

The directors have pleasure in presenting the strategic report for the year ended 31 August 2021.

#### **Principal activity**

The principle business of the Group is to develop, market, sell and support automation software. The market segment we are currently focused on is Unified Communications (UC), also known as the Collaboration space. Our automation software improves the deployment, operations, monitoring and consumption of UC. While all enterprises consume UC, the Company has decided to focus on large/complex enterprises as the benefits such organisations can derive from automation are, by definition, much more significant than those available to smaller, simpler companies. There are 3 main UC deployment models: customer owned on premise solution (on premise), customer owned solutions hosted in a 3rd party data centre and managed by that 3rd party (managed) and solutions provided by 3rd parties that are hosted in the cloud.

#### **Business review**

The market trends are that large enterprises are adopting cloud-based strategies for a number of solutions that they utilise and UC is an example of one of the services where cloud adoption is increasing. The Company's strategy has been to target the UC cloud suppliers and over the past years we have been extremely successful at building up a customer base of around 40 UC significant Cloud providers including the majority of the largest players in the market such as Sprint, Telstra, BT, Vodafone and so on.

The current health pandemic has significantly altered the UC landscape – the need to support remote workers with technology has significantly accelerated the adoption of complex collaboration tools. Aggressive adoption of multiple best of breed solutions by enterprises will materially impact their need for tools that can help them manage the increased breadth of their UC solutions, thereby significantly increasing future demand for solutions such as those offered by the Company.

In prior years, the Company reported that it had entered the UC Assurance market by engaging in an OEM partnership with LayerX. The initial sales strategy for this solution is to existing customers, and to then develop a broader market penetration strategy. This initiative proved to be very successful, and the Group invested in sales, marketing, partner management, deployment and support capabilities.

The Key 2021 Strategic Initiatives are:

1. Cross selling and up selling to existing customers. Now that the Group has achieved a good customer footprint, the Group continues seeking ways to become more strategically aligned with this customer base and to look to cross sell other products and services and generally manage the risks of success directly with the customers. Of course, the new Assurance products are now part of cross sell and up sell initiative.
2. The second key strategy for the business was ongoing diversification to address the Microsoft market segment. The UC marketplace for large enterprises is dominated by Cisco and Microsoft and the Group had previously made a strategic commitment to develop solution capabilities to service the Microsoft market. Microsoft Teams is one of fastest growing UC tools, with demand driven by the needs to support remote workers.
3. The Group's third key strategy was to continue with the previous diversification strategy to target the large enterprises who choose to implement on-premise based UC environments. The strategy included further product development work as well as sales and marketing strategies to secure direct on-premise customers. This strategy was focused on both Cisco and Microsoft technology users.
4. Driving further success with VOSS Assurance.

## VISIONOSS LIMITED

### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

---

#### Principal risks and uncertainties

The principal risks in the business strategy include

1. Selection of technology partners (Cisco or Microsoft)
2. UC Cloud adoption rates for large enterprises
3. Transition to direct contracts and subscription based pricing
4. Macro economic trends

1. Would Cisco or Microsoft be the UC Cloud technology of choice?

In the large enterprise space where the Group is focused, the technology choices are primarily between Cisco and Microsoft. These two organisations enjoy over 75% of the UC market share and in 2021, Microsoft gained enormous traction in the UC space with its Teams solution.

#### *Risk Mitigation Strategies*

To mitigate the technology risk, the Group's solutions have proven multi-vendor capabilities that can readily be extended to additional vendors should there be a change in vendor preference in the market.

#### *Position at the end of 2021*

- The Group has proven and evolving multi vendor capabilities.

2. UC Cloud Adoption

UC Cloud adoption in the SME segment has been strong. This can readily be seen from the revenue growth enjoyed by companies that focus in this space such as 8x8, Twilio, RingCentral etc.

However, the Group's target market of large enterprises have historically been slower to adopt cloud based UC service, the breadth of service available, significant effort and costs involved in transitioning to cloud, security concerns and so on have all impacted UC Cloud adoption which has consequently impacted on the Group's overall revenue growth.

The recent pandemic fundamentally changed this situation – large enterprises have recognized that cloud platforms reduce risks as they have greater business continuity dimensions. Many companies found it extremely difficult to maintain and support on premise solutions when all their employees were required to work from home, and cloud solutions quickly became and accepted and viable alternative.

#### *Risk Mitigation Strategies*

To mitigate the UC adoption risks, the Group has extended its solution capabilities to deal with some of the issues negatively impacting adoption. Specifically, we have:

- built migration tools which greatly alleviate the time and costs associated with transitioning to the cloud;
- extended the feature set we deliver to closer match what this market segment requires;
- provided architectural product capabilities that allow the Group to adapt the UC Cloud partners platforms such that the UC services they provide to specific end customers are configured for that specific customer. Hence the UC Cloud providers who use our software can offer both the range and flexibility of UC services that the large enterprise market is asking for;
- built sales support capabilities as a solution (demo platforms, marketing, business justification materials, etc) that our partners can use to increase their own bid/win ratios.

