

Registered number: 06751660

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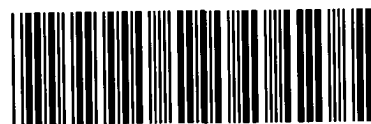
**VIZION NETWORK LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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## VIZION NETWORK LIMITED

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### COMPANY INFORMATION

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**Directors**

Mr Paul A Austin  
Mr Eamonn J Dunne  
Mr Graham J Eyles  
Mr Gary F Lindsay  
Mr Christopher McKie  
Mr Michael W Bourke

**Company secretary**

Mr Eamonn J Dunne

**Registered number**

06751660

**Registered office**

The Deep Business Centre  
Tower Street  
Hull  
East Yorkshire  
HU1 4BG

**Independent auditors**

Nexia Smith & Williamson  
Chartered Accountants & Statutory Auditor  
4th Floor Cumberland House  
15-17 Cumberland Place  
Southampton  
SO15 2BG

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## VIZION NETWORK LIMITED

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## VIZION NETWORK LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

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#### Principal Activity

The principal activity of the Company is vehicle accident repair networking.

#### Business review

Results for the year ended 31 December 2018 were above expectation with Turnover up £13.7 million (50.0%) on 2017 to £41.144 million, with Gross Profit up £2.34 million (36.4%) to £8.77 million over the same period. Results in growth, product lines, geographical coverage and efficiency driven performance continues year-on-year to exceed expectations and defy sector trends.

Vizion's encouraging performance and winning formula has enabled the Company to continue its strategy to invest heavily in its people, IT infrastructure and other initiatives, such as Brexit defensive planning to further improve, protect and supply product offerings. The addition of new wholly owned AI based services have allowed unprecedented levels of automation within operations and has reduced Vizion's third party costs and dependencies, placing the Company in a very strong, unhindered position for even greater growth. Administrative Expenses have increased but are below expectation relative to planned growth and investment, this being mainly due to efficiencies gained from our new AI, LENZ and Nucleus systems, rising £1.73 million (34.2%) to £6.80 million (2017: £5.06 million) resulting in a Profit before tax of £1.99 million in 2018 (2017: £1.38 million).

The Vizion Network footprint has continued to expand during the period, fuelled by strong volume growth in both collision repair and technical systems that have exceeded forecasts. This has substantially strengthened our offering and position and has increased the benefits to the Company, its customers and repairer partners. The growth has been generated from existing and new business lines both in the UK and overseas, boosting sales well into 2019 and beyond.

The results for the year are above expectations and reflect not only significant growth but also continued maturing of existing business operations and also the introduction of new systems and products. This performance has been achieved where the wider industry continues to struggle due principally to reductions in claims frequency and associated revenues. Vizion strives to lead from the front and operates under a plan of constant invention, development and improvement. Our goal remains to be recognised as a force of positive influence and change within our industry, leading with new thinking and innovative strategies, products and a business blueprint of ethical and sustainable trading.

Completion of our purpose-built training centre at our Wellingborough facility, has provided Vizion with unprecedented access to its suppliers and repairer partners. Eight workshops were held in 2018 and due to their success a further ten events were held in early 2019. In total, 800 business partners took part in the Engage programme and left with a clear understanding of our business strategy and how best to deliver it.

Our commitment to invest in R&D continues and has yielded several new major AI features to our Nucleus claims and Triage+™ digital customer facing software, creating further efficiencies to stakeholder operations as well as new independent product lines in IT systems such as LENZ™ and LENZ Reflex™ delivering automated validation, invoicing and payment management processes.

Vizion Network Ltd is the largest and most diverse entity of its kind, with a growing range of products and services that remain unmatched in the sector. Vizion's market share of the UK and Ireland collision repair market continues to grow and represents more than 11% of available volumes. Vizion increased its market share in 2019 with early predictions suggesting that this trend will continue in to 2020.

