
VIZION NETWORK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

VIZION NETWORK LIMITED

COMPANY INFORMATION

Directors	P A Austin M W Bourke E J Dunne G J Eyles G F Lindsay (resigned 1 April 2021) C A Mckie
Company secretary	E J Dunne
Registered number	06751660
Registered office	The Deep Business Centre Tower Street Hull East Yorkshire HU1 4BG
Independent auditor	Nexia Smith & Williamson Chartered Accountants & Statutory Auditor 4th Floor Cumberland House 15-17 Cumberland Place Southampton Hampshire SO15 2BG

VIZION NETWORK LIMITED

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**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors present their Strategic Report for the year ended 31 December 2020.

Principal activity

The principal activities of the Company are handling vehicle accidental damage repair, via digitally integrated network solutions. Utilising and also licencing, B2B and also B2C facing digital systems with advanced claims integrations, analytics, and financial management solutions.

Business review

With successive Covid lockdowns occurring onwards from March 2020, and the dramatic consequential drop in collisions and insurance claims, it is unsurprising that Vizion's performance in 2020 has suffered relative to the prior year as a direct result of this and indeed other factors that were far beyond Vizion's control.

Turnover increased year-on-year to £105.44 million, up £41.1 million (64%) on prior year, which was principally due to the accounting treatment associated with new service contracts with clients that have been keen to take on Vizion's new software product, LENZ.

As a result of Covid, business volumes were down c. 26% in 2020 compared to normalised or pre-pandemic levels - a trend that was sadly experienced across the whole motor repair industry, although it is fair to say most were impacted more heavily and downturns of 35% appear to be nearer the norm. Despite this, Gross Profit for the year was £8.60 million, down £2.04 million (19.2%) on the prior year and reflects ongoing refinements to product lines, increased investment, geographical coverage as well as improved business efficiencies.

Vizion's performance continues to set the pace others have been unable to follow in our sector. The continuing strategy to invest heavily in R&D and our people, has built a very resilient business with high levels of agility, bringing both consistency and efficiency to our operations and those of our clients. Our work with consideration to Brexit defensive planning continues to mature as we move closer to 2022. Comprehensive collaborations are in place with suppliers ensuring we, they and our clients are protected as efficiently and effectively as possible to provide future proofing and security without losing agility. These preparations were heavily tested during the Covid 19 outbreak and ensured that Vizion maintained 100% of our services during this time, containing costs and increasing customer satisfaction.

Vizion systems continue to evolve at pace, having unprecedented levels of automation and digitalisation within our operations reducing Vizion and third party operating costs and dependencies. Our architecture has also allowed an instant and effective solution to home working and social distancing both in our operations and service delivery. Enhancing confidence in staff, clients and their customers places the Company in a very strong position to deliver greater assurance, risk reduction and even greater growth. Administrative Expenses have increased but are below expectation relative to planned growth and continued investment which were maintained through the Covid period, this being mainly due to efficiencies gained from our new LENZ, Nucleus and Triage digital systems with advanced machine learning.

The Vizion Network has continued to expand but has also increased its diversification during this difficult period, creating strong collision repair, home services and technical systems that have exceeded expectation, opening up new market areas ahead of previously planned time frames. This has substantially strengthened our offering and position and has increased the benefits to the Company, its customers and repairer partners. Most of Vizion's clients have experienced growth during Covid, which has been assisted by the integration of Vizion's Digital Transformative Systems reducing client Opex and FTE requirements and assisting in their expansion with lower costs. Client growth ultimately increases Vizion's growth from existing and new business lines both in the UK and overseas, boosting sales and creating higher resilience and capability in to 2021 and well beyond.

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

In a very difficult year for everyone, the results are above expectations and general market performance. We are especially pleased that as a business we were able to use this time as an opportunity to accelerate the strengthening of our core business, adding some well known industry names to our ranks, with the appointment of two new directors and several key IT personnel to complement our continued investment in R&D, where many others have trimmed expenditure in these areas.

Normalised figures allowing for new business and planned growth with existing clients that has been delayed, demonstrate that significant year-on-year growth would have again been achieved. Continued maturing of existing business operations was demonstrated with the introduction of new systems, people and products. This proactive performance has been achieved where the wider and generally more reactive industry continues to struggle, amplified greatly by a general lack of investment, reductions in claims frequency associated with vehicle collision avoidance technologies, and more recently, Covid affected revenues. Vizion continues 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 the automotive, home and insurance sectors, in the UK and abroad. Leading with new thinking and innovative strategies, products, and a business blueprint of ethical and sustainable trading making us not only the partner of choice, but the right choice.