However, during the year, this risk has ceased to be material. The pandemic has dramatically increased the overall adoption levels for Cloud based solutions for large enterprises.

## VISIONOSS LIMITED

### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

---

The major initiative the Group has initiated to mitigate the UC Cloud adoption risk is that we have set up an internal sales organisation to sell directly to large enterprises who do not wish to consume cloud based UC services.

#### *Position at the end of 2021*

As mentioned above, the Group has evolved its product capabilities to address the key concerns. The Group announced its Management as a Service capability during the year.

#### 3. Transition to direct contracts and subscription based pricing

Moving from perpetual to subscription based pricing has two major risks – customer acceptance and cash flow impacts.

This initiative has been very successful and over 70% of the Group's product revenues are now of a recurring nature. This will no longer be tracked as a business risk to the Group.

#### 4. Global Economic Trends

Like all other businesses, the Group's overall prospects are impacted by the general macro economic trends. The health pandemic was not something any of us considered a risk when the year started, and the Group has been fortunate to be positioned in a technological space that has grown counter cyclically to the overall global downturn. However, our customers are in multiple industries including airlines, hospitality and retail, all of which face severe challenges, and hence there is an inevitable ripple impact risk to VOSS.

#### *Risk Mitigation Strategies*

The Group will continue to conserve our cash, only invest in initiatives with very high probabilities for success and will curtail major strategic investments unless these are thoroughly researched, discussed with the Board and show a limited risk profile.

#### **Financial key performance indicators**

The Group's key performance indicator ("KPI") achievements were as follows:

<b>Category</b>	<b>Actual</b>	<b>Plan</b>
Orders	£14.1m	£14.6m
Revenue	£12.9m	£13.2m
Operating Costs	£10.0m	£10.0m
Assurance Orders	£2.6m	£4.0m
Subscription revenue as a % of total	72%	67%

#### **Analysis of performance vs KPIs**

The Group achieved and in some cases exceeded the targets. The primary reasons for this are:

1. The previous strategic program to transition customers from their indirect contractual relationship via Cisco to direct contracts based on subscription pricing with the Group have substantially been successfully completed.
2. The transition to subscription-based pricing has also been very successful.

The Board remains confident that the key strategic initiatives are fundamentally the correct strategies for the Group. In the future the Group will continue to invest in these initiatives, the future investments will be more focused on sales and marketing, as the foundational product solutions have been successfully developed.

We continue to review our operations to become more customer centric in our approach and to improve effectiveness, efficiency, to drive out unproductive costs and to implement internal systems and automation.

## VISIONOSS LIMITED

### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

---

#### **Financial risk management objectives and policies**

The Group's Board and Management understand the strategies, risks and risk mitigation initiatives in the business. Risks associated security breaches, financial fraud and the like are controlled by internal committees, thorough reporting, multiple signoffs required on transactions, weekly deal desk approval meetings to authorize all bids that go out for business as well as reporting and tracking of internal projects.

The fundamental market and business execution risks are primarily managed by allocating clear responsibilities to projects and initiatives, to defining plans with quarterly objectives and then meeting each month and quarter to review progress against plan so, where appropriate, corrective action can be taken. This happens at the project initiative level, executive level and board level.

#### **Future developments**

The Group is continuing its investments in other go to market strategies.

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

*Mike Frayne*

**M Frayne**  
Director

Date: 31 May 2022

## **VISIONOSS LIMITED**

### **DIRECTORS' REPORT**

#### **FOR THE YEAR ENDED 31 AUGUST 2021**

---

The directors present their report and the financial statements for the year ended 31 August 2021.

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Results and dividends**

The profit for the year, after taxation, amounted to £2,479,308 (2020 - £427,746).

#### **Directors**

The directors who served during the year were:

M Frayne  
D Liscombe  
C Bertrand (resigned 6 October 2021)  
M Caroe (appointed 6 October 2021)

#### **Branches outside the United Kingdom**

During the prior year the Company established a branch in Australia.

#### **Matters covered in the Group Strategic Report**

In accordance with 414C(11) of the Companies Act 2006 the Group has chosen to include information in relation to future developments, financial risk management, and research and development activities in the Group's strategic report.

**VISIONOSS LIMITED**

**DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

---

**Disclosure of information to auditors**

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

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

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

*Mike Frayne*

**M Frayne**  
Director

Date: 31 May 2022

## **VISIONOSS LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VISIONOSS LIMITED**

---

#### **Opinion**

We have audited the financial statements of VisionOSS Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 August 2021, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 August 2021 and of the Group's 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.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Material uncertainty related to going concern**

We draw attention to note 2.3 in the financial statements, which states that the group is in a net current liability position of £2,667,906 as at 31 August 2021. As stated in note 2.3, these events or conditions, along with the other matters as set forth in note 2.3, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **VISIONOSS LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VISIONOSS LIMITED (CONTINUED)**

---

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Company; or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.

#### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

## VISIONOSS LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VISIONOSS LIMITED (CONTINUED)

---

#### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the sector and the impact of Covid 19 on financial and operating performance and policies;
- Enquiries of management, including obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance of laws and regulations; and
- Discussions between the engagement team and component auditors concerning work undertaken in relation to identifying and assessing risks of irregularities and non-compliance with laws at component levels.
- Discussions among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. The engagement team includes audit partners and staff who have extensive experience of working with entities in similar sectors and this experience was relevant to the discussion about where fraud risks might arise.

We also obtained an understanding of the legal and regulatory framework that the group operates in, focusing on provisions of those laws and regulations that had direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies Act 2006 and Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included health and safety regulations, environmental regulations.

As a result of these procedures, we considered the particular areas that were susceptible to misstatement due to fraud were in respect of revenue recognition and management override. Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance;
- reviewing revenue recognition on a sample basis;

## VISIONOSS LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VISIONOSS LIMITED (CONTINUED)

---

- in addressing the risk of fraud through management override of controls, testing the appropriateness of *journal entries and other adjustments*; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the rationale of any significant transactions that are unusual or outside the normal course of the group's operations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

#### Use of our report

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.

*Stephen Banks*

**Stephen Banks** (Senior Statutory Auditor)  
for and on behalf of  
**Lubbock Fine LLP**  
Chartered Accountants & Statutory Auditor  
Paternoster House  
65 St Paul's Churchyard  
London  
EC4M 8AB  
Date: 31 May 2022

**VISIONOSS LIMITED**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	2021 £	2020 £
Turnover	4	12,930,146	11,847,956
Cost of sales		(1,047,873)	(967,041)
<b>Gross profit</b>		<u>11,882,273</u>	<u>10,880,915</u>
Administrative expenses		(8,951,308)	(10,120,891)
<b>Operating profit</b>	5	2,930,965	760,024
Interest receivable and similar income	8	2,825	13,346
Interest payable and expenses	9	(346,099)	(324,847)
<b>Profit before taxation</b>		<u>2,587,691</u>	<u>448,523</u>
Tax on profit	10	(108,383)	(20,777)
<b>Profit for the financial year</b>		<u><u>2,479,308</u></u>	<u><u>427,746</u></u>
Currency translation differences on consolidation		290,253	1,079,827
<b>Other comprehensive income for the year</b>		<u>290,253</u>	<u>1,079,827</u>
<b>Total comprehensive income for the year</b>		<u><u>2,769,561</u></u>	<u><u>1,507,573</u></u>
<b>Profit for the year attributable to:</b>			
Owners of the parent Company		<u>2,479,308</u>	<u>427,746</u>
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the parent Company		<u><u>2,769,561</u></u>	<u><u>1,507,573</u></u>

There were no recognised gains and losses for 2021 or 2020 other than those included in the consolidated statement of comprehensive income.

The notes on pages 18 to 37 form part of these financial statements.

## CONSOLIDATED BALANCE SHEET

AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible fixed assets	11	119,261	106,376
<b>Current assets</b>			
Debtors: amounts falling due within one year	13	2,414,034	2,815,266
Cash at bank and in hand	14	8,009,992	3,379,742
		<u>10,424,026</u>	<u>6,195,008</u>
Creditors: amounts falling due within one year	15	<u>(13,091,933)</u>	<u>(8,247,436)</u>
<b>Net current liabilities</b>		<u>(2,667,907)</u>	<u>(2,052,428)</u>
<b>Total assets less current liabilities</b>		<u>(2,548,646)</u>	<u>(1,946,052)</u>
Creditors: amounts falling due after more than one year	16	<u>(2,305,460)</u>	<u>(2,023,844)</u>
<b>Net liabilities</b>		<u><u>(4,854,106)</u></u>	<u><u>(3,969,896)</u></u>
<b>Capital and reserves</b>			
Called up share capital	18	12,739	12,890
Share premium account	19	11,283,739	19,814,293
Other reserves	19	166,363	343,680
Profit and loss account	19	<u>(16,316,947)</u>	<u>(24,140,759)</u>
		<u><u>(4,854,106)</u></u>	<u><u>(3,969,896)</u></u>

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

*Mike Frayne*

**M Frayne**  
Director

Date: 31 May 2022

The notes on pages 18 to 37 form part of these financial statements.

## COMPANY BALANCE SHEET

AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	11	19,479	5,459
Investments in subsidiary companies	12	342,352	342,352
		<u>361,831</u>	<u>347,811</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	13	9,583,888	10,289,531
Cash at bank and in hand	14	5,780,991	822,062
		<u>15,364,879</u>	<u>11,111,593</u>
Creditors: amounts falling due within one year	15	(8,899,872)	(3,415,357)
<b>Net current assets</b>		<u>6,465,007</u>	<u>7,696,236</u>
<b>Total assets less current liabilities</b>		<u>6,826,838</u>	<u>8,044,047</u>
Creditors: amounts falling due after more than one year	16	(1,930,412)	(1,323,167)
<b>Net assets</b>		<u><u>4,896,426</u></u>	<u><u>6,720,880</u></u>
<b>Capital and reserves</b>			
Called up share capital	18	12,739	12,890
Share premium account	19	11,283,739	19,814,293
Other reserves	19	222,821	343,680
Profit and loss account	19	(6,622,873)	(13,449,983)
		<u>4,896,426</u>	<u>6,720,880</u>

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

*Mike Frayne*  
**M Frayne**  
 Director

Date: 31 May 2022

The notes on Pages 18 to 37 form part of these financial statements.