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## VIZION NETWORK LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

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#### **Principal risks and uncertainties**

The Company's system of internal control is developed through processes which are designed to identify and evaluate the nature and extent of the risks to which the Company may be exposed. The purpose is to help manage and control risk, rather than eliminate it at the expense of opportunity, as the generation of income and the achievement of other business objectives is, in part, the reward for successful and sensible risk-taking.

The principal elements of the company's system of internal control are as follows:

**Control environment:** the Company has an organisational structure with clearly defined levels of responsibility and authority and appropriate operational and financial reporting procedures. The Company's employees perform their duties with reference to agreed policies and operating procedures and controls are documented for key business processes.

**Financial reporting and information systems:** the Company has and continues to develop comprehensive planning and financial reporting procedures, which include the preparation of an annual budget, cash flow projections and a strategic plan, all of which are approved by the Board of Directors. Monthly trading results and expenditure are reported against budget. Significant variances to budget and key performance indicators are examined monthly by Management to assess progress towards objectives and appropriate action is taken where required. Forecasts are regularly updated throughout the year, taking into account the financial performance for the year-to-date, and these are also approved by the Board of Directors.

Customer information and payment security is monitored beyond Vizion's own internal operations. This is provided by comprehensive and bespoke systems, built to monitor and report on the GDPR and Sanctions compliance of each supplier and providing additional confidence for Vizion and Vizion client operations.

**Risk management:** management have conducted a review of the major risks to which the Company is exposed to ensure that risks arising from new activities or changes in external risk factors had been properly evaluated. Management have compiled a formalised Risk Register, which is reviewed and updated on a regular basis.

#### **Employment Policies**

Vizion Network is committed to Equal Opportunities and all appointments and promotions are on merit. Applications for positions are invited from all sections of the community through recruitment agencies, advertisements placed in national, local and specialist media and on the internet. All staff receive an annual review to assess performance and to identify career development opportunities and training requirements. Employment policies are communicated to all staff and are incorporated in an Employment Reference Manual.

Staff consultation is a key element of Vizion Network's employment policy with several channels of communication including regular departmental meetings, which keep employees informed of the activities and objectives of the Company and to discuss other matters of interest or concern.

#### **Training and Career Development**

Vizion Network Ltd remains fully committed to the development of its biggest assets – its people. The insurer claims and collision market is technically driven by a number of complex factors therefore expert knowledge for internal and external staff greatly assists in supporting our sales and product offer.

We also continue to provide our staff with supplementary training both internally and externally covering areas such as IT, finance, personal development and management.

#### **Corporate Social Responsibility Statement**

Vizion Network strives to maintain the highest standards of ethical conduct and corporate responsibility. We dedicate resources to several industry and national projects to help give back to the local and wider communities. From local charities and the sponsorship of youth football teams to our national School of Thought platform. Bringing over 500 businesses together to educate and assist 12 to 13-year olds both in the value of working and to provide them with the skills and confidence to engage with employers.

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## VIZION NETWORK LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

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In our offices, we are committed to operating in a way that is mindful of the demand on our planet's limited resources. We are actively committed to a number of key initiatives targeted at reducing our impact on the environment through waste of any kind.

All employees have a duty and desire to follow the principles set out in this policy statement. It is the responsibility of directors and senior management to ensure that all employees who directly or indirectly report to them are fully aware of Vizion Network's policies and values in the conduct of the Company's business. It is also the responsibility of directors and senior management to lead by example and to demonstrate the highest standards of integrity in carrying out their duties on behalf of the Company. These issues are further safeguarded through corporate governance processes and monitoring by the Board and sub-committees to the Board.

#### **Modern Slavery Statement**

Our statement is made in accordance with section 54 of the Modern Slavery Act 2015.

Vizion is the largest vehicle body repair network in the UK and Ireland, incorporating British Standard accredited collision repairers and Vehicle Manufacturer approved bodyshops. We employ over 200 people within our organisation and engage with approximately 16,500 individuals throughout our supply chain. Most of our clients are major motor insurers.