Our refurbished office at Wellingborough provides Vizion and its customers with a spacious and hi tech facility used for training and meeting purposes but also for our clients to use for their own operational needs. During these unprecedented times it is even more important to maintain a stay calm and carry on approach. Wellingborough's size allows for adequate social distancing whilst its technical capabilities allow for seamless integration of the virtual audience creating a hub marketplace for Vizion and its clients.

Vizion's commitment to a better future via the use of well thought-out, cutting-edge technologies is unwavering. Continued investment in R&D both in terms of expenditure and time has continued to increase, with several new and major developments within our Nucleus claims and Triage+™ digital transformation and FinTech systems during the period. Creating opportunities with new and existing clients and further efficiencies for both Vizion and stakeholder operation. These developments have deepened the product offering in key strategic areas, delivering automated validation, claims handling, invoicing and payment management processes. Coupled with advanced predictive analytics and automated, highly enhanced subrogation benefits in the form of increased first-party insurer revenues, increasing revenue by between 30 to 50%, whilst vastly reducing administrative cost, effort, and inconvenience.

Vizion's drive to better and quicker answers continues to strengthen year-on-year, and is essential to our future growth and stability and to that of our clients. Our ability to answer questions in the here and now but also in predicting future events as much as possible is essential. Our increased capability over the period in data retrieval and utilisation technologies has brought us in to a new era.

Vizion introduced a new spear head analytics division in 2019. Specifically assembled to research, explore and devise logic that provides us with the ability to predict complex outcomes. This continues to be a very exciting next phase in our development strategy, delivering daily benefits in difficult trading conditions and adding value far beyond this report, that we believe will provide tangible operational and revenue benefits for Vizion and its clients in the UK and abroad for many years to come.

Vizion continues to be the largest and most diverse entity of its kind that is growing and maturing with high consistency and more importantly, with high resilience and stability.

A growing range of products and services that remain unmatched in the sector has put Vizion at the forefront of the collision repair market with clients taking full advantage of the benefits of a fully integrated, highly efficient repair network spanning all vehicle types and complexities, alongside digital systems, and operational automation.

Vizion's market share of the UK and Ireland collision repair market continues to represent more than 11% of available volumes, with the Vizion Network in its own right repairing more than 1.6m vehicles annually.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

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, considering 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.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Employment policies

Vizion 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 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 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.

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'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.

VIZION NETWORK LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

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); and
- 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; and
- 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; and
- 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; and
- d) Started development of a dedicated Vizion training and knowledge resource webpage.

Key performance indicators

Despite the impact of Covid, Vizion's turnover increased by 64% year-on-year, which is mainly associated to the take up of the new 'Lenz' Fintech products by clients, to optimise operational and revenue benefits.

The application of the accounting rules associated with these changes in client contractual terms as more take on Vizion's new software product, LENZ, has an effect on Vizion reporting. As a result of these contractual changes, the Gross Profit percentage has dropped superficially to 8.2% (2019: 16.5%) although it remains clear that Vizion's underlying Gross Profit margin i.e., after adjusting for these presentational changes, remains strong.

Overall, the Vizion board is pleased with performance considering the economic circumstances and trading through what in essence, has been the most prolonged and worst peace time event in living memory.

We are especially pleased to have maintained and completed large projects and investments made in cloud services, ISMS, continuing R&D and comprehensive preparations in respect to Brexit and GDPR made during the period to strengthen the business, network, and systems proposition still further.

Administrative costs increased by £0.81 million (9.9%) due to increased overhead costs in line with growth, and investment in systems and people.

Due to the significant drop in volumes caused by the pandemic, operating profit fell by 98% to £47,378 (2019: £2,505,863) or £744,719 before the deduction of a loan provision against an associated company.

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Section 172 statement

The Vizion Board considers, both individually and collectively, that they have acted in a way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s.172 (a) of the Companies Act 2006) in the decisions taken during the year ended 31 December 2020.

Long term consequences

We want to satisfy our customers, employees, shareholders, and society in equal measure. In our industry sector we believe we are leaders, in terms of both technology and organization and aim to achieve continuous growth that is above the average. We equally aim for an appropriate return on capital that enables us to afford our balanced expenditure on research and development as well as investments made by our own efforts.