**VISIONOSS LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31 AUGUST 2021**

	Called up share capital £	Share premium account £	Other reserves £	Profit and loss account £	Total equity £
At 1 September 2020	12,890	19,814,293	343,680	(24,140,759)	(3,969,896)
Profit for the year	-	-	-	2,479,308	2,479,308
Other recognised gains and losses during the year	-	-	-	(81,858)	(81,858)
Shares issued during the year	3,280	(2,665)	-	-	615
Shares redeemed during the year	(3,431)	(3,278,844)	-	-	(3,282,275)
Transfer to profit and loss account	-	(5,249,045)	(177,317)	5,426,362	-
<b>At 31 August 2021</b>	<b>12,739</b>	<b>11,283,739</b>	<b>166,363</b>	<b>(16,316,947)</b>	<b>(4,854,106)</b>

The notes on pages 18 to 37 form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 31 AUGUST 2020**

	Called up share capital £	Share premium account £	Other reserves £	Profit and loss account £	Total equity £
At 1 September 2019	12,890	19,814,293	343,680	(25,648,332)	(5,477,469)
Profit for the year	-	-	-	427,746	427,746
Other recognised gains and losses during the year	-	-	-	1,079,827	1,079,827
<b>At 31 August 2020</b>	<b>12,890</b>	<b>19,814,293</b>	<b>343,680</b>	<b>(24,140,759)</b>	<b>(3,969,896)</b>

The notes on pages 18 to 37 form part of these financial statements.

**VISIONOSS LIMITED****COMPANY STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 AUGUST 2021**

---

	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Other reserves</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 September 2020	12,890	19,814,293	343,680	(13,449,983)	6,720,880
Profit for the year	-	-	-	1,472,784	1,472,784
Other recognised gains and losses during the year	-	-	-	(15,578)	(15,578)
Shares issued during the year	3,280	(2,665)	-	-	615
Shares redeemed during the year	(3,431)	(3,278,844)	-	-	(3,282,275)
Transfer to profit and loss account	-	(5,249,045)	(120,859)	5,369,904	-
<b>At 31 August 2021</b>	<b>12,739</b>	<b>11,283,739</b>	<b>222,821</b>	<b>(6,622,873)</b>	<b>4,896,426</b>

The notes on pages 18 to 37 form part of these financial statements.

**COMPANY STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 AUGUST 2020**

---

	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Other reserves</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 September 2019	12,890	19,814,293	343,680	(14,800,061)	5,370,802
Profit for the year	-	-	-	1,344,878	1,344,878
Other recognised gains and losses during the year	-	-	-	5,200	5,200
<b>At 31 August 2020</b>	<b>12,890</b>	<b>19,814,293</b>	<b>343,680</b>	<b>(13,449,983)</b>	<b>6,720,880</b>

The notes on pages 18 to 37 form part of these financial statements.

**VISIONOSS LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 AUGUST 2021**

	2021 £	2020 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	2,479,308	427,746
<b>Adjustments for:</b>		
Depreciation of tangible assets	51,737	56,144
Loss/(Profit) on disposal of tangible assets	23	(2,831)
Interest paid	346,099	324,847
Interest received	(2,825)	(13,346)
Taxation charge	108,383	20,777
Decrease in debtors	299,767	538,502
Increase in creditors	3,840,003	992,655
Corporation tax paid	(108,383)	(20,777)
Foreign exchange	(206,197)	903,048
<b>Net cash generated from operating activities</b>	<u>6,807,915</u>	<u>3,226,765</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(55,549)	(83,938)
Sale of tangible fixed assets	-	2,830
Interest received	2,825	13,346
<b>Net cash from investing activities</b>	<u>(52,724)</u>	<u>(67,762)</u>
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	615	-
Purchase of ordinary shares	(3,282,275)	-
Proceeds from other new loans	2,593,708	621,317
Repayment of other loans	(1,090,890)	(1,257,375)
Interest paid	(346,099)	(324,847)
<b>Net cash used in financing activities</b>	<u>(2,124,941)</u>	<u>(960,905)</u>
<b>Net increase in cash and cash equivalents</b>	4,630,250	2,198,098
Cash and cash equivalents at beginning of year	3,379,742	1,181,644
<b>Cash and cash equivalents at the end of year</b>	<u>8,009,992</u>	<u>3,379,742</u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	<u>8,009,992</u>	<u>3,379,742</u>

The notes on pages 18 to 37 form part of these financial statements.

## VISIONOSS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 AUGUST 2021

---

#### 1. General information

VisionOSS Limited is a private company, limited by shares, incorporated in England and Wales. Its principal place of business is Regus Building, 200 Brook Drive, Green Park, Reading, RG2 6UB.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

##### 2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

## VISIONOSS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 AUGUST 2021

---

## 2. Accounting policies (continued)

### 2.3 Going concern

The Group meets its day-to-day working capital requirements through the financial support of its lenders and investors.