We operate a number of internal policies to ensure we are conducting business in an ethical and transparent manner. These include our Modern Slavery and Human Trafficking Policy, our Recruitment Policy, Whistleblowing Policy and our Vizion Values / Code of Conduct.

We conduct due diligence on all suppliers before and after they become active. This includes onsite audits to review working conditions. We also require that suppliers confirm to us that:

- a) They have taken steps to eradicate modern slavery within their business
- b) They hold their own suppliers to account over modern slavery
- c) They pay their employees at least the national minimum wage / national living wage (as appropriate)
- d) We may terminate the contract at any time should any instances of modern slavery come to light

In identifying and addressing risks, we set out to identify the extent of any slavery and human trafficking in our supply chains by:

- a) Conducting internal spot-checks at suppliers across the UK
- b) Interviewing individuals to discuss their conditions and their rights
- c) Collaborating with our suppliers to develop an awareness plan to address related issues
- d) Instituting an annual review questionnaire for existing suppliers to self-assess against the issues

We measure activity and will know the effectiveness of the steps we are taking when:

- a) No reports are received to indicate that modern slavery practices have been identified
- b) We measure the number of people completing training and passing post training questionnaires
- c) Supplier self-assessment responses show no activity
- d) Due diligence spot checks reveal no signs of activity

We have promoted cultural change through training and in the last financial year we:

- a) Delivered online training modules to Vizion employees
- b) Distributed posters on slavery and human trafficking and workers' rights
- c) Ran training seminars for our supplier managers at our offices in Hull and Wellingborough
- d) Started development of a dedicated Vizion training and knowledge resource webpage

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**VIZION NETWORK LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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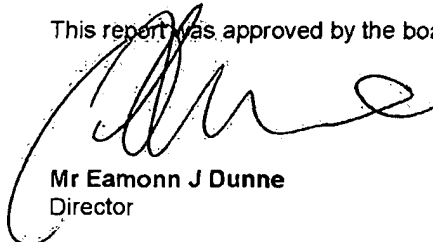
**Key performance indicators**

Vizion Network Limited turnover increased by 50.0% based on new clients, product lines and increases in pre-existing contract volumes.

The Company's gross profit remains healthy at 21.3% (2017: 23.5%) and the Vizion board is pleased with performance, especially with consideration to the large investments and comprehensive preparations in respect to Brexit and GDPR made during the period to strengthen the business, network and systems proposition.

Administrative costs increased by £1.73 million (34.2%) due to increased overhead costs in line with growth and preparations, investments in systems, people and business improvements at the Wellingborough and Hull Call Centre facilities as well as in our virtualised assets. This combined to generate an operating profit of £1.975 million (2017: £1.368 million) on continuing operations, which represents an increase of 44.3% year-on-year.

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



**Mr Eamonn J Dunne**  
Director

Date: 18.09.2019

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**VIZION NETWORK LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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The directors present their report and the financial statements for the year ended 31 December 2018.

**Results and dividends**

The profit for the year, after taxation, amounted to £1,877,280 (2017 - £1,096,202).

The directors do not recommend the payment of a dividend.

**Directors**

The directors who served during the year were:

Mr Paul A Austin  
Mr Eamonn J Dunne  
Mr Graham J Eyles  
Mr Gary F Lindsay  
Mr Christopher McKie  
Mr Michael W Bourke (appointed 9 July 2018)

**Directors' responsibilities statement**

The directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



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## **VIZION NETWORK LIMITED**

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### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018**

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#### **Future developments**

Several new system initiatives have been delivered and additional planning has been implemented to strengthen still further our AI based systems, improving operational efficiencies and adding more product lines to strengthen further our position in the automotive and other sectors.

