

VisionTrack Limited
Report and Financial Statements
Year ended 31 December 2022



Company Registration No. 03350417

VisionTrack Limited

Report and Financial Statements

Year ended 31 December 2022

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VisionTrack Limited

Directors and Other Information

Directors: K J Barber
G Humphreys
S C Marsh
K R Spencer

Company secretary: C J Payne

Auditor: RSM UK Audit LLP
Chartered accountants
Davidson House
Forbury Square
Reading
RG1 3EU

Registered office: 45 Westerham Road
Bessels Green
Sevenoaks
Kent
TN13 2QB

Bankers: National Westminster Bank Plc
27 South Street
Worthing
West Sussex
BN11 3AR

VisionTrack Limited

Strategic Report

For the year ended 31 December 2022

Fair review of the business and future developments

The principal activity of VisionTrack Limited ("the Company") during the year was the ongoing design, development, marketing and supply of in-vehicle video telematics products and services. The Company aims to improve road safety by providing solutions to prevent road fatalities and other serious road incidents, enabling businesses to meet their Environmental, Social and Governance responsibilities. Increased investment in software development focussed heavily on building unique cloud based computer vision and AI capabilities to assist users in reducing the potential risk of serious road incidents. The technological advancements help remove the need for extensive manual review of video footage in order to determine the cause of the potential risks captured through the video telematics solution.

The Company experienced strong subscription turnover growth in its domestic market in 2022 with strong uptake across commercial vehicle fleets adopting video telematics. The turnover of the Company increased in the year ended 31 December 2022 as a consequence of growth in turnover within its partner customer base who sell Company's services as a complimentary service to their own telematics software solution. In addition, the Company maintained stable turnover with its direct customers whilst adding a number of new key accounts during the year.

Turnover in the year grew as a consequence of:

- increased recurring subscription turnover of 48%
- stable turnover from existing and new direct customers as part of vehicle replacement programs as well as deployment to existing vehicles
- continued expansion within existing and new telematic partner businesses
- ongoing supply to Original Equipment Manufacturer customers

The Company further supported the development of its US business through its wholly owned subsidiary VisionTrack Inc as part of building a partner network similar to the UK. VisionTrack's software platform continued to be localised to facilitate future sales into Europe through an extended partner channel.

The Company reviewed and modified operating systems during the year, deploying further ERP system modules as well as creating APIs with internal and 3rd party applications. This streamlines business processes, and reduces operating costs, whilst ensuring a high-quality customer experience.

The Company's key financial metric, against which the Board and the Company's parent assesses its performance, is EBITDA, calculated as follows:

	2022 £000	2021 £000
Loss before taxation	(1,509)	(108)
remove: interest expense	4	4
remove: amortisation	2,032	1,434
remove: depreciation	116	83
EBITDA	643	1,413

** note, exceptional items in this context include non-recurring items and elements defined in covenant reporting required by the Group's lenders. These allow for adjustments to reverse impairments of certain items and project, restructuring and redundancy costs for particular post transaction activity. These are neither exceptional nor extraordinary items from an accounting perspective and form part of continuing operations so are included in administrative expenses from ordinary activities on the statement of comprehensive income.*

Turnover and gross profit are both increasing, with gross profit percentage up to 44% from 38% in 2021, but the increase in administrative expenses, primarily staff costs, has more than offset this to result in a lower EBITDA.

The Company continued to invest in its staff to support the growth in the business but have managed to grow headcount by 31% whilst only incurring a year-on-year increase in overall cost of 21%. Inflationary pressures on wages continue to be closely monitored by management to assess the impact on the ongoing profit of the business.

The Company also continued to invest in its technology capability and has seen the level of capitalised software development costs rise accordingly. The combination of the resulting higher amortisation added to the increased administration costs resulted in the Company recording a loss before tax of £1,509k (2021: loss of £108k) for the year.

VisionTrack Limited

Strategic Report (continued)

For the year ended 31 December 2022

Fair review of the business and future developments (continued)

Net assets have reduced as the loss for the period flows through to retained earnings. Trade creditors and trade debtors have increased in line with volumes but there have been no significant changes in the structure of our terms with our customers or our working capital requirements.

Research and development

As noted above, the Company increased investment in its software technology, the award-winning software platform, Autonomise, which continued to win industry technology awards. The Company is heavily focussed on developing market leading computer vision and AI capabilities to help customers better manage their fleet operations and derive value from machine learning technologies. We work closely with our customers to enhance their return on investment in VisionTrack services, improve road safety and ultimately safeguard their people and assets.