The extent of the impact of the coronavirus ("COVID-19") outbreak on the financial performance of the Group will depend on future developments, including the duration and spread of the outbreak and related advice and restrictions and the impact of COVID-19 on the financial markets and the overall economy. If the financial markets and/or overall economy are impacted for an extended period, the Group's results may be adversely affected. The potential effects of COVID-19 on the financial statements cannot be determined to date and will be subject to constant monitoring throughout the year.

As at 31 August 2021 the Group had net current liabilities of £2,667,906. As discussed in note 15, the Group has two credit facilities and in respect of these a total balance of £2,123,527 is payable within a year of the balance sheet date. As such, there is a material uncertainty over whether the Group is able to meet its liabilities as they fall due and thereby whether the going concern basis of accounting is appropriate.

The directors believe that it is appropriate to prepare the financial statements on a going concern basis which assumes that the Group will continue in operational existence for the foreseeable future on the basis of the Group's plans and the continued support of the Group's lenders and both current and future potential investors.

Should the going concern basis prove to be inappropriate then adjustments may be required to reduce the carrying values of assets to their recoverable amounts, to provide for any additional liabilities that may arise, and to reclassify fixed assets and long term liabilities respectively.

## VISIONOSS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 AUGUST 2021

---

## 2. Accounting policies (continued)

### 2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

#### Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

#### Agent commission income

The Group has entered into an agreement whereby it acts as an agent on behalf of a principal. The Group receives a fixed percentage commission income based on the revenues of the principal. This commission income is recognised in the period to which the revenues of the principal relate.

### 2.5 Tangible fixed assets and depreciation

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

## VISIONOSS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 AUGUST 2021

---

## 2. Accounting policies (continued)

### 2.5 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short-term leasehold property	- Straight line over the life of the lease
Fixtures and fittings	- Straight line at 20%
Plant and machinery	- Straight line at 33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

### 2.6 Valuation of investments

Investments in subsidiaries are valued at cost less provision for impairment.

### 2.7 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

### 2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

### 2.9 Financial instruments

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

**VISIONOSS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2021**

---

**2. Accounting policies (continued)**

**2.9 Financial instruments (continued)**

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**2.10 Creditors**

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

## VISIONOSS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 AUGUST 2021

---

## 2. Accounting policies (continued)

### 2.11 Foreign currency translation

#### Functional and presentation currency

The Group's functional currency is USD. This differs from the presentational currency which is GBP. The reason for the difference is that the financial statements give a more true and fair representation of the business for the financial statement users.

#### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

### 2.12 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

### 2.13 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

## VISIONOSS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

---

## 2. Accounting policies (continued)

### 2.14 Pensions

#### Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

### 2.15 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

### 2.16 Interest income

Interest income is recognised in profit or loss using the effective interest method.

## VISIONOSS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 AUGUST 2021

---

## 2. Accounting policies (continued)

### 2.17 Share based payments

The group issues equity-settled share-based payments to certain employees (including directors). Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, together with a corresponding increase in equity, based upon the Group's estimate of the shares that will eventually vest.

Fair value is measured using the Black Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Where the terms of an equity-settled transaction are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled transaction is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised for the transaction is recognised immediately. However, if a new transaction is substituted for the cancelled transaction, and designated as a replacement transaction on the date that it is granted, the cancelled and new transactions are treated as if they were a modification of the original transaction, as described in the previous paragraph.

Where vested share options are forfeited in the year, the expense recognised to date is not subsequently reversed however a transfer is made from the share option reserve to the profit and loss reserve to reflect the reduction of share options in issue.

### 2.18 Share capital

Ordinary share capital is classed as equity.

On issue the company's preferred shares were split into debt and equity components and the fair value of the debt element was established at this time, based on the discounted cash flows of the instrument to the date of maturity. The debt amount was then increased each year on an amortised cost basis through the profit and loss account to arrive at the redemption amount payable on maturity of the shares.

During the year ended 31 August 2017 the redemption premium payable on the preferred shares was cancelled and based upon the terms of these preferred shares, these are now classed as equity.

## VISIONOSS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

#### 3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The only key judgements and sources of estimation uncertainty are:

##### Revenue Recognition

A proportion of the turnover which the Group receives is from software consultancy projects. Such turnover is recognised by the Group according to the stage of completion of each project. Due to the absence of other formal information, the stage of completion is estimated by the Group on the basis of their experience and knowledge of the project.