Cortex™, which is specifically designed to connect the customer to services via advanced AI and connected car systems, in conjunction with its module partner Triage+™, will see its next phase design roll out in Q3 2019. This will bring unprecedented next generation capability to the customer of self-service for insurer, fleet and manufacturer partners, removing operational friction, effort and cost to all parties.

Further diversification into other markets and regional areas continues to develop and planning and development in these areas matures. Product launches scheduled within the development plan remain on target for the second half of 2019 and include comprehensive growth in new and used vehicle sales as an additional new product line.

Consultative products in technical and operational services continue to be developed, encapsulating multiple areas of client businesses in both automotive and non-automotive areas.

In addition, two new clients have been confirmed for 2019, providing further momentum to an already positive outlook to future performance. Hastings Insurance group of companies is confirmed to go live on 1 August and another insurer client, which cannot be disclosed at this time, is scheduled for year-end.

#### **Research and development activities**

R&D remains a strong and key part of Vizion's strategic planning. Dedicated teams have been assembled to review and improve operational efficiencies whilst others are dedicated to the development of new product lines in a number of existing and new areas of the business.

Expenditure on R&D during the year amounted to circa £0.5 million and is expected to continue at this level in 2019 as a minimum.

#### **Disclosure of information to auditors**

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

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

#### **Post balance sheet events**

There have been no significant events affecting the Company since the year-end.

#### **Auditors**

The auditors, Nexia Smith & Williamson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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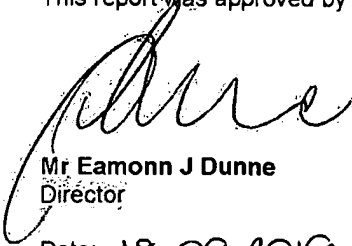
**VIZION NETWORK LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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



**Mr Eamonn J Dunne**  
Director

Date: 18.09.2019

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIZION NETWORK LIMITED**

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**Opinion**

We have audited the financial statements of Vizion Network Limited (the 'Company') for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIZION NETWORK LIMITED (CONTINUED)

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### Other information

The other information comprises the information included in the Annual Report and Financial Statements, 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.

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

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

- the information given in the 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.

### 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 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 5, 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.

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIZION NETWORK LIMITED (CONTINUED)

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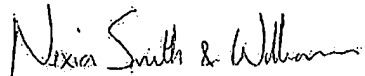
### **Auditor's responsibilities for the audit of the financial statements**

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.

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



Andrew Edmonds (Senior Statutory Auditor)

for and on behalf of

**Nexia Smith & Williamson**

Chartered Accountants  
Statutory Auditor

4th Floor Cumberland House  
15-17 Cumberland Place  
Southampton  
SO15 2BG  
Date: 19 September 2019

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**VIZION NETWORK LIMITED**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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	Note	2018 £	2017 £
Turnover	4	41,144,329	27,423,935
Cost of sales		(32,372,230)	(20,991,808)
<b>Gross profit</b>		<b>8,772,099</b>	<b>6,432,127</b>
Administrative expenses		(6,796,823)	(5,063,694)
<b>Operating profit</b>	5	<b>1,975,276</b>	<b>1,368,433</b>
Interest receivable and similar income	9	16,746	7,819
Interest payable		(1,680)	-
<b>Profit before tax</b>		<b>1,990,342</b>	<b>1,376,252</b>
Tax on profit	10	(113,062)	(280,050)
<b>Profit for the financial year</b>		<b>1,877,280</b>	<b>1,096,202</b>

There was no other comprehensive income for 2018 (2017 - £Nil).

The notes on pages 16 to 30 form part of these financial statements.

