

Involve Visual Collaboration Ltd

Annual Report and Financial Statements

Year Ended

31 December 2019

Company Number 02383157

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Involve Visual Collaboration Ltd

Company Information

Directors	M R Dawes G S Manton R J Pasqualino D E Thomas J P Ward
Registered number	02383157
Registered office	Martin Dawes House Europa Boulevard Westbrook Warrington Cheshire WA5 7WH
Independent auditor	BDO LLP 3 Hardman Street Manchester M3 3AT

Involve Visual Collaboration Ltd

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Involve Visual Collaboration Ltd

Group Strategic Report For the Year Ended 31 December 2019

The Directors present their Strategic Report for the year ended 31 December 2019.

Principal activities

The principal activity of the Company and the Group during the year was the selling and maintenance of audio-visual collaboration equipment and services.

Business review

Turnover for the year ended 31 December 2019 was £12,710,685 (2018 - £10,679,247) and Group profit before tax was £940,738 (2018 - £99,667 loss), as set out in the Consolidated Statement of Comprehensive Income. The retained profit for the year was £849,102 (2018 - £6,357 loss).

The trading performance over the past twelve months reflects a stronger trading performance in an increasingly competitive market place.

The Group continues to use a successful sales engagement model, which includes strategic diversification into new market sectors as well as the development of existing sectors. To further capitalise on our increased market penetration, additional technology and service offerings have been added to our product portfolio and have helped generate new revenue streams.

Key performance indicators

Other than turnover and profit, as noted above, other key performance indicators are measured and monitored monthly by the management team to ensure objectives are met and to provide focus for continual improvement. Examples of these indicators are as follows:

- The delivery of services on time and to the highest standards.
- The building and maintaining of strong customer relationships.
- The development of our staff to ensure that they maximise their potential.
- To adhere to the policies set out by our quality management system.

Trends and factors that are likely to affect performance:

The increasing need for businesses and their personnel to communicate and collaborate more effectively both internally and externally will help the Group's performance in terms of customer retention and growth in customer base. Current economic drivers are focusing business managers to find more flexible and efficient ways in which key stakeholders can collaborate on a day-by-day basis. We believe our current and in-development service propositions demonstrably assist organisations in meeting these business process challenges.

Involve Visual Collaboration Ltd

Group Strategic Report (continued) For the Year Ended 31 December 2019

Principal risks

The Directors have assessed the principal risks facing the Group. The key commercial risks are:

- Competition from other providers for existing government contracts.
- Pressure on government departments to reduce expenditure.
- Economic factors limiting commercial customers' ability to make significant capital investments in collaborative visual technologies.

The last two risk factors above also present a real opportunity for the Group to extend its presence in key market segments through demonstrating and realising the benefits of interactive collaboration through the use of audio-visual technology.

The Directors consider the quality of service provided and continued investment in our service and product offerings will enable the business to maintain a strong position.


Future developments

Our NHS joint venture organisation Immedicare LLP continues to gain significant contracts in the health sector and we are constantly exploring new opportunities where we can partner with organisations to enable them to deliver their services in a more immediate, effective and efficient manner.

We will continue to make investments in additional cloud based and interpretation products and services in order to increase our presence in the audio-visual and visual collaboration marketplace.

This report was approved by the board on 17 December 2020

and signed on its behalf.



G S Manton
Director

Involve Visual Collaboration Ltd

Directors' Report For the Year Ended 31 December 2019

The Directors present their report and the audited financial statements for the year ended 31 December 2019.

Results and dividends

The profit for the year, after taxation, amounted to £849,102 (2018 - loss £6,357).

The Directors have recommended the payment of a dividend of £75,000 during the year (2018 - £500,000).

Directors

The Directors who served during the year were:

M R Dawes
G S Manton
R J Pasqualino
D E Thomas
J P Ward

Environmental issues

For most businesses there are direct cost advantages in performing day-to-day activities in the most energy efficient way possible. Not only does the capable way in which we manage our business minimise our effect on the environment, but the products and services that we supply have an extremely positive role to play in dramatically reducing the need for travel.

Health, safety and welfare

The overall policies and objectives of the Group in employee health, safety and welfare matters are under the regular and close scrutiny of management.

Engagement with employees

Within the bounds of commercial confidentiality, information is disseminated to all levels of staff about matters that affect the progress of the Company and are of interest and concern to them as employees.

