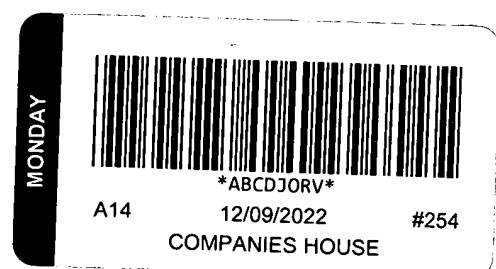


MeetingZone Limited

Report and Financial Statements

Year Ended 31 December 2021

Company Number 04300344



MeetingZone Limited

Report and financial statements for the year ended 31 December 2021

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Directors

E Cooper
S Healey (resigned 17 December 2021)
S Flavell
T Hughes

Registered office

The Tea Building, Unit 2.10, 56 Shoreditch High Street, London, E1 6JJ

Company number

04300344

Auditor

Moore Kingston Smith LLP, Chartered Accountants & Statutory Auditor, 6th Floor, 9 Appold Street, London, EC2A 2AP

MeetingZone Limited

Strategic report for the year ended 31 December 2021

Principal activities and business review

MeetingZone Limited is the UK trading business of the MeetingZone Group which supplies workplace conferencing and collaboration services that help business people connect, communicate and collaborate more productively.

Review of the business

The result for the company for the year ended 31 December 2021 was an operating loss of (£3,151,110) (31 December 2020: profit of £2,327,793) on turnover of £4,807,657 (31 December 2020: £11,202,247). Cost of sales of £6,362,561 (31 December 2020: £2,586,057) led to gross profit of £2,221,600, a gross profit margin of 46% (2020: £4,839,686, a gross profit margin of 43%). Administrative expenses including the exceptional items were £5,372,710 (2020: £2,511,893). The increase in administrative expenses was largely due to the impairment of purchased goodwill and investments.

Principal risks and uncertainties

The Board considers the following to be the key risks and uncertainties faced by the business: market competition and technological change; continued partnership with key suppliers; the retention of key employees; and the retention of key clients although it should be noted that no single client accounts for more than 5% of the Company's revenue.

Fluctuations in currency markets may impact the Company's non-UK operations and the directors will continue to review this position.

The Company, along with other parts of the Group, continues to invest in its product, and has made several key technological advances ensuring continued market differentiation.

Financial risk management objectives and policies

The directors regularly review the financial requirements of the Company and the principal risks and uncertainties that face the Company and the Group. Company operations are primarily financed from retained earnings and current cash facilities. The directors regularly monitor risk and discuss their likelihood and impact on a monthly basis.

Credit risk

The Company's credit risk is managed by the application of credit checks on potential customers before sales are made, the imposition of credit limits when accepted, and effective credit control procedures.

Liquidity risk

Liquidity risk is managed through detailed cash forecasting and the application of strict cash management practices to ensure the company has sufficient funds for operations. The LoopUp Group plc group has a strong balance sheet and is expected to generate positive cash flows from trading for the foreseeable future.

Future developments

The COVID-19 pandemic has had a material and almost certainly irreversible impact on the broader market for external communications. The spotlight is on a changing set of effective and secure communications tools that work equally well in offices, at home, on the road, and in hybrid settings.

MeetingZone Limited

Strategic report for the year ended 31 December 2021 (*continued*)

In line with this fast-moving market backdrop, the Company has swiftly and proactively reassessed its own product and market strategy given the following considerations:

- While Meetings trading remains robust in our core Professional Services ("PS") target market, conditions have become increasingly more challenging and competitive in non-PS sectors, which now account for just 12% of total Group revenue;
- The market spotlight is squarely on the cloud telephony market, which facilitates greater remote and hybrid working flexible compared with legacy on premise systems. This \$15.8 billion market is set to grow rapidly to \$26 billion by 2024. The Group's existing cloud telephony business, our deep expertise in Microsoft voice technology, and our differentiated voice architecture, create a competitively-advanced foundation to enter the market as a differentiated add-on capability to Microsoft Teams; and
- The Group believes the enterprise communications market is set to migrate to a set of more specialist, use-case-specific communications tools, which complement foundational UC suite capabilities and integrate tighter with established business workflows and processes.