**VIZION NETWORK LIMITED**  
**REGISTERED NUMBER:06751660**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Intangible assets	11	2,291	5,831
Tangible assets	12	473,497	375,767
		<u>475,788</u>	<u>381,598</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	13	4,721,451	4,754,833
Debtors: amounts falling due within one year	13	6,559,934	4,268,274
Cash and cash equivalents		8,794,030	4,666,485
		<u>20,075,415</u>	<u>13,689,592</u>
Creditors: amounts falling due within one year	15	(16,235,168)	(8,669,881)
<b>Net current assets</b>		<u>3,840,247</u>	<u>5,019,711</u>
<b>Total assets less current liabilities</b>		<u>4,316,035</u>	<u>5,401,309</u>
Creditors: amounts falling due after more than one year	16	(1,606,915)	(3,205,715)
<b>Provisions for liabilities</b>			
Deferred tax	18	(52,818)	(38,990)
<b>Net assets</b>		<u><u>2,656,302</u></u>	<u><u>2,156,604</u></u>

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VIZION NETWORK LIMITED  
REGISTERED NUMBER:06751660

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BALANCE SHEET (CONTINUED)  
AS AT 31 DECEMBER 2018

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	Note	2018 £	2017 £
<b>Capital and reserves</b>			
Called up share capital	19	101	181
Capital redemption reserve	20	115	35
Profit and loss account	20	2,656,086	2,156,388
		<u>2,656,302</u>	<u>2,156,604</u>

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

Mr Christopher McKie  
Director



Date: 18.09.2019

The notes on pages 16 to 30 form part of these financial statements.



**VIZION NETWORK LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
<b>At 1 January 2017</b>	<b>181</b>	<b>35</b>	<b>1,060,186</b>	<b>1,060,402</b>
<b>Comprehensive income for the year</b>				
Profit for the period	-	-	1,096,202	1,096,202
<b>At 1 January 2018</b>	<b>181</b>	<b>35</b>	<b>2,156,388</b>	<b>2,156,604</b>
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	1,877,280	1,877,280
Purchase of own shares	-	80	(1,377,582)	(1,377,502)
Shares cancelled during the year	(80)	-	-	(80)
<b>At 31 December 2018</b>	<b>101</b>	<b>115</b>	<b>2,656,086</b>	<b>2,656,302</b>

**VIZION NETWORK LIMITED**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018 £	2017 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	1,877,280	1,096,202
<b>Adjustments for:</b>		
Amortisation of intangible assets	3,540	3,540
Depreciation of tangible assets	176,089	173,964
Interest paid	1,680	-
Interest received	(16,298)	(7,819)
Taxation charge	113,062	280,050
(Increase) in debtors	(2,258,278)	(6,376,133)
Increase in creditors	5,650,709	7,041,019
Corporation tax (paid)	(122,456)	(142,669)
<b>Net cash generated from operating activities</b>	<u>5,425,328</u>	<u>2,068,154</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(273,819)	(82,814)
Interest received	16,298	7,819
<b>Net cash from investing activities</b>	<u>(257,521)</u>	<u>(74,995)</u>
<b>Cash flows from financing activities</b>		
Purchase of own shares	(1,377,582)	-
Loans due from/(repaid to) directors	339,000	-
Interest paid	(1,680)	-
<b>Net cash used in financing activities</b>	<u>(1,040,262)</u>	<u>-</u>
<b>Net increase in cash and cash equivalents</b>	<u>4,127,545</u>	<u>1,993,159</u>
Cash and cash equivalents at beginning of year	4,666,485	2,673,326
<b>Cash and cash equivalents at the end of year</b>	<u><u>8,794,030</u></u>	<u><u>4,666,485</u></u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	<u>8,794,030</u>	<u>4,666,485</u>
	<u><u>8,794,030</u></u>	<u><u>4,666,485</u></u>

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## VIZION NETWORK LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1. General information

The Company is a private company, limited by shares, domiciled and incorporated in England and Wales. The registered office address and registered number can be found on the Company Information page.

The Company's functional and presentational currency is GBP.