Disabled employees

In considering applications' for employment from disabled people in the UK, the Company seeks to ensure that full and fair consideration is given to the abilities and aptitudes of the applicant against the requirements of the job for which he or she has applied.

Employees who become unable to carry out the job for which they are employed are given equal consideration.

Matters covered in the Strategic Report

In accordance with section 414C(11) of the Companies Act, certain matters required to be detailed in the Directors' Report are detailed in the Strategic Report where the Director considers them to be of strategic importance to the Company and the Group.

Involve Visual Collaboration Ltd

Directors' Report (continued) For the Year Ended 31 December 2019

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 and the Group'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 and the Group's auditor is aware of that information.

Going concern

The Directors have prepared the accounts on the going concern basis as they believe that the Company and Group is able to manage operations, costs and cash flow over the next twelve months to remain a going concern. In assessing the ability of the Company and Group to continue as a going concern for a period of at least 12 months from the date of approval of these financial statements, the Directors have taken into account the potential impact of any restrictions that Covid-19 may have had on sales, operations and cash flow.

The key impacts to the business have been as follows; additional governmental contracts being awarded (particularly in the Justice sector), a reduction in Corporate sales, the impact of which has been offset by an increase in Healthcare sales, notably a significant increase in the number of care homes using the Immedicare service. Overall the impact to the business has been positive but where negatively impacting the business this has been addressed by the following package of measures; redeploying the Corporate sales team into other sectors and close monitoring of the cost base of the business.

The Directors do not consider the effect of these potential restrictions to cast doubt on the Company's and Group's ability to continue as a going concern.

Further in assessing going concern the Directors have produced budgets and forecasts that have been reverse stress tested, essentially considering what events could cause failure of the entity and then working backwards to consider how possible or likely such events are in the current climate. Following this work the Directors have concluded that such events are either highly unlikely or have been de-risked through the actions of the entity. The Directors note that for the year to date they have performed 11% above budget for sales and 62% for EBIT. Therefore our work provides comfort as to the ongoing liquidity of the business and as such its ability to continue trading for at least 12 months.

Events after the reporting period - COVID-19

The Directors recognise the potential uncertainty created by the COVID-19 pandemic. In the UK, we have seen significant changes to working practices with an increased level of working from home using collaboration technology and services. While certain markets in which the Company and Group operate have seen a decrease in revenue, other key markets have seen an increase during 2020, which on balance has resulted in an improved financial performance year on year. In addition, there has not been a significantly negative impact on the Company and Group's workforce and operational effectiveness.

Involve Visual Collaboration Ltd

Directors' Report (continued) For the Year Ended 31 December 2019

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 17 December 2020

and signed on its behalf.



G S Manton
Director

Involve Visual Collaboration Ltd

Directors' Responsibilities Statement For the Year Ended 31 December 2019

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; 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.

Involve Visual Collaboration Ltd

Independent Auditor's report to the members of Involve Visual Collaboration Ltd

Opinion

We have audited the financial statements of Involve Visual Collaboration Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 December 2019 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2019 and of the Group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements 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 Group and the Parent 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 Group or Parent 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.

Involve Visual Collaboration Ltd

Independent Auditor's report to the members of Involve Visual Collaboration Ltd (continued)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Involve Visual Collaboration Ltd

Independent Auditor's report to the members of Involve Visual Collaboration Ltd (continued)

Responsibilities of Directors

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

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

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: <https://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 Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Julien Rye (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Manchester
United Kingdom
17 December 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Involve Visual Collaboration Ltd

Consolidated Statement of Comprehensive Income For the Year Ended 31 December 2019

	Note	2019 £	2018 £
Turnover	4	12,710,685	10,679,247
Cost of sales		(7,325,856)	(5,841,845)
Gross profit		5,384,829	4,837,402
Distribution costs		(386,769)	(718,549)
Administrative expenses		(4,233,610)	(4,567,955)
Operating profit/(loss)	5	764,450	(449,102)
Share of profit of joint venture		117,952	335,875
Interest receivable and similar income	8	58,336	13,560
Profit/(loss) before tax		940,738	(99,667)
Tax on profit/(loss)	9	(91,636)	93,310
Profit/(loss) for the financial year		849,102	(6,357)
Profit/(loss) for the year attributable to:			
Owners of the parent Company		849,102	(6,357)

There was no other comprehensive income for 2019 (2018 - £Nil).