Principal risks and uncertainties

In the normal course of business, the Company is exposed to a variety of risks. Measures are in place to ensure best practice and compliance and are under constant review by management.

The key operational risks to the business are carefully monitored as follows:

- **Information technology** – This is at the heart of the Company's service offering and is centred around its cloud-based video telematics IoT platform. System functionality, security, reliability and redundancy are regularly assessed in order to meet our customers' needs and expectations.
- **Supply chain** – Hardware supply is critical to the business' performance; the business routinely reviews stock holdings and maintains close relationships with key suppliers to plan for any risk of disruption within the supply chain.
- **Human resources** – The business is dependent on knowledgeable staff to oversee deployment and ongoing support of video telematics devices across a wide range of customers and sectors. The Company invests in ensuring staff are retained and developed to support the rapid growth of the business and ever-changing technology.
- **Duty of care** – The Company recognises its legal, moral and ethical duty to ensure the health, safety and wellbeing of its workforce. As such, the regular monitoring and assessment of health and safety related risks is of paramount importance.

In addition to the above the Company is also exposed to a number of financial risks:

Credit risk

The Company's credit risk exposure is primarily in respect of its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. Regular aged debt meetings are in place to discuss and control customers that fall out of payment terms and ensure working capital cash flow is streamlined.

Foreign exchange risk

The Company is exposed to foreign currency risk on sales, purchases, assets and liabilities which are denominated in a currency other than sterling. Purchases in US Dollars is the primary exposure. Wherever possible contracts contain a clause which allows the Company to increase prices in the event of significant exchange rate fluctuation. The Company chooses not to hedge its foreign exchange exposure.

Interest rate risk

The Company finances its operations through a mixture of retained profits and loans from its parent and other group companies. The majority of these loans are non-interest bearing so the Company faces minimal exposure to the risk of interest rate fluctuations.

VisionTrack Limited

Strategic Report (continued)

For the year ended 31 December 2022

Section 172 Statement of Directors' Duties to Stakeholders

Each of the Directors of VisionTrack Limited believe that they have acted in a way that they consider would, in good faith, be likely to promote the success of the Company for the benefit of its shareholder, and with regard to the other matters as detailed in Section 172(1) of the *Companies Act 2006* as follows.

Long-term consequences of decisions

Management prepare annual and rolling 5-year forecasts that include modelling of the impact of key decisions made at Company and at the Markerstudy Group Holdings Limited level, such as the impact of significant acquisitions, capital injections and Group restructuring. The Board aims to leverage these opportunities to grow the Company's earnings and bottom line profit to ensure the long term sustainability of the business.

Employee engagement

The Board is committed to its focus on employee's working environment and career development opportunities, which has helped the Company achieve its 'Investors in People' accreditation. A number of initiatives developed by the Company including the 'Shooting Stars' programme for leaders of the future, and 'ALEX' the Group's apprenticeship syllabus, have all contributed to the Company achieving the accreditation.

The Company defines its core values via the EFFORT (Embrace, Focus, Fun, Own, Responsible, Teamwork) initiative, which helps maintain the culture and keeps staff behaviours aligned. The Board recognises that attitudes to home working established during the Covid-19 pandemic have now become the new normal, with the majority of staff still hybrid working. The Board continues to commit to providing staff with the tools they need to work remotely effectively, whilst at the same time offering collaboration spaces for teams to meet face to face, enhance team spirit and establish key relationships with other colleagues.

Key external stakeholder engagement - customers and suppliers

The Company has many long-standing and highly successful relationships with customers and suppliers. The Company's ethos is to promote fairness and integrity in customer service and commit to 'putting the fun into insurance', for the benefit of our customers, employees and the community. Our customers are at the heart of everything we do, and the Board is committed to treating customers fairly. The Company is also committed to building strong positive relationships with a wide range of insurers, brokers and other distribution channels.

Impact on the community and the environment

The Board considers the Company's impact on the wider community and environment. The 'motiv8' initiative supports staff in their community and charity fundraising activities. The board also aims to encourage green initiatives to reduce our carbon footprint, as well as promoting safe driving for the next generation.

Business conduct

The Board recognises that high standards of governance and robust decision making are key to ensuring the continued long-term success of the Company. The Company continues to invest in online training tools that clearly articulate business ethics and the regulatory compliance requirements facing of our staff.