Investment decisions undertaken in the year are covered above in pages 1-7 of our Strategic Report.

In making these material decisions, the Board took conscious steps to identify and take account of the potential impact (both positively and negatively) on key stakeholder groups (such as shareholders, employees, suppliers, customers and society as a whole) and concluded that the decisions taken and the anticipated outcomes were aligned with promoting the success of the company for the benefit of its members.

Interest of employees

The same high performance and quality expectations followed by the Company are also placed on our employees. The safeguarding of jobs is a high priority for us, as is a fair system of remuneration. We promote our employees' personal and professional competence. Creative freedom is just as important as a readiness to express, and constructive criticism and debate are seen as opportunities.

We endeavour to provide conditions that enable our employees to perform well in safe environments. This includes a healthy work life balance, health and mental well being and the pursuit of diversity among our employees. We have also worked with our employees to put in place safe working practices in line with government guidance to minimise the risk of Covid 19.

Please also refer to comments made in the Directors' Report: sub section: Future developments.

Foster business relationships

Our services are known in the market to be innovative and reliable as well as tried and tested in industry conditions. With the continuous development of our software solutions, we develop and maintain strong relationships with both suppliers and customers alike.

Impact of operations

Our corporate responsibility to handle resources carefully and to avoid negative impact on the environment as much as possible coupled with a conscious approach to plan for the long term and to actively involve ourselves in shaping the conditions in which we operate.

Maintaining reputation

Vizion's position as a market leader is embedded in the culture of the company. Our drive to provide innovative and reliable products to our customers is at the forefront of our business decisions making process.

Acting fairly

Our intention is to behave responsibly towards our stakeholders and treat them fairly and equally, so they too may benefit from the successful delivery of our long term plans.

VIZION NETWORK LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

E J Dunne

Director

Date: 29 September 2021

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors present their report and the financial statements for the year ended 31 December 2020.

Results and dividends

The profit for the year, after taxation, amounted to £268,464 (2019: £2,235,663).

No dividends were paid or proposed in the year (2019: £Nil).

Directors

The directors who served during the year were:

P A Austin
M W Bourke
E J Dunne
G J Eyles
G F Lindsay (resigned 1 April 2021)
C A Mckie

Future developments

Vizion is always focussed on the future, but we also never ignore the here and now. Since the rapid onset of the Covid 19 pandemic in Q1 2020 we have learned that future changes can be as quick as week-to-week.

This degree of entropy has tested our planning, agility, and resilience, under sustained pressure and problems in very harsh trading conditions. We are however very pleased, that even under these circumstances, the business, systems, and the people have held up, never once losing our ability to provide any service.

This event has produced serious financial and operational challenges to every business, but we should never forget the individual and the stress and worry this brings in both terms of health and finances.

So, for now, and for some time to come, Vizion will be increasing its planning and investment in our people and how we can make sure we remain as prepared as possible for events such as Covid. Also, on how we can help get people back to normal through discussion, events, and technology to focus on time management and efficiency.

Vizion systems strengthen our operational agility and those of our repairers and clients, providing high levels of portability and delivery since our beginnings. These digital and automated systems provided Vizion with exceptional security and resilience, tested to their extreme during the Covid outbreak.

This forced and prolonged test allowed us to migrate our call centres to 100% home working within 48 hours, with no loss of services or connectivity. These actions allowed us to optimise and change our business approach and also protect our staff both physically and mentally, which has without doubt shone through in terms of delivery, performance and also in team moral.

Theses necessities have also presented a number of opportunities to engage with new clients and to take system connectivity and automation into new areas with Cortex™ now breaking in to several new markets including home claims.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Triage+™ has seen a dramatic increase in utilisation with over two million direct customer interactions. Removing some of the operational tethers has allowed an acceleration in optimal thinking and more so delivery, which in turn has allowed an all party increase in efficiencies, a decrease in cost and increasing customer satisfaction. The increases in Electronic Notification of Loss are increasing exponentially and our long-term focus has been for a number of years on the potential of connected car services and vehicles as a service.

Covid has unnaturally accelerated the growth of home shopping. We believe it has had equal effect on connected car, and consequently we have increased R&D in this area to ensure we are prepared to realise these opportunities.