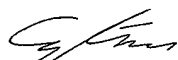
The notes on pages 16 to 32 form part of these financial statements.

Involve Visual Collaboration Ltd
Registered number:02383157

Consolidated Statement of Financial Position
As at 31 December 2019

	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible assets	11		632,281		732,004
Investment in joint venture	12		142,962		405,010
			<u>775,243</u>		<u>1,137,014</u>
Current assets					
Stocks	13	127,990		366,291	
Debtors: amounts falling due within one year	14	3,826,342		3,111,625	
Cash at bank and in hand		6,305,105		4,502,309	
		<u>10,259,437</u>		<u>7,980,225</u>	
Creditors: amounts falling due within one year	15	(3,330,043)		(2,186,704)	
Net current assets			<u>6,929,394</u>		<u>5,793,521</u>
Net assets			<u><u>7,704,637</u></u>		<u><u>6,930,535</u></u>
Capital and reserves					
Called up share capital	18		100,000		100,000
Profit and loss account	19		7,604,637		6,830,535
Total equity			<u><u>7,704,637</u></u>		<u><u>6,930,535</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 December 2020



G S Manton
Director

The notes on pages 16 to 32 form part of these financial statements.

Involve Visual Collaboration Ltd

Registered number:02383157

Company Statement of Financial Position As at 31 December 2019

	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible assets	11		632,281		732,004
Current assets					
Stocks	13	127,990		366,291	
Debtors: amounts falling due within one year	14	3,826,342		3,111,625	
Cash at bank and in hand		6,305,105		4,502,309	
		<u>10,259,437</u>		<u>7,980,225</u>	
Creditors: amounts falling due within one year	15	(3,330,043)		(2,186,704)	
Net current assets			<u>6,929,394</u>		<u>5,793,521</u>
Net assets			<u><u>7,561,675</u></u>		<u><u>6,525,525</u></u>
Capital and reserves					
Called up share capital	18		100,000		100,000
Profit and loss account brought forward	19	6,425,525		6,867,757	
Profit for the year	19	1,111,150		57,768	
Other changes in the profit and loss account	19	(75,000)		(500,000)	
		<u></u>		<u></u>	
Profit and loss account carried forward			<u>7,461,675</u>		<u>6,425,525</u>
Total equity			<u><u>7,561,675</u></u>		<u><u>6,525,525</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 December 2020


G S Manton
Director

The notes on pages 16 to 32 form part of these financial statements.

Involve Visual Collaboration Ltd

Consolidated Statement of Changes in Equity For the Year Ended 31 December 2019

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2019	100,000	6,830,535	6,930,535
Comprehensive income for the year			
Profit for the year	-	849,102	849,102
Total comprehensive income for the year	-	849,102	849,102
Contributions by and distributions to owners			
Dividends paid	-	(75,000)	(75,000)
Total transactions with owners	-	(75,000)	(75,000)
At 31 December 2019	100,000	7,604,637	7,704,637

Consolidated Statement of Changes in Equity For the Year Ended 31 December 2018

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2018	100,000	7,336,892	7,436,892
Comprehensive loss for the year			
Loss for the year	-	(6,357)	(6,357)
Total comprehensive loss for the year	-	(6,357)	(6,357)
Contributions by and distributions to owners			
Dividends paid	-	(500,000)	(500,000)
Total transactions with owners	-	(500,000)	(500,000)
At 31 December 2018	100,000	6,830,535	6,930,535

The notes on pages 16 to 32 form part of these financial statements.

Involve Visual Collaboration Ltd

Company Statement of Changes in Equity For the Year Ended 31 December 2019

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2019	100,000	6,425,525	6,525,525
Comprehensive income for the year			
Profit for the year	-	1,111,150	1,111,150
	-	1,111,150	1,111,150
Total comprehensive income for the year			
Contributions by and distributions to owners			
Dividends paid	-	(75,000)	(75,000)
At 31 December 2019	100,000	7,461,675	7,561,675

Company Statement of Changes in Equity For the Year Ended 31 December 2018

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2018	100,000	6,867,757	6,967,757
Comprehensive income for the year			
Profit for the year	-	57,768	57,768
	-	57,768	57,768
Total comprehensive income for the year			
Contributions by and distributions to owners			
Dividends: Equity capital	-	(500,000)	(500,000)
Total transactions with owners	-	(500,000)	(500,000)
At 31 December 2018	100,000	6,425,525	6,525,525

The notes on pages 16 to 32 form part of these financial statements.