Acting fairly

The Board is committed to its customer charter which promises to provide a fair, honest and transparent service and strives to protect its customers and businesses from fraudulent activity. The Board's vision is to promote a culture of diversity and inclusion and providing its people with the tools for an enjoyable, rewarding, long term career and opportunities to reach their full potential.



K J Barber
Director

VisionTrack Limited

Directors' Report

Year ended 31 December 2022

The Directors present their report and the audited financial statements of VisionTrack Limited ("the Company") for the year ended 31 December 2022.

Directors

The Directors who served the Company during the year and up to the date of signature of the financial statements were as follows:

K J Barber
G Humphreys
S C Marsh
K R Spencer

Principal activities

The principal activity of the Company during the year was the ongoing design, development, marketing and supply of in-vehicle video telematics products and services.

Dividends

The Directors do not recommend the payment of a dividend.

Events after the end of the reporting period

There were no events between the end of the reporting period and the date of this report that have had a material impact on the business and operations of the Company.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be reappointed as auditors in the absence of an Annual General Meeting.

This report was approved by the Board of Directors on 30 August 2023 and signed on its behalf by:



K J Barber
Director

VisionTrack Limited

Statement of Directors' Responsibilities

The Directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the profit or loss of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping 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 VisionTrack Limited

Opinion

We have audited the financial statements of VisionTrack Limited (the 'company') for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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.

Conclusions relating to going concern

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.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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 auditor's 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.

Opinions 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 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 strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Independent Auditor's Report to the Members of VisionTrack Limited (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's 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 financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

Independent Auditor's Report to the Members of VisionTrack Limited (continued)

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting tax calculations and making enquiries of local tax advisors.

There were no significant laws and regulations that were considered to have an indirect impact on the financial statements.

The audit engagement team identified the risk of management override of controls and revenue recognition cut-off as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates. In addition, testing a sample of revenue transactions either side of the year end to ensure that revenue has been recorded in the appropriate accounting period.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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 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.

Caroline Watson

Caroline Watson ACA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Davidson House
Forbury Square
Reading
Berkshire
RG1 3EU
Date: 30 August 2023

VisionTrack Limited

Statement of Comprehensive Income

Year ended 31 December 2022

	Notes	2022 £000	2021 £000
Turnover	3	20,859	18,872
Cost of sales		(11,597)	(11,678)
Gross profit		9,262	7,194
Administrative expenses		(11,117)	(7,580)
Other operating income	4	350	282
Operating loss	5	(1,505)	(104)
Interest expense	9	(4)	(4)
Loss before taxation		(1,509)	(108)
Tax	10	242	(431)
Loss for the financial year and total comprehensive income		(1,267)	(539)

The notes on pages 13 to 21 form part of these financial statements.

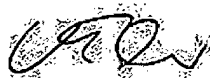
VisionTrack Limited

Statement of Financial Position

As at 31 December 2022

	Notes	2022 £000	2021 £000
Fixed Assets			
Investment	11	-	-
Intangible assets	12	7,227	5,299
Tangible assets	13	333	187
		<u>7,560</u>	<u>5,486</u>
Current assets			
Stocks	14	4,915	5,923
Debtors	15	13,382	7,018
Cash at bank and in hand		114	113
		<u>18,411</u>	<u>13,054</u>
Current liabilities			
Creditors due within one year	16	(29,160)	(20,814)
Net current liabilities		<u>(10,749)</u>	<u>(7,760)</u>
Total assets less current liabilities		<u>(3,189)</u>	<u>(2,274)</u>
Creditors due after one year	17	-	(10)
Provisions			
Deferred tax	18	(1,323)	(961)
Net liabilities		<u>(4,512)</u>	<u>(3,245)</u>
Capital and reserves			
Called up share capital	19	8,843	8,843
Profit and loss account		(13,355)	(12,088)
Shareholders' deficit		<u>(4,512)</u>	<u>(3,245)</u>

These financial statements were approved by the Board of Directors and authorised for issue on 30 August 2023, and are signed on their behalf by:



K J Barber
Director

Company registration number: 03350417

The notes on pages 13 to 21 form part of these financial statements.