Diversification into other markets continue to develop and is picking back up in planning and development now that travel bans, and rules are easing. There are several projects planned for Q4 2021, involving a launch for Vizion to a major European market and an immensely important project with a top 5 global vehicle manufacturer. Product launches scheduled within the development plan remain on target for 2021 and 2022.

Auditing products in technical and operational services continue to be developed with Opus™ now being used by several clients for their compliance and standards monitoring, encapsulating multiple areas of Vizion and client businesses in both automotive and non automotive areas and provide rules based access to staff. This has been especially successful during Covid due to its remote monitoring and self-management properties.

The Board is forecasting diminished returns in 2021 in comparison to 'normal' (2019) trading due to the general reduction in collision events, and available repair volumes. Recovery post pandemic remains slower than other countries and is potentially proportional to furlough and other factors which will become clearer after the end of furlough in September.

Strong performance in growth pro rata with new and existing clients provides a very positive outlook for H2 2021 by comparison. Financial outcomes are tracking above our initially revised expectations for the year and the Board remains confident for 2021 and 2022 at this time in the UK and other markets.

Research and development activities

R&D remains a 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 several existing and new areas of the business.

Expenditure on R&D during the year amounted to circa £0.78 million and is expected to exceed this level in 2021.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Greenhouse gas emissions, energy consumption and energy efficiency action

The following applies to emissions from all operational and management activities for the year ended 31 December 2020.

We have followed the UK Government Environmental Reporting Guidance and referenced the GHG Protocol, but we are not yet able to fully report on voluntary Scope 3 categories.

The environmental impacts of our organisation encompass mandatory Greenhouse Gas Protocol Scope 1, which are direct GHG emissions, e.g. from company cars, and gas heating boilers, and Scope 2, indirect emissions, e.g. emission released into the atmosphere associated with the purchase and use of electricity. We have also included Scope 3 in relation to business use and staff owned vehicles. This applies to the UK only as we currently do not operate in other countries.

Purchase prices of fuel, gas and electricity and the equivalent kg per litre, and kWh, were used to calculate the associated metric tonnes of emissions produced.

Scope 1 emissions from activities for which the company own or control, including combustion of fuel from vehicles and gas emissions from the operation of our facilities, is calculated at 54 metric tonnes of CO₂ for 2020, compared with 55 metric tonnes of CO₂ in 2019.

Scope 2 emissions, associated with electricity purchased for facility use is calculated at 44 metric tonnes of CO₂ for 2020, compared with 41 metric tonnes of CO₂ in 2019.

Scope 3 emission, which is as a consequence of our actions, but occur at sources which we do not own or control, i.e. mainly within our supply chain, has not been fully estimated at this stage. However, business use involving staff owned vehicles is calculated at 18 metric tonnes for 2020, compared with 41 metric tonnes in 2019. We are currently compiling a matrix to collect all related Scope 3 data for future reporting.

Scope 1, 2 and 3 reportable data combined therefore produced 117 metric tonnes of CO₂ in 2020, compared with 137 metric tonnes of CO₂ in 2019.

Based on 2020 turnover of £105,442,998, our intensity ratio across Scope 1 and 2 for 2020 is 0.90 metric tonnes per £million, compared with 2.13 in 2019. We have chosen the intensity measure of CO₂ metric tonnes per £1million turnover as this best fits our industry sector.

The reason for the reduction in GHG emission from 2019 to 2020 is mainly due to the Covid-19 pandemic and the resulting reduced traffic flows. However, activity also included working with suppliers to reduce plastic packaging and waste, reducing business travel via use of video conferencing, increased numbers of employees working from home, electric hybrid company cars and encouraging cycling to work where possible.

We have a fixed base year of 2019 as it was the first year for which we considered that we had reliable data. There has been no need to recalculate our base year as there has been no sale of facilities or operations.

Our target is to be carbon neutral across Scope 1 and 2 by 2025, and we will encourage our supply chain to do the same by 2030. This will be achieved by the use of carbon offsetting.

Our emission reduction target is to reduce our global Scope 1 and 2 emissions in tonnes of CO₂ per £1m turnover by 10%* per annum, and we will work with our clients and supply chain to effect measurable reduction in Scope 3 emission.

Reference is made to ISO 14001 and PAS 2060 in developing our initiatives with consideration given to external assurance in the future.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

There are currently no carbon credits to report although our intention is to purchase Kyoto-compliant Certified Emission Reductions.