Involve Visual Collaboration Ltd

Consolidated Statement of Cash Flows For the Year Ended 31 December 2019

	2019 £	2018 £
Cash flows from operating activities		
Profit/(loss) for the financial year	849,102	(6,357)
Adjustments for:		
Depreciation of tangible assets	307,292	508,030
Profit on disposal of tangible assets	(19,773)	(16,522)
Interest received	(58,336)	(13,560)
Taxation credit	91,636	(93,310)
Decrease in stocks	238,301	142,782
(Increase)/decrease in debtors	(732,833)	1,164,036
Increase/(decrease) in creditors	1,040,054	(531,327)
Share of operating profit in joint ventures	(117,952)	(335,875)
Corporation tax received	-	148,480
Net cash generated from operating activities	1,597,491	966,377
Cash flows from investing activities		
Purchase of tangible fixed assets	(487,371)	(202,334)
Sale of tangible fixed assets	299,575	104,595
Interest received	58,336	13,560
Distribution received from joint venture	380,000	400,000
Net cash from investing activities	250,540	315,821
Cash flows from financing activities		
New finance leases	29,765	-
Dividends paid	(75,000)	(500,000)
Net cash used in financing activities	(45,235)	(500,000)
Net increase in cash and cash equivalents	1,802,796	782,198
Cash and cash equivalents at beginning of year	4,502,309	3,720,111
Cash and cash equivalents at the end of year	6,305,105	4,502,309
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	6,305,105	4,502,309
	6,305,105	4,502,309

The notes on pages 16 to 32 form part of these financial statements.

Involve Visual Collaboration Ltd

Notes to the Financial Statements For the Year Ended 31 December 2019

1. General information

Involve Visual Collaboration Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office can be found on the Company Information page and the nature of the Company's operations and its principal activities are set out in the Group Strategic Report.

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 presentation and functional currency is pounds sterling and amounts presented in these financial statements are rounded to the nearest pound.

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

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

The Company has taken advantage of the following disclosure exemptions available under FRS 102:

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c); and
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its joint venture Immedicare LLP made up to 31 December 2019. A joint venture is a contractual arrangement undertaking in which the Group exercises joint control over the operating and financial policies of the entity. Where the joint venture is carried out through an entity, it is treated as a jointly controlled entity. The Group's share of the profits minus losses of associates and of jointly controlled entities is included in the Consolidated Statement of Comprehensive Income and its interest in their net assets is recorded in the Consolidated Statement of Financial Position using the equity method.

In the parent Company financial statements, investments in subsidiaries and jointly controlled entities are carried at cost less impairment.

Involve Visual Collaboration Ltd

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.3 Going concern

The Directors have prepared the accounts on the going concern basis as they believe that the Company and Group is able to meet its obligations as they fall due and manage operations, costs and cash flow over the next twelve months to remain a going concern. In assessing the ability of the Company and Group to continue as a going concern for a period of at least 12 months from the date of approval of these financial statements, the Directors have taken into account the potential impact of any restrictions that Covid-19 may have had on sales, operations and cash flow.

The key impacts to the business have been as follows; additional governmental contracts being awarded (particularly in the Justice sector), a reduction in Corporate sales, the impact of which has been offset by an increase in Healthcare sales, notably a significant increase in the number of care homes using the Immedicare service. Overall the impact to the business has been positive but where negatively impacting the business this has been addressed by the following package of measures; redeploying the Corporate sales team into other sectors and close monitoring of the cost base of the business.

The Directors do not consider the effect of these potential restrictions to cast doubt on the Company's and Group's ability to continue as a going concern.

Further in assessing going concern the Directors have produced budgets and forecasts that have been reverse stress tested, essentially considering what events could cause failure of the entity and then working backwards to consider how possible or likely such events are in the current climate. Following this work the Directors have concluded that such events are either highly unlikely or have been de-risked through the actions of the entity. The Directors note that for the year to date they have performed 11% above budget for sales and 62% for EBIT. Therefore our work provides comfort as to the ongoing liquidity of the business and as such its ability to continue trading for at least 12 months.

2.4 Turnover

Turnover is the amount receivable for the provision of goods and services derived from ordinary activities, excluding value added tax, such turnover deriving from operations within the United Kingdom.

Turnover from the sale of goods is recognised when the risks and rewards of ownership of goods have been transferred to the customer. The risks and rewards of ownership are deemed to have transferred when the goods have been delivered to the customer, except where the terms and conditions of sale have been explicitly agreed as 'bill and hold' with the customer.