VisionTrack Limited

Statement of Changes in Equity

Year ended 31 December 2022

	Called up share capital £000	Profit and loss, account £000	Total £000
At 1 January 2021	8,843	(11,549)	(2,706)
Loss and total comprehensive income for the year	-	(539)	(539)
At 31 December 2021	8,843	(12,088)	(3,245)
Loss and total comprehensive income for the year	-	(1,267)	(1,267)
At 31 December 2022	8,843	(13,355)	(4,512)

The notes on pages 13 to 21 form part of these financial statements.

VisionTrack Limited

Notes to the Financial Statements

Year ended 31 December 2022

1. General information

VisionTrack Limited ("the Company") is a private company limited by shares, registered in England and Wales. The address of the registered office is 45 Westerham Road, Bessels Green, Sevenoaks, Kent, TN13 2QB.

Details of the Company's principal activities are included in the directors' report.

2. Significant accounting policies

Basis of preparation

These financial statements have been prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102") and the requirements of the *Companies Act 2006*.

The financial statements have been prepared on the historical cost basis and are presented in sterling, which is the functional currency of the entity. Monetary amounts in these financial statements are rounded to the nearest £1,000, except where otherwise indicated.

Going concern

The Group is expected to generate positive cash flows for a period of at least 12 months from the date of approval of these financial statements.

The Company's parent entity, Venus Topco Limited, has provided a letter of support confirming that it will continue to provide financial support to the Company such that it will continue to be able to meet its obligations as they fall due for a period of at least 12 months from the date of approval of these financial statements. The Group is forecast to generate positive future cash flows, after servicing debt and capital expenditure, and the Directors are therefore confident that there will be sufficient positive cash flows to support the liquidity and solvency of the Company.

The Group continues to monitor the impacts of inflation. Whilst there are nascent signs of inflation levelling off in the UK, the future direction of price rises, particularly in respect of energy, are difficult to predict due to their reliance on geopolitical and macroeconomic factors such as the ongoing war in Ukraine. Similarly, the Bank of England's responses via base rate announcements and the UK Government's interventions to calm inflation are also difficult to accurately forecast.

However, in general, concerns over costs spiralling out of control have largely abated compared to the high level of volatility seen in 2022, particularly after the "mini budget" of late September. The Group's cost base is reviewed regularly and opportunities to achieve savings, including looking at new energy providers and leveraging the Group's purchase power to lower or cap costs, continue to be actively sought.

The continued support of the Company's parent, and the Group's debt providers, to fund acquisitions demonstrate their confidence in the Group to seek out opportunities for growth and value generation. In addition, the organic growth and cash generation from the existing Group businesses support the long-term prospects of the organisation and mean that the Directors are confident that the Group and Company will have adequate resources to continue in operational existence for the foreseeable future, and for a period of at least 12 months from the signing of these financial statements. On this basis, the Directors continue to prepare these financial statements on a going concern basis.

Disclosure exemptions

The Company has taken advantage of the exemption under section 400 of the *Companies Act 2006* not to prepare consolidated accounts. The financial statements present information about the Company as an individual entity and not about its group.

These financial statements are consolidated into the financial statements of Markerstudy Group Holdings Limited, a company registered in the United Kingdom. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented.
- (b) No financial instruments disclosure has been included.
- (c) No disclosure has been given for the aggregate remuneration of key management personnel.

Turnover

Turnover is measured at the fair value of the consideration received or receivable in the ordinary nature of the business. Turnover is net of Value Added Tax.

VisionTrack Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2022

2. Significant accounting policies (continued)

Turnover (continued)

Turnover comprises software subscriptions to the video telematics platform, sale of camera hardware and installation. Software income for the use of the video telematics platform is spread over the length of the user subscription term. Sale of hardware turnover is recognised on the date of despatch of the goods as this is when the risks and rewards of ownership have transferred to the customer.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the statement of comprehensive income. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax the Company is expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

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

Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the reporting end date.

Intangible assets

Intangible assets are initially recorded at cost and are subsequently stated at cost less any accumulated amortisation and impairment losses.

Intangible assets purchased are recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Research expenditure is written off as the costs are incurred. Development costs are treated in the same way unless the Directors are satisfied as to the technical, commercial and financial viability of the project and costs attributable to the project can be reliably measured.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Development costs 5 - 10 years straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and equipment 3 - 6 years straight line

VisionTrack Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2022

2. Significant accounting policies (continued)

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Stocks

Stocks are stated at the lower of cost and estimated selling price. All items in stock are bought from third parties as finished goods.