Our environmental impact on the use of water, treatment of waste, use of materials, pollution control, and protection of biodiversity are also being considered.

The Board is responsible for making this happen, and the initiative will be led by our Governance Group.

Methodology - calculation of greenhouse gas emission is based on the following:

Scope 1: Direct GHG emissions calculation:

CO₂ emission from gas is confirmed by calculating total kilowatts per hour used from business operations within the period, then multiplying by 0.18 kg per kWh – the stated level of CO₂ emission created per kWh of gas. Source: carbonindependent.org. CO₂ emission from burning gas equated to 47 metric tonnes in 2020.

CO₂ emission from fuel is confirmed by calculating the total litres used from business operations in company cars within the period, then multiplying by 2.4 kg per litre - the stated level of CO₂ emission created per litre of fuel. Source: carbonindependent.org. CO₂ emission from vehicle fuel equated to 7 metric tonnes in 2020.

Scope 2: Indirect GHG emissions calculation:

CO₂ emission from electricity is confirmed by calculating the total kilowatts per hour used from business operations within the period, then multiplying by 0.26 kg per kWh – the stated level of CO₂ emission created per kWh of electricity. Source: carbonindependent.org. CO₂ emission from the creation of electricity used equated to 44 metric tonnes in 2020.

Scope 3: Other Indirect GHG emissions calculation:

There are 15 sections to the Scope 3 calculations, covering upstream and downstream emissions. We have completed the mandatory reportable use of staff vehicles using the same calculation for fuel as above, confirming 18 metric tonnes in 2020. As most of Scope 3 criteria is currently treated as voluntary reporting, we note awareness and our intention to develop a matrix to collect data for possible expansion in 2021.

Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

Post balance sheet events

Details of significant events affecting the Company since the year end have been disclosed in note 25 of the financial statements.

Auditor

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

VIZION NETWORK LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

E J Dunne
Director

Date: 29 September 2021

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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.

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

Opinion

We have audited the financial statements of Vizion Network Limited (the 'Company' for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows, the Analysis of Net Cash 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 2020 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

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

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

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

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 13, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIZION NETWORK 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained a general understanding of the Company's legal and regulatory framework through enquiry of management concerning: their understanding of relevant laws and regulations; the entity's policies and procedures regarding compliance; and how they identify, evaluate and account for litigation claims. We also drew on our existing understanding of the Company's industry and regulation.

We understand that the Company complies with the framework through:

- Outsourcing payroll and tax compliance to external experts.
- Employing an in-house legal expert to advise on industry matters

In the context of the audit, we considered those laws and regulations: which determine the form and content of the financial statements; which are central to the Company's ability to conduct its business; and where failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the Company:

- The Companies Act 2006 and FRS 102 in respect of the preparation and presentation of the financial statements.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur. The areas identified in this discussion were:

- Incorrect reporting of revenue, particularly whether Vizion act as principal or agent on specific contracts.
- Manipulation of the financial statements, especially revenue, via fraudulent journal entries or error affecting cut off around the year end, particularly as the completeness of accrued income can be affected by how close to the year end management prepare the calculations for this.

The procedures we carried out to gain evidence in the above areas included:

- Challenging management regarding the assumptions used in the estimates identified above.
- Challenging management's assessment over whether Vizion act as principal or agent on specific contracts.
- Testing journal entries, focusing particularly on postings to unexpected or unusual accounts and those with unusual descriptions.
- Substantive work on accrued and deferred income, focusing particularly on cut-off and completeness.

Overall, the senior statutory auditor was satisfied that the engagement team collectively had the appropriate competence and capabilities to identify or recognise irregularities.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

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

Hampshire

SO15 2BG

29 September 2021

VIZION NETWORK LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Turnover	4	105,442,998	64,353,529
Cost of sales		(96,840,505)	(53,709,821)
Gross profit		8,602,493	10,643,708
Administrative expenses		(8,943,838)	(8,137,845)
Other operating income	5	388,723	-
Operating profit	6	47,378	2,505,863
Interest receivable and similar income	10	65,382	40,062
Interest payable		-	(130)
Profit before tax		112,760	2,545,795
Tax on profit	12	155,704	(310,132)
Profit for the financial year		268,464	2,235,663

There was no other comprehensive income for 2020 (2019: £Nil).

The notes on pages 23 to 36 form part of these financial statements.