As such, the Company is very excited to have expanded its strategic scope from a single capability remote meetings business into a broader cloud platform for external and specialist communications.

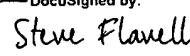
Key Performance Indicators

2021 saw the Company's core revenue fall to £4.8m from £11.2m in the year ended 31 December 2020. Gross profit margin decreased to 46% from 43% in the year ended 31 December 2020.

The Company achieved operating loss of £3.2m (31 December 2020: profit of £2.3m).

Approval

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

DocuSigned by:

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S Flavell
Director

8 September 2022

MeetingZone Limited

Directors' report for the year ended 31 December 2021

The directors present their report together with the audited financial statements for the year ended 31 December 2021.

Results and dividends

The loss for the year ended 31 December 2021, after taxation, amounted to £3,264,114 (31 December 2020: profit of £2,321,115). No dividend was paid in the period (31 December 2020: £Nil).

Information included in strategic report

The strategic report includes a review of the performance of the business, principal risks and uncertainties, financial risk management objectives and policies, and future developments.

Directors

The directors who served the company during the year and subsequently were as follows:

S Healey (resigned 17 December 2021)
T Hughes
S Flavell
E Cooper

Employment of disabled persons

The company is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. Particular attention is given to the training and promotion of disabled employees to ensure that their career development is not unfairly restricted by their disability, or perceptions of it.

The company's HR procedures make clear that full and fair consideration must be given to applications made by and the promotion of disabled persons. Where an employee becomes disabled whilst employed by the company, the HR procedures also require that reasonable effort is made to ensure they have the opportunity for continued employment within the company. Retraining of employees who become disabled whilst employed by the company is offered where appropriate.

Employee involvement

Employees are encouraged to discuss with management any matters about which they are concerned and factors affecting the company. In addition, the management take account of employees' interests when making decisions and the employees are informed of the company's performance on a regular basis. Suggestions from employees aimed at improving the company's performance are welcome.

MeetingZone Limited

Directors' report for the year ended 31 December 2021

Indemnity provisions for directors

The company has put in place qualifying third party indemnity provisions for all the directors of MeetingZone Limited.

Directors' responsibilities

The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 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 and profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure of information to the auditor

The directors who were in office on the date of approval of these financial statements have confirmed that:

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

Auditor

Moore Kingston Smith LLP were appointed in the year and having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the Company receives notice under section 488(1) of the Companies Act 2006.

This Directors' report was approved by the Board and signed on its behalf by:

DocuSigned by:

S Flavell
63FA0A22F8B6415...
Director

8 September 2022

MeetingZone Limited

Independent auditor's report

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MEETINGZONE LIMITED

Opinion

We have audited the financial statements of MeetingZone Limited for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the 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 2021 and of its loss 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 Auditor's Responsibilities for the audit of 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.

Material uncertainty related to going concern

We draw attention to note 1 to the financial statements, which indicates that the group may need to raise debt or equity funding in order to repay or refinance the Bank of Ireland debt facilities at term in September 2023 and therefore to continue in business and meet its and thus the Company's liabilities as they fall due after that date. The group incurred an operating loss of £30.554m (2020:£6.260m operating profit) for the year ended 31 December 2021 including a £19.597m non-cash exceptional impairment charge.

Subsequent to the reporting date the group successfully renegotiated and amended its debt facilities with the Bank of Ireland as detailed in note 1 to the financial statements. However the facilities are due for repayment at term in September 2023. Although the directors are confident that the group will be able to repay or refinance the debt facilities at term there can be no certainty in this respect and a failure to repay at term or refinance would be material to the group and Company.

These events or conditions indicate that a material uncertainty exists that may cast doubt on the Company'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 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.

MeetingZone Limited

Independent auditor's report (*continued*)

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MEETINGZONE LIMITED (CONTINUED)

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. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, 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.