#### 4. Turnover

An analysis of turnover by class of business is as follows:

	2021 £	2020 £
Sale of goods	8,110,023	6,266,438
Rendering of services	4,820,123	5,581,518
	<u>12,930,146</u>	<u>11,847,956</u>

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	3,482,026	2,820,249
Rest of the world	9,448,120	9,027,707
	<u>12,930,146</u>	<u>11,847,956</u>

#### 5. Operating profit/loss

The operating profit is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets	51,737	56,144
Fees payable to the Group's auditors and its associates for the audit of the Group's annual financial statements	13,500	13,500
Exchange differences	(102,823)	815,428
Operating lease rentals	337,640	362,392
Defined contribution pension cost	175,665	141,854
	<u>175,665</u>	<u>141,854</u>

**VISIONOSS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 AUGUST 2021****6. Employees**

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	6,511,768	6,515,773	2,062,559	1,687,501
Social security costs	353,556	323,656	202,697	169,769
Cost of defined contribution scheme	175,665	141,854	78,969	54,227
	<u>7,040,989</u>	<u>6,981,283</u>	<u>2,344,225</u>	<u>1,911,497</u>

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

	2021 No.	2020 No.
Number of engineering staff	39	36
Number of sales and marketing staff	15	10
Number of global services staff	29	30
Number of general and administration staff	11	13
	<u>94</u>	<u>89</u>

**7. Directors' remuneration**

	2021 £	2020 £
Directors' emoluments	311,184	685,335
Directors pension costs	62,172	37,323
	<u>373,356</u>	<u>722,658</u>

During the year retirement benefits were accruing to 2 directors (2020 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £241,950 (2020 - £888,795).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £9,172 (2020 - £9,723).

**8. Interest receivable**

	2021 £	2020 £
Other interest receivable	<u>2,825</u>	<u>13,346</u>

**VISIONOSS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2021**

**9. Interest payable and similar expenses**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Other loan interest payable	346,099	324,847
	<u>346,099</u>	<u>324,847</u>

**10. Taxation**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Corporation tax</b>		
Current tax on profits for the year	(63,494)	-
Foreign tax on income for the year	171,877	20,777
	<u>171,877</u>	<u>20,777</u>
<b>Taxation on profit on ordinary activities</b>	<u>108,383</u>	<u>20,777</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2020 - lower than) the standard rate of corporation tax of 19% (2020 - 19%). The differences are explained below:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before tax	2,587,691	448,253
	<u>2,587,691</u>	<u>448,253</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	491,661	85,219
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	308	1,071
Capital allowances for year in excess of depreciation	31,137	30,559
Utilisation of tax losses	(111,685)	(1,242,559)
Different rate taxes on overseas earnings	99,671	(82,075)
Other timing differences leading to an increase in taxation	(474,065)	937,229
Unrelieved tax losses carried forward	(37,027)	270,556
Overseas tax paid	108,383	20,777
	<u>108,383</u>	<u>20,777</u>
<b>Total tax charge for the year</b>	<u>108,383</u>	<u>20,777</u>

**VISIONOSS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2021**

**10. Taxation (continued)**

**Factors that may affect future tax charges**

A deferred tax asset of £5,121,000 (2020 - £4,778,000) has not been recognised in the accounts as it is uncertain whether the Group will make sufficient future taxable profits to utilise this asset. The asset arises due to trading losses generated by the Group in earlier periods and may be offset against future taxable profits, which are available for an indefinite period.

**11. Tangible fixed assets**

**Group**

	Short-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>				
At 1 September 2020	96,801	442,267	87,805	626,873
Additions	-	51,034	4,514	55,548
Disposals	-	(42,687)	-	(42,687)
Exchange adjustments	3,380	32,441	2,673	38,494
At 31 August 2021	<u>100,181</u>	<u>483,055</u>	<u>94,992</u>	<u>678,228</u>
<b>Depreciation</b>				
At 1 September 2020	51,942	395,596	72,959	520,497
Charge for the year on owned assets	13,028	34,269	5,055	52,352
Disposals	-	(42,664)	-	(42,664)
Exchange adjustments	(658)	28,402	1,038	28,782
At 31 August 2021	<u>64,312</u>	<u>415,603</u>	<u>79,052</u>	<u>558,967</u>
<b>Net book value</b>				
At 31 August 2021	<u>35,869</u>	<u>67,452</u>	<u>15,940</u>	<u>119,261</u>
At 31 August 2020	<u>44,859</u>	<u>46,671</u>	<u>14,846</u>	<u>106,376</u>

**VISIONOSS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2021**

**11. Tangible fixed assets (continued)**

**Company**

	<b>Plant and machinery £</b>	<b>Fixtures and fittings £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
At 1 September 2020	56,046	458	56,504
Additions	20,320	-	20,320
Disposals	(11,514)	-	(11,514)
Exchange adjustments	(94)	-	(94)
At 31 August 2021	<u>64,758</u>	<u>458</u>	<u>65,216</u>
<b>Depreciation</b>			
At 1 September 2020	50,587	457	51,044
Charge for the year on owned assets	6,200	-	6,200
Disposals	(11,500)	-	(11,500)
Exchange adjustments	(7)	-	(7)
At 31 August 2021	<u>45,280</u>	<u>457</u>	<u>45,737</u>
<b>Net book value</b>			
At 31 August 2021	<u>19,478</u>	<u>1</u>	<u>19,479</u>
At 31 August 2020	<u>5,458</u>	<u>1</u>	<u>5,459</u>