Financial instruments

The Company has elected to apply the provisions of Section 11 *Basic Financial Instruments* of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Financial assets

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Cash and cash equivalents include cash in hand and deposits held at call with banks.

Trade, group and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Financial liabilities

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

VisionTrack Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2022

2. Significant accounting policies (continued)

Judgements and key sources of estimation uncertainty

In preparing these financial statements, the Directors have made the following judgements:

Development costs

A decision has also been made on the split of costs incurred in developing the intangible asset as to what can be capitalised and what is expensed. An estimate has been made in terms of assessing the likely useful economic life of capitalised development costs. Factors taken into consideration in reaching such a decision include estimating the future economic performance that the asset will generate based on forecasts and sales projections.

R&D tax credit

A judgement is made on whether expenditure represents qualifying costs to be included within the claim for R&D tax credits. This judgement is based on previously accepted claims and generally accepted industry practice.

Inventory

A judgement is made as to whether any provision is required against inventory held by the Company on the basis of obsolescence. The value of stock shown above is stated net of provision for obsolete inventory of £170k (2021: £181k).

Recoverability of debtors

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing the impairment of trade and other debtors, management considers factors including the age of the debt, the state of negotiations, and historical experience of the outcome of recoveries. Impairments of £2k (2021: £23k) were made during the year.

3. Turnover

	2022	2021
	£000	£000
Sale of camera hardware and installation	15,634	15,340
Sale of software	5,225	3,532
	20,859	18,872

No geographical analysis of turnover is given as in the opinion of the Directors, such information would be seriously prejudicial to the interests of the Company.

4. Other operating income

	2022	2021
	£000	£000
R&D claim income	350	282

5. Operating loss

Operating loss is stated after charging/(crediting):

	2022	2021
	£000	£000
Amortisation of intangible assets	2,032	1,434
Depreciation of tangible assets	116	83
Impairment of trade debtors	(2)	23

6. Auditor's remuneration

	2022	2021
	£000	£000
Fees for the audit of the current year financial statements	118	70
Additional fees for prior period audit	10	-
Fees payable to the auditor for tax advisory services	18	6
	146	76

VisionTrack Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2022

7. Staff costs

The average number of persons employed by the Company during the year amounted to:

	2022	2021
	No.	No.
Administration	45	53
Operational	54	21
Management	6	6
	105	80

The aggregate payroll costs for the year were:

	£000	£000
Wages and salaries	4,653	3,936
Social security costs	497	346
Pension costs	134	83
	5,284	4,365

Included within staff costs shown above is £27k which relates to the apprenticeship levy (2021: £19k). Included in the amounts disclosed above is an amount of £360k (2021: £730k) of staff costs recharged from subsidiaries of Markerstudy Group Holdings.

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £134k (2021: £83k). At the year end the Company had pension contributions outstanding of £56k (2021: £14k).

8. Directors' remuneration

The Directors' aggregate remuneration in respect of qualifying services was:

	2022	2021
	£000	£000
Remuneration	300	246
Company contributions to defined contribution pension plans	25	1
	325	247

The number of directors who accrued benefits under company pension plans was as follows:

	2022	2021
	No.	No.
Defined contribution plans	1	1

Remuneration of the highest paid director in respect of qualifying services:

	2022	2021
	£000	£000
Aggregate remuneration	300	246
Company contributions to defined contribution pension plans	25	1
	325	247

9. Interest expense

	2022	2021
	£000	£000
Interest on amounts due to group undertakings	4	4

VisionTrack Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2022

10. Tax

	2022	2021
	£000	£000
<i>Current tax</i>		
UK current tax credit	(242)	-
<i>Deferred tax</i>		
Origination and reversal of timing differences	-	431
Taxation on ordinary activities	(242)	431

Reconciliation of tax expense

The tax assessed on the loss for the year differs from the standard rate of corporation tax in the UK of 19% (2021: 19%) due to the following:

	2022	2021
	£000	£000
Loss on ordinary activities before taxation	(1,509)	(108)
Tax at the standard corporate tax rate of 19% (2021: 19%)	(287)	(20)
Effect of expenses not deductible for tax purposes	5	3
Adjustment to tax charge in respect of prior periods	(56)	3
Remeasurement of deferred tax for changes in tax rates	100	231
Group relief surrendered	-	221
Fixed asset differences	(15)	(10)
Transfer pricing adjustments	10	3
R&D expenditure credits	1	-
Total tax (credit)/expense	(242)	431

VisionTrack Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2022

11. Investment

The Company's subsidiary undertaking, cost and carrying value at year end of £1 (2021: £1) is as follows:

Company name	Country of incorporation	Nature of business	% held by the Company
VisionTrack, Inc.	United States of America	Telematics	100%

VisionTrack, Inc was incorporated on 6 May 2021 and the registered office is 251 Little Falls Drive, City of Wilmington, County of New Castle, Delaware, Zip Code 19808-1674.