MeetingZone Limited

Independent auditor's report (*continued*)

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MEETINGZONE LIMITED (CONTINUED)

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks 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 to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

MeetingZone Limited

Independent auditor's report (*continued*)

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MEETINGZONE LIMITED (CONTINUED)

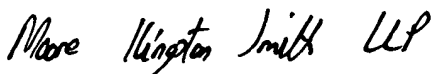
Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 for no purpose other than to draw to the attention of the company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and company's members as a body, for our work, for this report, or for the opinions we have formed.



Matthew Banton (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

8 SEPTEMBER 2022

6th Floor
9 Appold Street
London
EC2A 2AP

MeetingZone Limited

Statement of comprehensive income for the year ended 31 December 2021

	Note	31 December 2021 £	31 December 2020 (restated) £
Turnover	3	4,807,657	11,202,247
Cost of sales		(2,586,057)	(6,362,561)
Gross profit		2,221,600	4,839,686
Administrative expenses		(1,184,510)	(2,511,893)
Exceptional item	4	(4,188,200)	-
Operating (loss)/ profit	4	(3,151,110)	2,327,793
Interest payable and similar charges	7	(43,110)	(23,389)
(Loss)/ profit on ordinary activities before taxation		(3,194,220)	2,304,404
Taxation on (loss)/ profit on ordinary activities	8	(69,894)	16,711
(Loss)/ profit for the financial year		(3,264,114)	2,321,115
Other comprehensive income		-	-
Total comprehensive income for the year		(3,264,114)	2,321,115

All amounts relate to continuing activities.

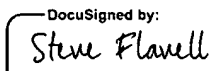
The notes on pages 12 to 26 form part of these financial statements.

MeetingZone Limited

Balance sheet at 31 December 2021

Company Number: 04300344	Note	31 December 2021	31 December 2021	31 December 2020 (restated)	31 December 2020 (restated)
		£	£	£	£
Fixed assets					
Intangible assets	9		3,350		1,608,636
Tangible assets	10		1,274,888		1,559,215
Investments	11		-		3,167,069
			1,278,238		6,334,920
Current assets					
Debtors	12	44,698,448		45,100,509	
Cash at bank and in hand		1,443,752		1,705,920	
		46,142,200		46,806,429	
Creditors: amounts falling due within one year	13	(17,621,605)		(20,118,296)	
Net current assets			28,520,595		26,688,133
Total assets less current liabilities			29,798,833		33,023,053
Provisions for liabilities					
Deferred taxation	15		(111,171)		(71,277)
Net assets			29,687,662		32,951,776
Capital and reserves					
Called-up share capital	14		1,438,940		1,438,940
Share premium account			1,906,416		1,906,416
Other reserves			14,854		14,854
Profit and loss account			26,327,452		29,591,566
Shareholders' funds			29,687,662		32,951,776

The financial statements were approved by the board and authorised for issue on 8 September 2022

DocuSigned by:

 63FA0A22F886415...
 S Flavell
 Director

The notes on pages 12 to 26 form part of these financial statements

MeetingZone Limited

Statement of changes in equity for the year ended 31 December 2021

	Share capital £	Share premium £	Other Reserves £	Profit and loss Account £	Total equity £
1 January 2021 (restated)	1,438,940	1,906,416	14,854	29,591,566	32,951,776
Comprehensive income for the year:					
Loss for the year	-	-	-	(3,264,114)	(3,264,114)
Total comprehensive income for the year	-	-	-	(3,264,114)	(3,264,114)
31 December 2021	1,438,940	1,906,416	14,854	26,327,452	29,687,662
1 January 2020	1,438,940	1,906,416	14,854	27,270,451	30,630,661
Comprehensive income for the year:					
Profit for the year as previously reported	-	-	-	2,409,802	2,409,802
Adjustment to 2020 re depreciation				(109,490)	(109,490)
Adjustment to 2020 deferred tax				20,803	20,803
Total comprehensive income for the year (restated)	-	-	-	2,321,115	2,321,115
31 December 2020	1,438,940	1,906,416	14,854	29,591,566	32,951,776

The notes on pages 12 to 26 form part of these financial statements

MeetingZone Limited

Notes forming part of the financial statements for the year ended 31 December 2021

1 Accounting policies

MeetingZone Limited is a company incorporated in England & Wales under the Companies Act 2006. The address of the registered office is given on the contents page and the nature of the company's operations and its principal activities are set out in the strategic report. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies.

Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing the company financial statements, as permitted by FRS102 for qualifying entities:

- Section 3 Financial Statement Presentation paragraph 3.17(d) and Section 7 Statement of Cash Flows not to prepare a statement of cash flows for the company only;
- Section 4 Statement of Financial Position paragraph 4.12(a)(iv) not to prepare a reconciliation of the number of shares outstanding at the beginning and end of the year as this is identical to the reconciliation prepared for the group;
- Section 11 Basic Financial Instruments paragraph 11.41(b) and 11.41(e) not to disclose the carrying amounts of financial assets that are debt instruments measured at amortised costs and financial liabilities measured at amortised cost; and
- Section 33 Related Party Disclosures paragraph 33.7 not to disclose key management personnel compensation of the parent company in total as this is included in the totals for the group as a whole.

Going concern

At the balance sheet date, the Company had cash of £1.4m and net assets of £29.7m.

The Directors prepared detailed cash flow forecasts covering the expected performance of the LoopUp Group, and activity over a period covering at least the next twelve month from the date of these financial statements. This modelled expected activity in each of the business segments of the LoopUp Group, and also covered a number of scenarios and sensitivities in order for the Board to satisfy itself that the LoopUp Group has sufficient cash resources to continue to trade during this period.

At the balance sheet date, the LoopUp Group had outstanding borrowings of £6.9m under a facility agreement with Bank of Ireland. These facilities were renegotiated and amended following the balance sheet date to reflect the LoopUp Group's ongoing strategic transition plan. Key elements of the amended arrangements include a holiday on planned principal repayments through to June 2023; a margin increase of 2.0 percent, taking the overall interest rate to 4.5 percent above the Sterling Overnight Index Average (SONIA); an extension of the term through to September 2023; and a revised set of group-level financial covenants which are more concerned with sufficient ongoing cash liquidity and the growth objectives for specific business lines in the LoopUp Group's transition business plan.

Management have reviewed forecast cash flows and revenues for at least the next twelve months following the date of these financial statements and are confident of remaining within the amended covenant levels and facility limits.

The Bank of Ireland debt facilities will remain available throughout the twelve months following the date of these financial statements. However, in order to repay the Bank of Ireland debt facilities at term in September 2023, the LoopUp Group may need to raise debt or equity funding, or both. The Loopup Group has a strong track record of fundraising from a group of consistently supportive shareholders, and the Directors are confident that the Bank of Ireland debt facilities will be able to be repaid at term. However, because there can be no certainty of this, and because the impact of a failure to refinance would be material, a material uncertainty exists in relation to going concern.

MeetingZone Limited

Notes forming part of the financial statements for the year ended 31 December 2021 (*continued*)

1 Accounting policies (*continued*)

As a consequence, the Directors have a reasonable expectation that the Company can continue to operate and to meet its commitments and discharge its liabilities in the normal course of business for a period of not less than twelve months from the date of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

The following principal accounting policies have been applied:

Consolidation

The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it is included in the consolidated financial statements of its ultimate parent company, LoopUp Group plc, a company incorporated in England and Wales. These financial statements present information about the company as an individual undertaking, and not about its group.

Intangible fixed assets

(a) Goodwill and acquisition accounting

Goodwill arising on an acquisition of a subsidiary undertaking is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. Positive goodwill is capitalised and is included in 'intangible assets'. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is carried at cost less accumulated amortisation and accumulated impairment losses. Goodwill amortisation is calculated by applying the straight-line method to its estimated useful life. Goodwill is being amortised to 'administrative expenses' over the directors' estimate of its useful life, which is 8 to 10 years.