VIZION NETWORK LIMITED
REGISTERED NUMBER:06751660

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	479,304	480,226
		<u>479,304</u>	<u>480,226</u>
Current assets			
Debtors: amounts falling due after more than one year	15	7,430,000	3,948,754
Debtors: amounts falling due within one year	15	7,578,443	9,349,978
Cash at bank and in hand	16	17,348,120	21,542,249
		<u>32,356,563</u>	<u>34,840,981</u>
Creditors: amounts falling due within one year	17	(20,600,396)	(30,548,417)
Net current assets		<u>11,756,167</u>	<u>4,292,564</u>
Total assets less current liabilities		<u>12,235,471</u>	<u>4,772,790</u>
Creditors: amounts falling due after more than one year	18	(7,516,356)	-
Provisions for liabilities			
Deferred tax	19	-	(50,561)
Net assets		<u><u>4,719,115</u></u>	<u><u>4,722,229</u></u>
Capital and reserves			
Called up share capital	20	95	99
Capital redemption reserve	21	121	117
Profit and loss account	21	4,718,899	4,722,013
Shareholders' funds		<u><u>4,719,115</u></u>	<u><u>4,722,229</u></u>

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

C A Mckie
Director

Date: 29 September 2021

The notes on pages 23 to 36 form part of these financial statements.

VIZION NETWORK LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 January 2019	101	115	2,656,086	2,656,302
Comprehensive income for the year				
Profit for the year	-	-	2,235,663	2,235,663
Contributions by and distributions to owners				
Purchase of own shares	-	2	(169,736)	(169,734)
Shares cancelled during the year	(2)	-	-	(2)
At 1 January 2020	99	117	4,722,013	4,722,229
Comprehensive income for the year				
Profit for the year	-	-	268,464	268,464
Contributions by and distributions to owners				
Purchase of own shares	-	4	(271,578)	(271,574)
Shares cancelled during the year	(4)	-	-	(4)
At 31 December 2020	95	121	4,718,899	4,719,115

VIZION NETWORK LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	2019 £
Cash flows from operating activities		
Profit for the financial year	268,464	2,235,663
Adjustments for:		
Amortisation of intangible assets	-	2,291
Depreciation of tangible assets	125,408	169,653
Interest paid	-	130
Interest received	(65,382)	(40,062)
Taxation charge	(155,704)	310,132
Increase in debtors	(1,604,936)	(2,017,347)
(Decrease)/increase in creditors	(2,120,891)	13,005,624
Corporation tax paid	(310,406)	(272,679)
Net cash generated (used in)/generated from operating activities	(3,863,447)	13,393,405
Cash flows from investing activities		
Purchase of tangible fixed assets	(124,486)	(176,382)
Interest received	65,382	40,062
Net cash used in investing activities	(59,104)	(136,320)
Cash flows from financing activities		
Loans repaid to directors	-	(339,000)
Interest paid	-	(130)
Repurchase of own shares	(271,578)	(169,736)
Net cash used in financing activities	(271,578)	(508,866)
Net (decrease)/increase in cash and cash equivalents	(4,194,129)	12,748,219
Cash and cash equivalents at the beginning of the year	21,542,249	8,794,030
Cash and cash equivalents at the end of the year	17,348,120	21,542,249
Cash and cash equivalents at the end of the year comprise:		
Cash at bank and in hand	7,976,375	498,787
Cash held on behalf of clients	9,371,745	21,043,462
	17,348,120	21,542,249

VIZION NETWORK LIMITED

ANALYSIS OF NET CASH
FOR THE YEAR ENDED 31 DECEMBER 2020

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	<u>21,542,249</u>	<u>(4,194,129)</u>	<u>17,348,120</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. General information

Vizion Network Limited is a private company, limited by shares, domiciled and incorporated in England and Wales (registered number: 06751660). The registered office address is The Deep Business Centre, Tower Street, Hull, East Yorkshire, HU1 4BG.

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 financial statements have been prepared on a going concern basis.

The directors have carefully reviewed the future prospects of the Company and its future cash flows, including an assessment of the potential impact of the COVID-19 pandemic. The full impact of the COVID-19 pandemic on the business remains uncertain and as a result unquantifiable at this stage. Nevertheless, having assessed this the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future being at least the next 12 months from signing of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.3 Revenue recognition

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

Rendering of services

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

- the amount of turnover can be measured reliably;
- it is probable that the 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. Turnover 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 principal when providing these services; being exposed to the risks and reward associated with the sale.