Turnover from services, other than those that arise from support, managed service, equipment hire or long-term contracts (see below), is recognised when the service provided to the customer has been completed. Turnover in respect of long term contracts, where installation services are provided over a number of months, is recognised based on the amount of time performed each month.

Turnover from support, managed service or equipment hire contracts is recognised over the duration of the contract. Where applicable, any amounts invoiced or paid in advance will be deferred in the Statement of Financial Position until it is due to be recognised as turnover in the Consolidated Statement of Comprehensive Income.

Involve Visual Collaboration Ltd

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.5 Leased assets: the Group as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Consolidated Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.6 Pensions

Defined contribution pension plan

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

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

2.7 Interest income

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

Involve Visual Collaboration Ltd

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated 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 reporting date in the countries where the Company and the Group operate and generate income.

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

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

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

Involve Visual Collaboration Ltd

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

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:

Motor vehicles	- 4 years
Office equipment	- 3 to 7 years
Rental equipment	- 3 years

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 Consolidated Statement of Comprehensive Income.

2.10 Associates and joint ventures

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated Statement of Comprehensive Income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated Statement of Financial Position, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

2.11 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell. Work in progress represents direct labour costed to ongoing contracts and is calculated by reference to time records.

2.12 Debtors

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

Involve Visual Collaboration Ltd

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.13 Cash and cash equivalents

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

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

2.14 Creditors

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

2.15 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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

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

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

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

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

Involve Visual Collaboration Ltd

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.16 Dividends

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

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

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

- Determine whether there are indicators of impairment of the Group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 12)
Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

4. Turnover

The whole of the turnover is attributable to the principal activity of the Group and Company.

All turnover arose within the United Kingdom.

5. Operating profit/(loss)

The operating profit/(loss) is stated after charging/(crediting):

	2019 £	2018 £
Auditor's remuneration	20,000	20,000
Depreciation	307,292	508,030
Relocation costs of warehouse	-	76,090
Profit on disposal of fixed assets	(19,773)	(16,522)

Involve Visual Collaboration Ltd

Notes to the Financial Statements For the Year Ended 31 December 2019

6. Employees

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

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Wages and salaries	4,650,062	4,508,774	4,650,062	4,508,774
Social security costs	542,580	534,593	542,580	534,593
Cost of defined contribution scheme	118,113	86,233	118,113	86,233
	<u>5,310,755</u>	<u>5,129,600</u>	<u>5,310,755</u>	<u>5,129,600</u>

The average monthly number of employees of the Group and Company, including the Directors, during the year was as follows:

	2019 No.	2018 No.
Management	8	8
Administration	22	25
Sales	36	42
Service and maintenance	50	47
	<u>116</u>	<u>122</u>

Involve Visual Collaboration Ltd

Notes to the Financial Statements For the Year Ended 31 December 2019

7. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	419,479	329,076
Company contributions to defined contribution pension schemes	18,869	15,146
	<u>438,348</u>	<u>344,222</u>

During the year retirement benefits were accruing to 3 Directors (2018 - 3) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £138,474 (2018 - £110,270).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £7,000 (2018 - £9,000).

During 2018, share options were granted to 2 Directors by the parent Company Martin Dawes Solutions Holdings Limited. No options were granted in 2019. Neither of the Directors exercised any share options during the year (2018 - Nil).

The option pricing model determined the fair value of the options granted to be £Nil as at 31 December 2019 (2018 - £Nil). No charge was recognised in the Consolidated Statement of Comprehensive Income in the year in respect of share based payments.

8. Interest receivable and similar income

	2019 £	2018 £
Bank interest receivable	28,601	13,560
Other interest receivable	29,735	-
	<u>58,336</u>	<u>13,560</u>

Involve Visual Collaboration Ltd

Notes to the Financial Statements For the Year Ended 31 December 2019

9. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profit/(loss) for the year	73,520	-
Adjustments in respect of previous periods	-	(67,197)
Total current tax	73,520	(67,197)
Deferred tax		
Adjustments in respect of prior periods	(19,850)	19,058
Origination and reversal of timing differences	37,966	(45,171)
Total deferred tax	18,116	(26,113)
Taxation on profit/(loss)	91,636	(93,310)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit before tax	940,738	(99,667)
Profit multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	178,740	(18,937)
Effects of:		
Expenses not deductible for tax purposes	871	2,850
Additional deduction for R&D expenditure	(35,517)	(34,471)
Adjustments to tax charge in respect of prior periods	-	(67,197)
Adjustments to tax charge in respect of prior periods - deferred tax	(19,850)	19,058
Other timing differences leading to an increase (decrease) in taxation	-	73
Difference in tax rates	(4,466)	5,314
Group relief	(28,142)	-
Total tax charge/(credit) for the year	91,636	(93,310)