Estimates of the useful economic life of goodwill are based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

Following an impairment review by management it was decided that purchased goodwill would be impaired to a carrying value of £nil.

(b) Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised to 'administrative expenses' on a straight line basis over their expected useful economic lives, being a period not exceeding 3 years commencing in the year the company starts to benefit from the expenditure.

MeetingZone Limited

Notes forming part of the financial statements for the year ended 31 December 2021 (*continued*)

1 Accounting policies (*continued*)

The expected useful economic life of development costs are estimated based on business plans which set out the development plan and time to market for the associated project.

If it is not possible to distinguish between the research phase and the development phase of an internal project the expenditure is treated as if it were all incurred in the research phase only.

Expenditure on pure and applied research is charged to the profit and loss account in the year in which it is incurred.

Development costs are also charged to the profit and loss account in the year of expenditure unless individual projects satisfy all of the following criteria:

- the project is clearly defined and related expenditure is separately identifiable;
- the project is technically feasible and commercially viable;
- current and future costs are expected to be exceeded by future sales; and
- adequate resources exist for the project to be completed.

In such circumstances the costs are carried forward and amortised.

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax and is recognised when the services are provided to the customer.

MeetingZone's meetings services revenue arises from the delivery of conferencing services using LoopUp's proprietary products as well as revenue earned on MeetingZone's audio conferencing platform. The majority of revenue arises upon usage by customers of services delivered on a pay as you go model, based on seconds of conference time and the number of participants on the conference. Revenue is recognised in relation to conferencing services as the service is performed and is invoiced to the customer monthly in arrears.

Revenue from the sale of third party services (Cisco WebEx Meetings) comprises a combination of re-sold seat subscriptions sold on a 'per host per month' basis, typically on 12 month or more committed terms, and minutes and overage charges for usage of these products. Revenue from these services is recognised evenly over the period of time to which the charges relate. Revenue from usage is recognised at the time the service is performed.

Revenue from equipment sales is recognised when delivery is made and the risk in the equipment has passed to the customer, with support costs recognised over the period of time to which the charges relate.

Any difference between the amount of revenue recognised and the amount invoiced to a customer is included in the statement of financial position as accrued or deferred income.

Valuation of investments

Investments in subsidiaries are stated at cost less any provision for impairment.

Tangible fixed assets

Tangible fixed assets, 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.

MeetingZone Limited

Notes forming part of the financial statements for the year ended 31 December 2021 (*continued*)

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all fixed assets, over their expected useful lives. It is calculated at the following rates:

Computer equipment and software - either 36 month straight line or 20% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, 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 within 'other operating income or losses' in the statement of comprehensive income.

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable. The assets of the scheme are held separately in an independently administered fund.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred.

Current tax is measured at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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 the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

MeetingZone Limited

Notes forming part of the financial statements for the year ended 31 December 2021 (*continued*)

Foreign currency

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in 'sterling', which is the company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income or expense'.

Termination benefits

Termination benefits are payable when employment is terminated by the company before the normal retirement date. The company recognises termination benefits when it is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal.

Website Development Costs

Where the company's websites are expected to generate future revenues in excess of the costs of developing those websites, expenditure on the functionality of the website is capitalised and treated as a tangible fixed asset. Expenditure incurred on maintaining websites and expenditure incurred on developing websites used only for advertising and promotional purposes is written off as incurred.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account over the shorter of the estimated useful economic life and the period of the lease.

Lease payments are analysed between capital and interest components. The interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the finance lease liability.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

MeetingZone Limited

Notes forming part of the financial statements for the year ended 31 December 2021 (*continued*)

1 Accounting policies (*continued*)

Dividends

Equity dividends are recognised when they become legally payable. Final equity dividends are recognised only when approved by the shareholders at an annual general meeting.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

Exceptional Items

Exceptional items are of a non-recurring non-operational nature.

Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs).