12. Intangible assets

	Development costs
<i>Cost</i>	£000
At 1 January 2022	8,731
Additions	3,960
At 31 December 2022	12,691
<i>Amortisation</i>	
At 1 January 2022	3,432
Charge for the period	2,032
At 31 December 2022	5,464
<i>Carrying amount</i>	
At 1 January 2022	5,299
At 31 December 2022	7,227

The amortisation of development costs is recognised within administrative expenses in the statement of comprehensive income.

13. Tangible assets

	Plant and equipment
<i>Cost</i>	£000
At 1 January 2022	408
Additions	262
At 31 December 2022	670
<i>Depreciation</i>	
At 1 January 2022	221
Charge for the period	116
At 31 December 2022	337
<i>Carrying amount</i>	
At 1 January 2022	187
At 31 December 2022	333

14. Stocks

	2022	2021
	£000	£000
Finished goods	4,915	5,923

The value of stock shown above is stated net of provision for obsolete inventory of £170k (2021: £181k).

VisionTrack Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2022

15. Debtors

	2022	2021
	£000	£000
Trade debtors	6,020	4,004
Amounts owed by group undertakings	3,265	1,432
Prepayments and accrued income	3,727	1,578
Other debtors	370	4
	13,382	7,018

16. Creditors due within one year

	2022	2021
	£000	£000
Trade creditors	1,068	1,335
Amounts owed to group undertakings	24,276	15,759
Social security and other taxes	855	912
Other creditors	73	21
Accruals and deferred income	2,888	2,787
	29,160	20,814

Included within amounts due to group undertakings is loan interest payable of £542k (2021: £538k) which relates to loan amounts due to fellow group companies. An interest rate of Bank of England base rate plus 4.5% per annum is being charged on these loans.

17. Creditors due after one year

	2022	2021
	£000	£000
Other creditors	-	10

18. Provisions

	Deferred tax
	£000
At 1 January 2022	961
Charged against provision	362
At 31 December 2022	1,323

The deferred tax liability relates to accelerated capital allowances.

19. Called up share capital

	2022		2021	
<i>Issued, called up and fully paid</i>	No.	£000	No.	£000
Ordinary shares of £1 each	8,843,050	8,843	8,843,050	8,843

The Company's ordinary shares, which do not carry the right to fixed income, each carry the right to one vote at general meetings of the Company.

VisionTrack Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2022

20. Related party transactions

Transactions between the Company and its related parties are disclosed below:

	2022	2021
	£000	£000
Purchases from other related parties:		
Rent and service charges	142	125
Accommodation charges	12	4

The following amounts were outstanding at the reporting end date:

	2022	2021
	£000	£000
Amounts owed to related parties	77	582

Other related parties comprise companies related by virtue of common directors.

As a wholly owned subsidiary of Venus Topco Limited, the Company has taken advantage of the exemption not to disclose transactions with other 100% owned members of the Group headed by Venus Topco Limited under Financial Reporting Standard 102.

21. Controlling party

The Company's immediate parent undertaking is Markerstudy Group Limited, a company registered in the United Kingdom. The Company's ultimate holding company is Venus Topco Limited, a company registered in Guernsey. The smallest and largest groups consolidating the results of the Company are Markerstudy Group Holdings Limited and Venus Topco Limited respectively. The registered office of Markerstudy Group Holdings Limited is Markerstudy House, 45 Westerham Road, Bessels Green, Sevenoaks, Kent, United Kingdom, TN13 2QB. The registered office of Venus Topco Limited is PO Box 656, East Wing Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 3PP.

The ultimate controlling parties are PSC IV LP (registered in Guernsey), PSC IV (B) LP (registered in Guernsey) and PSC IV (C) SCSp (registered in Luxembourg), being funds managed by Pollen Street Capital Limited (a subsidiary of Pollen Street Plc, a UK listed asset manager).

22. Events after the end of the reporting period

There were no events between the end of the reporting period and the date of approval of the financial statements that have had a material impact on the business and operations of the Company.