#### 2. Accounting policies

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

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

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

The following principal accounting policies have been applied:

##### 2.2 Going concern

The Directors have made an assessment in preparing these financial statements as to whether the Company is a going concern and have concluded that there are no material uncertainties that may cast doubt on the Company's ability to continue as a going concern.

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## **VIZION NETWORK LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

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#### **2. Accounting policies (continued)**

##### **2.3 Turnover**

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

##### **Rendering of services**

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

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

The Company has multiple income streams.

Repairers pay a monthly membership fee for access to the Vizion network. Revenue is recognised within the month of the membership. Payment is made one month in advance and deferred at the year-end.

Additional fees, collected from each garage, are recognised as jobs are completed.

Income relating to the cost of replacement vehicles sourced for insurers is recognised as the associated costs are borne by the Company.

Income is also received where the Company manages claims on behalf of insurance companies. The Company is deemed to be acting as the principle when providing these services; being exposed to the risks and rewards associated with the sale.

##### **2.4 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

##### **2.5 Tangible fixed assets**

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

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VIZION NETWORK LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

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**2. Accounting policies (continued)**

**2.5 Tangible fixed assets (continued)**

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

Depreciation is provided on the following basis:

Long-term leasehold property improvements	- Over the term of the lease
Fixtures and fittings	- 20% Straight line
Office equipment	- 33% Straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

**2.6 Cash and cash equivalents**

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

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

Included within the cash total are amounts held within bank accounts representing client funds. These accounts are included within the cash total as Vizion Network Limited is the account holder.

**2.7 Financial instruments**

Financial assets and financial liabilities are recognised in the Balance Sheet when the Company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Company will not be able to collect all amounts due.

Financial liabilities and equity instruments issued by the Company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

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## VIZION NETWORK LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 2. Accounting policies (continued)

##### 2.8 Pensions

###### Defined contribution pension plan

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

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

##### 2.9 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

##### 2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

##### 2.11 Research and development

The Company expenses Research and Development costs as incurred.

## VIZION NETWORK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the Balance Sheet date and the reported amounts of revenues and expenses during the period.

The estimate that had a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities of the Company is set out below:

##### *Income recognition*

Vizion receives rebate income relating to "Not at fault" claims at nil margin. In the judgement of the directors, the Company is acting as principle, not agent, when providing these services due to the contractual provisions in place. This is because of the risks and rewards which the Company is exposed to.

#### 4. Turnover

The whole of the turnover is attributable to the provision of services.

Analysis of turnover by country of destination:

	2018 £	2017 £
United Kingdom	41,144,329	27,420,727
Ireland	-	3,208
	<u>41,144,329</u>	<u>27,423,935</u>

#### 5. Operating profit

The operating profit is stated after charging:

	2018 £	As restated 2017 £
Research & development expenditure written off	468,465	409,863
Depreciation of tangible fixed assets	176,089	173,964
Amortisation of intangible assets	3,540	3,540
Exchange differences	-	(266)
Operating lease rentals	344,924	482,882
	<u>344,924</u>	<u>482,882</u>

Research & development expenditure relates to both internal and external costs incurred which qualify for R&D tax benefits.

The prior year was restated so that the correct level of R&D expenditure is disclosed.

**VIZION NETWORK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**6. Auditors' remuneration**

	2018 £	2017 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>19,500</u>	<u>15,000</u>

**7. Employees**

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

	2018 £	2017 £
Wages and salaries	3,925,263	2,995,011
Social security costs	344,874	262,244
Cost of defined contribution scheme	37,778	19,226
	<u>4,307,915</u>	<u>3,276,481</u>

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

	2018 No.	2017 No.
Administrative Staff	<u>170</u>	<u>136</u>

**8. Directors' remuneration**

	2018 £	2017 £
Directors' emoluments	365,404	176,000
Social security costs	45,715	22,035
Company contributions to defined contribution pension schemes	2,010	773
	<u>413,129</u>	<u>198,808</u>

During the year retirement benefits were accruing to 5 directors (2017 - 2) in respect of defined contribution pension schemes.