Financial assets

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

Reserves

The Company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- The share premium account includes the premium on issue of equity shares, net of any issue costs.
- Other reserves represents a capital redemption reserve.
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

MeetingZone Limited

Notes forming part of the financial statements for the year ended 31 December 2021 (*continued*)

2 Judgements in applying accounting policies and key sources of estimation uncertainty

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

- Determine whether leases entered into by the company either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- *Tangible fixed assets (see note 10)*

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- *Intangible fixed assets (see note 9)*

Intangible fixed assets including goodwill are amortised over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- *Intangible asset recognition (see note 9)*

Research and development costs are charged to administrative expenses as incurred unless individual projects satisfy certain criteria (see accounting policies). Costs typically consist of salaries and benefits, infrastructure costs and third-party service fees. When assessing whether development costs meet the asset recognition criteria, management considers factors including the related sales and profit projections, market forecasts and historical experience.

- *Impairment of debtors (see note 12)*

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 current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 12 for the net carrying amount of the debtors and associated impairment provision.

MeetingZone Limited

Notes forming part of the financial statements for the year ended 31 December 2021 (*continued*)

3 Turnover

Turnover arises solely from the rendering of services and within the United Kingdom.

4 Operating (loss)/profit

	31 December 2021 £	31 December 2020 £
Operating (loss)/profit is stated after charging/(crediting):		
Amortisation of intangible fixed assets	584,155	731,244
Depreciation - owned fixed assets	324,337	344,243
Operating lease expense	86,260	86,260
Exceptional item	4,188,200	-
Defined contribution pension cost	-	14,627
Foreign exchange (gain)/loss	(138,423)	3,220
	<hr/>	<hr/>

The exceptional item in the current year is the impairment of purchased goodwill and fixed asset investments as detailed in notes 9 and 11. Audit costs were borne by the ultimate parent undertaking in the current and prior year.

5 Employees

	31 December 2021 £	31 December 2020 £
Staff costs (including directors) consist of:		
Wages and salaries	-	578,663
Social security costs	-	59,653
Pension costs	-	14,627
	<hr/>	<hr/>
	-	652,943
	<hr/>	<hr/>

All employment contracts were transferred to the parent company LoopUp Limited on 31 March 2020.

MeetingZone Limited

Notes forming part of the financial statements for the year ended 31 December 2021 (*continued*)

5 Employees (*continued*)

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

	31 December 2021 Number	31 December 2020 Number
Administrative staff	4	2
Other staff	-	15
	<hr/>	<hr/>
	4	17
	<hr/>	<hr/>

A defined contribution pension scheme is operated by the company on behalf of the employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge represents contributions payable by the company to the fund and amounted to £nil (2020 - £14,627). Contributions amounting to £9,368 (2020 - £11,710) were payable to the fund at year-end and are included in creditors.

6 Directors

The Directors of the company were paid by the group companies in both 2021 and 2020 and the remuneration for these Directors is included in the LoopUp Group plc financial statements.

7 Interest payable and similar charges

	31 December 2021 £	31 December 2020 £
Interest payable	43,110	23,389
	<hr/>	<hr/>

MeetingZone Limited

Notes forming part of the financial statements for the year ended 31 December 2021 (*continued*)

8 Taxation on profit on ordinary activities

	31 December 2021 £	Restated 31 December 2020 £
<i>Current tax</i>		
UK corporation tax on profits of the period/year	-	-
Adjustments in respect of prior periods	30,000	-
<i>Deferred tax</i>		
Origination and reversal of temporary differences	(32,454)	(28,034)
Adjustment in respect of previous periods	37,878	870
Effect of tax rate change on opening balance	34,470	10,453
Total deferred tax charge	<u>39,894</u>	<u>(16,711)</u>
Tax on profit on ordinary activities	<u>69,894</u>	<u>(16,711)</u>

The tax assessed for the year is different to the standard rate of corporation tax in the UK. The differences are explained below:

	31 December 2021 £	Restated 31 December 2020 £
Profit on ordinary activities before tax	<u>(3,194,220)</u>	<u>2,304,404</u>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2020 - 19%)	(606,902)	437,837
Effects of:		
Fixed asset differences	(5,203)	3,549
Expenses not deductible	601,743	5,706
Adjustments to tax accrued revenue in respect of previous periods	-	(106,590)
Group relief claimed	(1,761)	(368,537)
Adjustments to tax charge in respect of previous periods	30,000	-
Adjustments to tax charge in respect of previous periods - deferred tax	37,878	870
Timing differences not recognised in the computation	(12,542)	-
Remeasurement of deferred tax for changes in tax rates	26,681	10,454
Total tax charge for the year	<u>69,894</u>	<u>(16,711)</u>

MeetingZone Limited

Notes forming part of the financial statements for the year ended 31 December 2021 (*continued*)

9 Intangible fixed assets

	Purchased goodwill £	Other intangibles £	Total £
<i>Cost</i>			
At 1 January 2021	7,450,258	149,570	7,599,828
Disposals	-	-	-
At 31 December 2021	7,450,258	149,570	7,599,828
<i>Amortisation</i>			
At 1 January 2021	5,855,268	135,924	5,991,192
Charge for the year	573,859	10,296	584,155
Impairment in year	1,021,131	-	1,021,131
At 31 December 2021	7,450,258	146,220	7,596,478
<i>Net book value</i>			
At 1 January 2021	1,594,990	13,646	1,608,636
At 31 December 2021	-	3,350	3,350

Within Purchased Goodwill is an amount of £4,979,169 arising on the hive-up of the trade and assets of Atia Solutions Limited to MeetingZone Limited; the carrying value as at 31 December 2021 is £nil (2020: £1,400,391). This balance was previously being amortised over the directors' estimate of its useful economic life of 8 years. This estimate was based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses. Following an impairment review by management at 31 December 2021, it was decided that purchased goodwill would be impaired to a carrying value of £nil.

MeetingZone Limited

Notes forming part of the financial statements for the year ended 31 December 2021 (*continued*)

10 Tangible fixed assets

	Computer equipment and software £
<i>Cost</i>	
At 1 January 2021	5,463,022
Additions	40,010
Disposals	(4,910)
	<hr/>
At 31 December 2021	5,498,122
	<hr/>
<i>Depreciation</i>	
At 1 January 2021 (<i>restated</i>)	3,903,807
Charge for the year	324,337
Disposals	(4,910)
	<hr/>
At 31 December 2021	4,223,234
	<hr/>
<i>Net book value</i>	
At 1 January 2021 (<i>restated</i>)	1,559,215
	<hr/>
At 31 December 2021	1,274,888
	<hr/>

11 Fixed asset investments

	Subsidiary undertakings £
<i>Cost</i>	
At 1 January 2021	3,167,069
Additions	-
	<hr/>
At 31 December 2021	3,167,069
	<hr/>
<i>Accumulated impairment</i>	
At 1 January 2021	-
Impairment in year	(3,167,069)
	<hr/>
At 31 December 2021	(3,167,069)
	<hr/>
<i>Net book value</i>	
At 31 December 2021	-
	<hr/>
At 31 December 2020	3,167,069
	<hr/>

MeetingZone Limited

Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

11 Fixed asset investments (continued)

Subsidiary undertakings

The subsidiary undertakings in which the company's interest at the year ended 31 December 2021 is 20% or more are as follows:

Subsidiary undertakings	Registered office	Proportion of voting rights and ordinary share capital held	Nature of business
MeetingZone GmbH	Knesebeckstraße 3 D-10623 Berlin, Germany	100%	Provision of conferencing and collaboration services
MeetingZone Inc.	Corporation Trust Centre 1209 Orange St, Wilmington Newcastle, USA	100%	Provision of conferencing and collaboration services
MeetingZone Canada Limited*	1155 North Service Road West, Unit 11 Oakville, Ontario L6M 3E3, Canada	100%	Provision of conferencing and collaboration services
Confy MeetingZone AB	Södra Förstadsgatan 40a, 211 43 Malmö, Sweden	100%	Provision of conferencing and collaboration services
Confy MeetingZone AS*	Karenslyst Allé 8B, 0278 Oslo, Norway	100%	Dormant company