Involve Visual Collaboration Ltd

Notes to the Financial Statements For the Year Ended 31 December 2019

9. Taxation (continued)

Factors that may affect future tax charges

As at the reporting date, reductions in the UK tax rate from 19% to 17%, effective from 1 April 2020, had been substantively enacted. The deferred tax asset/liability has been calculated based on the rate substantively enacted at the reporting date.

Under legislation substantively enacted on 17 March 2020, after the reporting date, the UK tax rate will remain to be 19% from 1 April 2020 onwards. This will affect the calculation of future deferred tax charges.

10. Dividends

	2019 £	2018 £
Dividends paid £0.75 (2018 - £5.00) per share	<u>75,000</u>	<u>500,000</u>

Involve Visual Collaboration Ltd

Notes to the Financial Statements For the Year Ended 31 December 2019

11. Tangible fixed assets

Group and Company

	Motor vehicles £	Office equipment £	Rental equipment £	Total £
Cost				
At 1 January 2019	1,049,510	2,225,024	777,107	4,051,641
Additions	342,370	106,413	38,588	487,371
Disposals	(473,091)	-	-	(473,091)
At 31 December 2019	<u>918,789</u>	<u>2,331,437</u>	<u>815,695</u>	<u>4,065,921</u>
Depreciation				
At 1 January 2019	602,843	2,014,620	702,174	3,319,637
Charge for the year	112,944	127,138	67,210	307,292
Disposals	(193,289)	-	-	(193,289)
At 31 December 2019	<u>522,498</u>	<u>2,141,758</u>	<u>769,384</u>	<u>3,433,640</u>
Net book value				
At 31 December 2019	<u>396,291</u>	<u>189,679</u>	<u>46,311</u>	<u>632,281</u>
At 31 December 2018	<u>446,667</u>	<u>210,404</u>	<u>74,933</u>	<u>732,004</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2019 £	2018 £
Motor vehicles	<u>29,519</u>	<u>-</u>

Involve Visual Collaboration Ltd

Notes to the Financial Statements For the Year Ended 31 December 2019

12. Fixed asset investments

Group

	Investment in joint ventures £
Cost and net book value	
At 1 January 2019	405,010
Distribution received	(380,000)
Share of profit/(loss)	117,952
At 31 December 2019	<u>142,962</u>

The joint venture undertaking, Immedicare LLP was incorporated on 28 June 2013 and is registered in England and Wales and is 50% owned by Involve Visual Collaboration Limited. The registered address is Airedale General Hospital Skipton Road, Steeton, Keighley, West Yorkshire, BD20 6TD.

The investment is shown at cost less impairment. The share of the joint venture operating results have been consolidated under the equity accounting method.

The principal activity of Immedicare LLP is the provision of telemedicine services and related technological and clinical services.

13. Stocks

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Goods for resale	<u>127,990</u>	<u>366,291</u>	<u>127,990</u>	<u>366,291</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

An impairment loss of £72,388 (2018 - £86,784) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

Involve Visual Collaboration Ltd

Notes to the Financial Statements For the Year Ended 31 December 2019

14. Debtors: Amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade debtors	2,111,615	1,803,112	2,111,615	1,803,112
Amounts owed by related parties	17,420	23,832	17,420	23,832
Amounts owed by joint ventures	145,066	143,993	145,066	143,993
Amounts owed by group undertakings	78,940	554	78,940	554
Other debtors	65,351	549,152	65,351	549,152
Prepayments and accrued income	1,367,941	532,857	1,367,941	532,857
Deferred taxation	40,009	58,125	40,009	58,125
	3,826,342	3,111,625	3,826,342	3,111,625

An impairment loss of £7,250 (2018 - £Nil) was recognised by the Company during the year in respect of bad and doubtful trade debts.

Amounts owed by group undertakings are interest free and due on demand.