**VISIONOSS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2021**

**12. Fixed asset investments**

**Company**

	<b>Investments in subsidiary companies £</b>
<b>Cost or valuation</b>	
At 1 September 2020	342,352
At 31 August 2021	<u>342,352</u>

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>
VisionOSS Incorporated	160 Greentree Drive, Suite 101, Dover, Kent, 19904 Delaware, USA	IT & Telecoms distribution	Ordinary	100%
VisionOSS Pty Limited	Unit 5 Knowledge Park III, Heron Crescent, Century City, 7441, South Africa	IT & Telecoms distribution	Ordinary	100%

**13. Debtors**

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Company 2021 £</b>	<b>Company 2020 £</b>
Trade debtors	1,824,424	2,070,482	1,485,117	1,369,935
Amounts owed by group undertakings	-	-	7,729,220	8,459,698
Other debtors	89,820	81,555	25,800	25,800
Prepayments and accrued income	490,349	653,489	343,751	434,098
Tax recoverable	9,441	9,740	-	-
	<u>2,414,034</u>	<u>2,815,266</u>	<u>9,583,888</u>	<u>10,289,531</u>

**VISIONOSS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2021**

**14. Cash and cash equivalents**

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Cash at bank and in hand	8,009,992	3,379,742	5,780,991	822,062

**15. Creditors: Amounts falling due within one year**

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Other loans	2,123,527	1,343,496	2,123,527	1,343,496
Trade creditors	611,093	328,498	446,885	205,370
Other taxation and social security	446,533	396,570	420,355	372,467
Other creditors	3,589,523	410,283	3,319,409	114,921
Accruals and deferred income	6,321,257	5,768,589	2,589,696	1,379,103
	<u>13,091,933</u>	<u>8,247,436</u>	<u>8,899,872</u>	<u>3,415,357</u>

The Group's financing facility includes two credit facilities. One credit facility amounts to \$3,000,000 (2020 - \$3,000,000) and incurs interest at 10% on the draw-down amount and the other facility amounts to \$3,370,176 (2020 - \$2,370,176) and incurs interest at 13% on the draw-down amount. These credit facilities have the purpose of providing cover for working capital and liquidity commitments. Other loans comprise amounts falling due within one year under the terms of these facilities. The loans are secured by a charge over the Group's assets.

**16. Creditors: Amounts falling due after more than one year**

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Other loans	1,930,412	1,323,167	1,930,412	1,323,167
Accruals and deferred income	375,048	700,677	-	-
	<u>2,305,460</u>	<u>2,023,844</u>	<u>1,930,412</u>	<u>1,323,167</u>

Other loans comprise amounts due after more than one year under the terms of the facilities disclosed in note 15.

**VISIONOSS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2021**

**17. Financial instruments**

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
<b>Financial assets</b>				
Financial assets that are debt instruments measured at amortised cost	2,086,307	2,636,456	9,850,351	10,261,012
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	(11,471,433)	(6,010,251)	(8,878,716)	(3,921,142)

Financial assets measured at amortised cost comprise trade debtors, amounts owed by group undertakings, other debtors (excluding VAT recoverable) and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, taxation and social security, accruals and other loans.

**18. Share capital**

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
12,738,599 (2020 - 1,885,907) Ordinary shares of £0.001 each	12,739	1,886
926,727 A Preferred shares of £0.001 each	-	927
3,903,744 B Preferred shares of £0.001 each	-	3,904
6,172,607 C Preferred shares of £0.001 each	-	6,173
	<u>12,739</u>	<u>12,890</u>

**VISIONOSS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2021**

---

**18. Share capital (continued)**

**Redemption**

During the year ended 31 August 2017 the redemption rights of the C Preferred shares were cancelled. Therefore at 31 August 2017 there were no longer any shares classed as debt.

Since A Preferred shares and B Preferred shares could not be redeemed while any C Preferred shares remain outstanding, the redemption of A Preferred shares and B Preferred shares was void.

**Rights of the shares**

All issued shares have the right to receive dividends and the same voting rights.

Any surplus on liquidation or other return of capital is paid first in respect of C preferred shares, a sum equal to all unpaid arrears and accrual of dividends, second in respect of the C preferred shares, a sum equal to the amount subscribed for such shares, third in respect of B preferred shares, a sum equal to all unpaid arrears and accrual of dividends, fourth in respect of the B preferred shares, a sum equal to the amount subscribed for such shares, fifth in respect of A preferred shares, a sum equal to all unpaid arrears and dividends, sixth in respect of the A preferred shares, a sum equal to the amount subscribed for such shares and seventh, in distributing the balance amongst the holders of all classes of shares as if the same constituted one class in proportion to the number of shares held.

**Conversion**

The A, B and C preferred shares carry the right to conversion to ordinary shares upon notice being given by the preferred shareholders.

**19. Reserves**

**Share premium account**

Share premium reflects the amount received in exchange for shares in the company in excess of the shares' par value.

**Other reserves**

Other reserves comprises the value of share options granted which have vested, not yet been exercised and not expired.

**Profit and loss account**

Profit and loss account includes all cumulative profits and losses, and currency translation differences, less the value of share options which have been cancelled.