*held indirectly

12 Debtors

	31 December 2021 £	31 December 2020 £
Trade debtors	303,762	1,124,493
Amounts owed by parent undertakings	40,449,366	40,449,366
Amounts owed by subsidiary undertakings	3,597,673	2,755,888
Corporation tax	39,331	69,331
Prepayments and accrued income	308,316	701,431
	44,698,448	45,100,509

All amounts fall due within one year. Amounts owed by parent and subsidiary undertakings are unsecured, repayable on demand and bear no interest.

MeetingZone Limited

Notes forming part of the financial statements for the year ended 31 December 2021 (*continued*)

13 Creditors: amounts falling due within one year

	31 December 2021 £	31 December 2020 £
Trade creditors	598,992	1,276,474
Amounts owed to parent undertakings	11,503,009	13,485,261
Amounts owed to subsidiary undertakings	4,800,432	3,997,279
Taxation and social security	32,604	353,639
Accruals and deferred income	686,568	1,005,643
	<u>17,621,605</u>	<u>20,118,296</u>

Amounts owed to parent and subsidiary undertakings are unsecured, repayable on demand and bear no interest.

14 Share capital

	31 December 2021 £	31 December 2020 £
<i>Allotted, called up and fully paid</i> 2,877,880 ordinary shares of 50p each	<u>1,438,940</u>	<u>1,438,940</u>

15 Provisions for liabilities

	31 December 2021 £	Restated 31 December 2020 £
<i>Provision for deferred tax</i>		
Fixed asset temporary differences	113,513	104,076
Short term temporary differences	(2,342)	(32,799)
	<u>111,171</u>	<u>71,277</u>
Total deferred tax (asset) / liability	<u>111,171</u>	<u>71,277</u>
<i>Movement in provision:</i>		
Provision at start of period	71,277	87,988
Deferred tax charge in the income statement for the period	39,894	(16,711)
	<u>111,171</u>	<u>71,277</u>

MeetingZone Limited

Notes forming part of the financial statements for the year ended 31 December 2021 (*continued*)

16 Commitments under operating leases

As at 31 December 2021, the company had minimum lease payments under non-cancellable operating leases as set out below:

	31 December 2021 £	31 December 2020 £
Operating leases which expire:		
Not later than 1 year	86,260	-
Later than 1 year and not later than 5 years	108,343	280,863
	<u>194,603</u>	<u>280,863</u>

17 Contingent liability

There were no contingent assets or liabilities as at 31 December 2021 (2020: £nil).

18 Related party disclosures

The company is a 100% subsidiary of LoopUp Group plc, a company incorporated in England and Wales which is the ultimate parent undertaking. It therefore utilises the exemption contained in paragraph 3(c) of Section 33 of FRS 102 Related Party Disclosures not to disclose any transactions with any entities for which 100% of the voting rights are controlled as part of the group.

19 Parent company and ultimate controlling party

The company is a wholly owned subsidiary of Warwick Bidco Limited. The ultimate parent undertaking is LoopUp Group plc, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of LoopUp Group plc consolidated financial statements for the year ended 31 December 2021 are available and can be obtained from the Company Secretary at The Tea Building, Unit 2.10, 56 Shoreditch High Street, London, E1 6JJ.

There is no ultimate controlling party.

20 Events after reporting period

There have been no significant events since the year end that require disclosure.

21 Restatement

During the year, the Company identified that accumulated depreciation had been misstated in the prior year. This balance was restated at 31 December 2020. The adjustment increased accumulated depreciation by £109,490, and reduced net assets by £109,490. The deferred tax provision at 31 December 2020 and the deferred tax charge for the year ended 31 December 2020 were both reduced by £20,803 as a consequence.