2.4 Operating leases: the Company as lessee

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

2.5 Research and development

The Company expenses research and development costs as incurred.

2.6 Interest income

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

2.7 Finance costs

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.8 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.

2.9 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.

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 expected term of the lease
Motor vehicles	- 20%
Fixtures and fittings	- 20%
Office equipment	- 33%

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.11 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 on 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.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Company's cash management.

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.

2.12 Current and deferred taxation

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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 year.

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

Income recognition

Vizion receives income on various contracts at nil margin. In the judgement of the directors, for some of these income streams the Company is acting as a principal, and on some as agent. This assessment is based upon the contractual provisions in place, and the substance of the arrangement. A key factor in determining whether the Company is acting as agent or principal is whether or not the credit risk sits with Vizion or another party.

Debtor recoverability

Vizion makes an estimate as to the recoverable value of the 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 the debtors and historical experience. In the directors' judgement, a provision of £447,341 (2019: £11,997) is required for trade debtors, and no provision (2019: £Nil) is required for the other debtors.

4. Turnover

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

All turnover arose within the United Kingdom.

5. Other operating income

	2020 £	2019 £
Other operating income	<u>388,723</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

6. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Research & development expenditure written off	782,911	781,415
Amortisation of intangible assets	-	2,291
Depreciation of tangible fixed assets	123,450	169,653
Bad debt expense	697,420	11,997
Operating lease rentals	<u>391,749</u>	<u>330,738</u>

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

7. Auditor's remuneration

	2020 £	2019 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>22,675</u>	<u>21,995</u>

8. Employees

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

	2020 £	2019 £
Wages and salaries	5,366,262	4,727,451
Social security costs	502,805	421,247
Cost of defined contribution scheme	98,682	78,721
	<u>5,967,749</u>	<u>5,227,419</u>

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

	2020 No.	2019 No.
Administrative staff	205	185
Directors	6	6
	<u>211</u>	<u>191</u>

VIZION NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

9. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	682,000	570,000
Company contributions to defined contribution pension schemes	6,349	4,837
	<u>688,349</u>	<u>574,837</u>

During the year retirement benefits were accruing to 5 directors (2019: 5) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £141,314 (2019: £141,188).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £1,314 (2019: £1,188).

10. Interest receivable

	2020 £	2019 £
Other interest receivable	<u>65,382</u>	<u>40,062</u>

11. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	<u>-</u>	<u>130</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

12. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	-	310,845
Adjustments in respect of previous periods	(38,097)	1,544
Total current tax	<u>(38,097)</u>	<u>312,389</u>
Deferred tax		
Origination and reversal of timing differences	<u>(117,607)</u>	<u>(2,257)</u>
Taxation on (loss)/profit on ordinary activities	<u>(155,704)</u>	<u>310,132</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019: *lower than*) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	<u>112,760</u>	<u>2,545,795</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	21,424	483,701
Effects of:		
Expenses not deductible for tax purposes	9,428	14,228
Capital allowances for year in excess of depreciation	1,052	1,486
Other permanent differences	190	-
Losses carried back	37,730	-
Adjustments to tax charge in respect of prior periods	(38,097)	1,542
Adjustment of deferred tax to average rate of 19%	-	468
Adjustment in research and development tax credit leading to a decrease in the tax charge	(193,379)	(193,010)
Adjustments to tax charge in respect of previous periods - deferred tax	-	1,717
Remeasurement of deferred tax for changes in tax rates	5,948	-
Total tax (credit)/charge for the year	<u>(155,704)</u>	<u>310,132</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

12. Taxation (continued)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

13. Intangible assets

	Development expenditure £
Cost	
At 1 January 2020	41,737
At 31 December 2020	41,737
Amortisation	
At 1 January 2020	41,737
At 31 December 2020	41,737
Net book value	
At 31 December 2020	-
At 31 December 2019	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

14. Tangible fixed assets

	Long-term leasehold property improvements	Motor vehicles	Fixtures and fittings	Office equipment	Total
	£	£	£	£	£
Cost					
At 1 January 2020	352,490	-	372,552	451,302	1,176,344
Additions	6,986	117,500	-	-	124,486
At 31 December 2020	359,476	117,500	372,552	451,302	1,300,830
Depreciation					
At 1 January 2020	39,196	-	258,212	398,710	696,118
Charge for the year	35,539	1,958	55,411	32,500	125,408
At 31 December 2020	74,735	1,958	313,623	431,210	821,526
Net book value					
At 31 December 2020	284,741	115,542	58,929	20,092	479,304
At 31 December 2019	313,294	-	114,340	52,592	480,226