## VISIONOSS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 AUGUST 2021

#### 20. Share-based payments

##### Equity-settled share-based payments

The Group has a share option scheme under which options to subscribe for the Company's ordinary shares have been granted to all employees (including directors) either as Enterprise Management Incentives (EMI) options or unapproved options.

Options are exercisable at a price equal to the average market price of the Company's shares on the date of grant. The vesting period is usually 1 to 3 years. The exercise of options is also dependent on eligible executives meeting performance criteria. The options are settled in equity once exercised.

If the options remain unexercised after a period of 10 years from the date of grant, the options expire. Options are forfeited if the employee leaves the Group before the options vest.

During the year there were the following movements in the Company's outstanding ordinary share options under the scheme:

Type of option	Date of grant of £0.001 each	Exercise price	Outstanding at 1 September 2020	Forfeited/ excersised/ lapsed during the year	Granted during the year	Outstanding at 31 August 2021
EMI	17 November 2009	£0.67	54,469	(7,526)	-	46,943
EMI	31 January 2016	£0.59	10,500	-	-	10,500
Unapproved	17 November 2009	£0.67	201,802	(5,514)	-	196,288
Unapproved	1 January 2010	£2.37	10,000	-	-	10,000
Unapproved	4 January 2010	£2.37	33,000	(15,000)	-	18,000
Unapproved	1 December 2010	£2.37	6,000	-	-	6,000
Unapproved	22 August 2011	£2.37	133,750	(22,500)	-	111,250
Unapproved	1 December 2011	£2.31	3,000	(1,500)	-	1,500
Unapproved	25 February 2013	£2.31	25,770	-	-	25,770
Unapproved	31 August 2013	£2.31	557,972	-	2,272	560,244
Unapproved	11 September 2013	£0.59	5,000	-	-	5,000
Unapproved	1 February 2014	£0.59	15,000	-	-	15,000
Unapproved	31 March 2014	£0.59	87,122	-	2,500	89,622
Unapproved	31 August 2014	£0.59	193,406	-	-	193,406
Unapproved	31 October 2015	£0.59	22,183	-	-	22,183
Unapproved	31 January 2016	£0.59	7,000	(3,500)	-	7,000
Unapproved	14 June 2017	£0.50	6,234	-	-	6,234
<b>Total</b>			<b>1,372,208</b>	<b>(55,540)</b>	<b>4,772</b>	<b>1,321,440</b>

The fair values of the share options granted during the year were calculated using the Black-Scholes pricing model. The inputs into the model were as follows:

Expected volatility - 30%  
Expected life - 10 years  
Risk free rate of interest - 0.5%

**VISIONOSS LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 AUGUST 2021****21. Parent Company profit for the year**

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent Company for the year was £1,472,784 (2020 - £1,344,878).

**22. Pension commitments**

The Group operates a pension scheme which provides for the full payment of the contribution by the Group. The scheme operates on a defined contribution money purchase basis and the contributions are charged to the profit and loss account as they arise.

**Group**

The charge for the year was £175,665 (2020 - £141,854). At the balance sheet date pension contributions in the amount of £32,088 (2020 - £22,035) remained outstanding.

**Company**

The charge for the year was £78,969 (2020 - 54,227). At the balance sheet date pension contributions in the amount of £24,464 (2020 - £15,156) remained outstanding.

**23. Commitments under operating leases**

At 31 August 2021 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Company 2021 £</b>	<b>Company 2020 £</b>
<b>Land and Buildings</b>				
Not later than 1 year	193,122	318,925	77,400	226,800
Later than 1 year and not later than 5 years	-	196,781	-	77,400
	<u>193,122</u>	<u>515,706</u>	<u>77,400</u>	<u>304,200</u>
	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Company 2021 £</b>	<b>Company 2020 £</b>
<b>Other</b>				
Not later than 1 year	7,200	14,400	7,200	14,400
Later than 1 year and not later than 5 years	-	7,200	-	7,200
	<u>7,200</u>	<u>21,600</u>	<u>7,200</u>	<u>21,600</u>

**VISIONOSS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2021**

---

**24. Related party transactions**

At the balance sheet date an amount of £2,248,150 (2020 - £1,634,916) was due from the Group to Other Related Parties in respect of a loan received during the year. The loan is secured by a charge over the Group's assets, bears interest at a rate of 13% per annum and is payable in monthly instalments until 31 March 2024.

**25. Key management personnel compensation**

All directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the Group are considered to be key management personnel. The remuneration of directors and other members of key management during the year was as follows:

	2021 £	2020 £
Short term benefits	1,270,947	1,511,660
Post employment benefits	46,918	42,333
	<u>1,317,865</u>	<u>1,553,993</u>

**26. Post balance sheet events**

On 13th September 2021 Vision OSS Limited acquired 100% of the share capital of Layer X Holdings LLC a Texas Limited Liability Company, consisting of 1,000 common shares with a par value of \$0.001 for total consideration of \$10,500,000. On the 9 March 2021 an additional draw down of a loan facility of \$3,000,000 was made to partly fund the acquisition.