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**VIZION NETWORK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**9. Interest receivable**

	2018 £	2017 £
Other interest receivable	16,746	7,819
	<u>16,746</u>	<u>7,819</u>

**10. Taxation**

	2018 £	2017 £
<b>Corporation tax</b>		
Current tax on profits for the year	99,234	299,324
<b>Total current tax</b>	<u>99,234</u>	<u>299,324</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	13,828	(19,274)
<b>Total deferred tax</b>	<u>13,828</u>	<u>(19,274)</u>
<b>Taxation on profit on ordinary activities</b>	<u>113,062</u>	<u>280,050</u>

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**VIZION NETWORK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**10. Taxation (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2017 - *higher than*) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>1,990,342</u>	<u>1,376,252</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	378,080	264,929
<b>Effects of:</b>		
Expenses not deductible for tax purposes	14,721	14,522
Capital allowances for year in excess of depreciation	818	-
Adjustments to tax charge in respect of prior periods	(171,830)	5,042
Adjustment of deferred tax to average rate of 19%	(721)	-
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(115,711)	-
Deferred tax not recognised	7,705	-
Other differences leading to an increase (decrease) in the tax charge	-	(4,443)
<b>Total tax charge for the year</b>	<u><u>113,062</u></u>	<u><u>280,050</u></u>

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VIZION NETWORK LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

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11. Intangible assets

	Development expenditure £
<b>Cost</b>	
At 1 January 2018	41,737
At 31 December 2018	<u>41,737</u>
<b>Amortisation</b>	
At 1 January 2018	35,906
Charge for the year	3,540
At 31 December 2018	<u>39,446</u>
<b>Net book value</b>	
At 31 December 2018	<u>2,291</u>
At 31 December 2017	<u>5,831</u>

VIZION NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

12. Tangible fixed assets

	Long-term leasehold property improvements £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost or valuation</b>				
At 1 January 2018	15,000	326,488	384,655	726,143
Additions	198,909	33,875	41,035	273,819
At 31 December 2018	213,909	360,363	425,690	999,962
<b>Depreciation</b>				
At 1 January 2018	-	118,539	231,837	350,376
Charge for the year	10,891	67,029	98,169	176,089
At 31 December 2018	10,891	185,568	330,006	526,465
<b>Net book value</b>				
At 31 December 2018	203,018	174,795	95,684	473,497
At 31 December 2017	15,000	207,949	152,818	375,767

**VIZION NETWORK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**13. Debtors**

	<b>2018</b>	<i>As restated</i>
	<b>£</b>	<b>2017</b>
		<b>£</b>
<b>Due after more than one year</b>		
Prepayments and accrued income	<b>4,721,451</b>	4,754,833
	<u><b>4,721,451</b></u>	<u>4,754,833</u>
	<b>2018</b>	<i>As restated</i>
	<b>£</b>	<b>2017</b>
		<b>£</b>
<b>Due within one year</b>		
Trade debtors	<b>2,945,242</b>	2,349,889
Other debtors	<b>280,518</b>	223,377
Prepayments and accrued income	<b>3,334,174</b>	1,695,008
	<u><b>6,559,934</b></u>	<u>4,268,274</u>

The prior year restatement relates to £2,680,000 being moved from other debtors to prepayments and accrued income due after more than one year. This is to better reflect the substance of the transaction.

**14. Cash and cash equivalents**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	<b>8,794,030</b>	4,666,485
	<u><b>8,794,030</b></u>	<u>4,666,485</u>

The above total includes £8,110,756 (2017 - £4,281,646) held representing client funds.

**VIZION NETWORK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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

	2018 £	2017 £
Trade creditors	1,815,073	1,451,134
Corporation tax	271,064	294,286
Other taxation and social security	477,133	229,880
Director loan accounts	339,000	-
Other creditors	8,096,142	4,048,903
Accruals and deferred income	5,236,756	2,645,678
	<u>16,235,168</u>	<u>8,669,881</u>

Included in trade and other creditors is £8,110,756 (2017 - £4,281,646) in relation to the client funds held by the Company.