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

15. Debtors

	2020 £	2019 £
Due after more than one year		
Prepayments and accrued income	<u>7,430,000</u>	<u>3,948,754</u>
	2020 £	2019 £
Due within one year		
Trade debtors	1,601,598	2,652,091
Other debtors	598,837	834,548
Prepayments and accrued income	5,310,962	5,863,339
Deferred taxation	67,046	-
	<u>7,578,443</u>	<u>9,349,978</u>

16. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	<u>17,348,120</u>	<u>21,542,249</u>

The above total includes £9,371,745 (2019: £21,043,462) held, representing client funds.

The bank holds security by way of an unlimited debenture date 9 September 2018, incorporating a fixed and floating charge over Vizion's property.

17. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	729,486	2,217,252
Corporation tax	-	310,774
Other taxation and social security	3,082,571	727,015
Other creditors	9,242,008	20,645,737
Accruals and deferred income	7,546,331	6,647,639
	<u>20,600,396</u>	<u>30,548,417</u>

Included in trade and other creditors is £713,901 (2019: £21,043,462) in relation to the client funds held by the Company.

VIZION NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

18. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Accruals and deferred income	<u>7,516,356</u>	<u>-</u>

19. Deferred taxation

	2020 £	2019 £
At beginning of year	50,561	52,818
Charged to profit or loss	(117,607)	(2,257)
At end of year	<u>(67,046)</u>	<u>50,561</u>

The deferred taxation balance is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	45,414	55,998
Short-term timing differences	(112,460)	(5,437)
	<u>(67,046)</u>	<u>50,561</u>

20. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
190 (2019: 198) Ordinary shares of £0.50 each	<u>95</u>	<u>99</u>

On 26 March 2020, the Company cancelled 8 Ordinary shares with a nominal value of £0.50 each.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

21. Reserves

Capital redemption reserve

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

Profit and loss account

This reserve records retained earnings and accumulated losses.

22. 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 £98,682 (2019: £78,721). Contributions totalling £Nil (2019: £31,979) were payable to the fund at the reporting date.

23. Commitments under operating leases

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

	2020 £	2019 £
Not later than 1 year	357,344	331,854
Later than 1 year and not later than 5 years	161,280	454,559
	<u>518,624</u>	<u>786,413</u>

VIZION NETWORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

24. Related party transactions

During the year, Vizion Network Limited made sales of £526,579 (2019: £464,319) to a number of companies under the common control of directors. At the year end, £69,047 (2019: £59,564) remained outstanding and is presented within trade debtors.

During the year, the Company also made purchases or incurred expenses of £2,076,491 (2019: £2,264,088) from the same companies under common control. At the year end, £70,272 (2019: £310,890) remained outstanding and is presented within trade creditors.

Vizion is owed £7,430,000 (2019: £3,630,000) from a company which is a related party to Vizion Network Limited. No interest accrues on this balance. It is, in substance, a prepayment for data transmission services and is presented within long-term debtors on the Balance Sheet. The other company is a related party by virtue of the significant influence that Vizion's owners have over its financial and operating policies. Additionally, a prepayment of £223,758 (2019: £1,163,153) was made to a subsidiary of this company for the provision of data transmission services.

Vizion has a loan balance of £794,682 (2019: £326,051) due from an entity related to Vizion by virtue of the significant influence that Vizion's owners have over the other entity. This loan is presented within short-term debtors, is repayable on demand and accrues no interest.

In addition, two close family members of directors were remunerated for their services to the Company, with remuneration totalling £80,310 during the year (2019: £86,627). At the year end, £Nil (2019: £Nil) remained outstanding.

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 £6,851,036 (2019: £763,885) balance in deferred income.

	2020 £	2019 £
Key management personnel remuneration	<u>688,349</u>	<u>616,697</u>

25. Post balance sheet events

19 shares were cancelled post year end, each having a nominal value of £0.50. The aggregate value of the share capital, as at the date of signing the accounts, stands at £85.50.

26. Controlling party

The directors do not consider there to be an ultimate controlling party.

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