15. Creditors: Amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Payments received on account	132,684	155,638	132,684	155,638
Trade creditors	353,791	357,079	353,791	357,079
Amounts owed to related parties	24,792	16,456	24,792	16,456
Amounts owed to group undertakings	189,324	114,324	189,324	114,324
Corporation tax	73,521	-	73,521	-
Taxation and social security	360,826	295,318	360,826	295,318
Obligations under finance lease and hire purchase contracts	29,765	-	29,765	-
Other creditors	420,797	354,398	420,797	354,398
Accruals and deferred income	1,744,543	893,491	1,744,543	893,491
	3,330,043	2,186,704	3,330,043	2,186,704

Amounts owed to group undertakings are interest free and due on demand.

Obligations under finance lease and hire purchase contracts are secured over the assets to which they relate.

Involve Visual Collaboration Ltd

Notes to the Financial Statements For the Year Ended 31 December 2019

16. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Within one year	29,765	-	29,765	-

17. Deferred taxation

Group and Company

	2019 £
At beginning of year	58,125
Charged to profit or loss	(18,116)
At end of year	40,009

The deferred tax asset is made up as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Accelerated capital allowances	40,009	46,781	40,009	46,781
Short term timing differences	-	3,205	-	3,205
Losses and other deductions	-	8,139	-	8,139
	40,009	58,125	40,009	58,125

18. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
100,000 (2018 - 100,000) Ordinary shares of £1.00 each	100,000	100,000

The holders of Ordinary shares are entitled to receive dividends declared from time to time and are entitled to one vote per share at meetings of the Company. The shares rank pari passu in all respects.

Involve Visual Collaboration Ltd

Notes to the Financial Statements For the Year Ended 31 December 2019

19. Reserves

The Company's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of shares that have been issued.

Profit and loss account

Profit and loss account represents cumulative profits or losses, net of dividends paid.

20. Analysis of net debt

	At 1 January 2019 £	Cash flows £	New finance leases £	At 31 December 2019 £
Cash at bank and in hand	4,502,309	1,802,796	-	6,305,105
Finance leases	-	-	(29,765)	(29,765)
	<u>4,502,309</u>	<u>1,802,796</u>	<u>(29,765)</u>	<u>6,275,340</u>

21. Pension commitments

The Company operates defined contribution pension schemes. The pension cost charge for the year represents contributions payable by the Company to the schemes and amounted to £118,113 (2018 - £86,233). There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

Involve Visual Collaboration Ltd

Notes to the Financial Statements For the Year Ended 31 December 2019

22. Related party transactions

The Company has taken advantage of the exemption available in Section 33.1A of FRS 102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the Group.

Involve Visual Collaboration Limited has had transactions with several companies in which at least one Director of Involve Visual Collaboration Limited has had an interest. All transactions between Involve Visual Collaboration Limited and its related parties for the year are summarised as followed:

	Income £	Expenditure £	Debtor £	Creditor £
2019				
Martin Dawes Limited	1,954	(103,219)	-	(24,792)
Martin Dawes Systems Limited	-	-	-	-
Martin Dawes House LLP	24,002	(76,895)	2,214	-
MDS Global Limited	16,780	-	1,470	-
	<u>42,736</u>	<u>(180,114)</u>	<u>3,684</u>	<u>(24,792)</u>
2018				
Martin Dawes Limited	21,503	(103,781)	2,072	(16,456)
Martin Dawes Systems Limited	-	-	736	-
Martin Dawes House LLP	28,624	(88,185)	2,226	-
MDS Global Limited	5,053	(4,340)	-	-
	<u>55,180</u>	<u>(196,306)</u>	<u>5,034</u>	<u>(16,456)</u>

Transactions were conducted on an arms-length basis.

Other debtors includes Directors loan accounts including amounts due from M Dawes £Nil (2018 - £502,540) and amounts due from R Pasqualino of £47,389 (2018 - £44,669). These were the maximum amounts outstanding during the year and incur interest at 3% per annum.

23. Controlling party

The immediate and ultimate parent company is Martin Dawes Solutions Holdings Limited, a company registered in England and Wales with registered office Martin Dawes House, Europa Boulevard, Westbrook, Warrington, Cheshire, WA5 7WH.

The largest group in which the results of the Company and its group are consolidated is that headed by Martin Dawes Solutions Holdings Limited. The consolidated financial statements of this company are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

The ultimate controlling party is Mr M Dawes by virtue of his personal and family shareholdings.