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

	2018 £	2017 £
Accruals and deferred income	1,606,915	3,205,715
	<u>1,606,915</u>	<u>3,205,715</u>

**VIZION NETWORK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**17. Financial instruments**

	2018 £	2017 £
<b>Financial assets</b>		
Cash and cash equivalents	8,794,030	4,666,485
Financial assets that are debt instruments measured at amortised cost	5,270,668	3,017,461
	<u>14,064,698</u>	<u>7,683,946</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(13,192,094)</u>	<u>(6,396,926)</u>

Financial assets at amortised cost comprise trade debtors, other debtors (excluding tax) and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

The prior year figure for financial assets held at amortised cost was corrected so that the correct balances were included.

**18. Deferred taxation**

	2018 £
At beginning of year	(38,990)
Charged to profit or loss	(13,828)
<b>At end of year</b>	<u>(52,818)</u>

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	(54,544)	(38,990)
Short term timing differences	1,726	-
	<u>(52,818)</u>	<u>(38,990)</u>

**19. Share capital**

2018                      2017

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**VIZION NETWORK LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**19. Share capital (continued)**

	£	£
<b>Allotted, called up and fully paid</b>		
Nil (2017 - 181) Ordinary shares of £1.00 each	-	181
202 Ordinary shares of £0.50 each	101	-
	<u>101</u>	<u>181</u>

On 9 April 2018 there was a subdivision of shares, from 181 issued shares of £1.00 nominal value to 362 issued shares of £0.50 nominal value. Subsequently on 9 April 2018, 134 shares were repurchased by the company for £528,898, and then cancelled.

On 28 June 2018, a further 25 shares were repurchased for £848,684, and then cancelled.

**20. Reserves**

**Capital redemption reserve**

The reserve records the nominal value of shares repurchased by the Company.

**Profit and loss account**

The reserve records retained earnings and accumulated losses.

**21. Pension commitments**

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £37,368 (2017 - £19,226). Contributions totalling £22,211 (2017 - £2,434) were payable to the fund at the Balance Sheet date and are included in creditors.

**22. Commitments under operating leases**

At 31 December 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	372,030	382,868
Later than 1 year and not later than 5 years	499,358	999,622
	<u>871,388</u>	<u>1,382,490</u>



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## VIZION NETWORK LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 23. Related party transactions

During the year, Vizion Network Limited made sales of £471,779 (2017 - £378,298) to a number of companies under the common control of directors, of which at the year end, £87,917 (2017 - £82,934) remained outstanding and is presented within trade debtors.

The Company also made purchases or incurred expenses during the year of £1,962,086 (2017 - £1,822,264) from the same companies under common control, of which £378,007 (2017 - £136,143) remained outstanding at year end and is presented within trade creditors.

Vizion is owed £3,630,000 (2017: £2,680,000) from a company which is a related party to Vizion Network Limited. The other company is a related party by virtue of the significant influence that Vizion has over its financial and operating policies. Additionally, a prepayment of £2,007,555 (2017: £2,928,833) was made to this company for the provision of data transmission services for the next 10 years.

In addition, two close family members of directors were remunerated for their services to the Company, with remuneration totalling £73,030 during the year (2017 - £68,348), of which £0 remained outstanding at the year end (2017 - £3,573).

Furthermore, a company under the common control of directors has provided security to a customer of Vizion Network Limited by means of a charge over its property. The contract held with this customer is presented as a £1,991,055 (2017: £3,000,000) balance in deferred income.

As at the year end, the Company owed £339,000 (2017: £nil) to its directors, by way of Directors Loans. No interest accrues on these loans.

#### 24. Controlling party

The Company is not under the control of any single party.