Involve Visual Collaboration Limited

Annual Report and Financial Statements

Year Ended

31 December 2018

Company Number 02383157

Involve Visual Collaboration Limited

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 Limited

Contents

Group Strategic Report
For the Year Ended 31 December 2018

The directors present their Strategic Report for the year ended 31 December 2018.

Principal activities

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

Business review

Turnover for the year ended 31 December 2018 was £10,679,247 (2017: £12,270,700) and Group loss before tax was £99,667 (2017 - £295,989 profit), as set out in the Statement of Comprehensive Income on page 9 of the financial statements. The retained loss for the period was £6,357 (2017 - £368,631 profit).

The trading performance over the past twelve months reflects a competitive market place, in which the Group has improved upon already strong gross margins.

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.

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 26th September 2019 and signed on its behalf.

G S Manton
Director

Directors' Report
For the Year Ended 31 December 2018

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

Results and dividends

The loss for the year, after taxation, amounted to £6,357 (2017 - profit £368,631).

The directors have recommended the payment of a dividend of £500,000 during the year (2017: £nil).

Directors

The directors who served during the year were:

M R Dawes
G S Manton (appointed 31 October 2018)
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.

Employee involvement

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

Disclosures required under S416(4) of the Companies Act 2006 are commented upon in the Strategic Report as the directors consider them to be of strategic importance to the Group.

Disclosure of information to auditors

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

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

Auditor

BDO LLP were appointed as auditors during the year and have expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the annual general meeting.

This report was approved by the board on 26TH SEPTEMBER 2019 and signed on its behalf.

G S Manton
Director

Directors' Responsibilities Statement
For the Year Ended 31 December 2018

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 Company and Group 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 Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditors' Report to the Members of Involve Visual Collaboration Limited

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 2018 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 2018 and of the Group's loss 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.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors' 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has 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 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.

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
27 September 2019

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

Involve Visual Collaboration Limited

Consolidated Statement of Comprehensive Income
For the Year Ended 31 December 2018

	Note	2018 £	2017 £
Turnover	4	**10,679,247**	12,270,700
Cost of sales		**(5,841,845)**	(6,729,381)
Gross profit		**4,837,402**	5,541,319
Distribution costs		**(718,549)**	(733,557)
Administrative expenses		**(4,567,955)**	(4,955,853)
Other operating income		**-**	2,068
Operating loss	5	**(449,102)**	(146,023)
Share of operating profit in joint venture		**335,875**	436,268
Interest receivable and similar income	8	**13,560**	5,744
(Loss)/profit before tax		**(99,667)**	295,989
Tax credit on profit	9	**93,310**	72,642
(Loss)/profit for the financial year		**(6,357)**	368,631
Profit for the year attributable to:			
Owners of the parent company		**(6,357)**	368,631

There was no other comprehensive income for 2018 (2017:£NIL).

The notes on pages 15 to 31 form part of these financial statements.

Involve Visual Collaboration Limited

Registered number: 02383157

Consolidated Statement of Financial Position
As at 31 December 2018

	Note		2018 £		2017 £
Fixed assets					
Tangible assets	11		**732,004**		1,125,773
Investment in joint venture	12		**405,010**		469,135
			1,137,014		1,594,908
Current assets					
Stocks	13	**366,291**		509,073	
Debtors: amounts falling due within one year	14	**3,111,625**		4,249,548	
Cash at bank and in hand	15	**4,502,309**		3,720,111	
		7,980,225		8,478,732	
Creditors: amounts falling due within one year	16	**(2,186,704)**		(2,636,748)	
Net current assets			**5,793,521**		5,841,984
Total assets less current liabilities			**6,930,535**		7,436,892
Net assets			**6,930,535**		7,436,892
Capital and reserves					
Called up share capital	19		**100,000**		100,000
Profit and loss account	20		**6,830,535**		7,336,892
Shareholders' funds			**6,930,535**		7,436,892

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

26TH SEPTEMBER 2019.

G S Manton
Director

The notes on pages 15 to 31 form part of these financial statements.

Involve Visual Collaboration Limited
Registered number: 02383157

Company Statement of Financial Position
As at 31 December 2018

	Note		2018 £		2017 £
Fixed assets					
Tangible assets	11		**732,004**		1,125,773
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Current assets					
Stocks	13	**366,291**		509,073	
Debtors: amounts falling due within one year	14	**3,111,625**		4,249,548	
Cash at bank and in hand	15	**4,502,309**		3,720,111	
		7,980,225		8,478,732	
Creditors: amounts falling due within one year	16	**(2,186,704)**		(2,636,748)	
Net current assets			**5,793,521**		5,841,984
Total assets less current liabilities			**6,525,525**		6,967,757
Net assets			**6,525,525**		6,967,757
Capital and reserves					
Called up share capital	19		**100,000**		100,000
Profit and loss account brought forward		**6,867,757**		6,935,394	
Profit/(loss) for the year		**57,768**		(67,637)	
Dividends paid		**(500,000)**		-	
Profit and loss account carried forward			**6,425,525**		6,867,757
Shareholders' funds			**6,525,525**		6,967,757

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
26TH SEPTEMBER 2019

G S Manton
Director

The notes on pages 15 to 31 form part of these financial statements.

Involve Visual Collaboration Limited

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 income for the year			
Loss for the year	-	(6,357)	(6,357)
Total comprehensive income 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

Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2017

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2017	100,000	6,968,261	7,068,261
Comprehensive income for the year			
Profit for the year	-	368,631	368,631
Total comprehensive income for the year	-	368,631	368,631
At 31 December 2017	100,000	7,336,892	7,436,892

The notes on pages 15 to 31 form part of these financial statements.

Involve Visual Collaboration Limited

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
Total comprehensive income for the year	-	57,768	57,768
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	6,425,525	6,525,525

Company Statement of Changes in Equity
For the Year Ended 31 December 2017

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2017	100,000	6,935,394	7,035,394
Comprehensive income for the year			
Loss for the year	-	(67,637)	(67,637)
Total comprehensive income for the year	-	(67,637)	(67,637)
At 31 December 2017	100,000	6,867,757	6,967,757

The notes on pages 15 to 31 form part of these financial statements.

Involve Visual Collaboration Limited

Consolidated Statement of Cash Flows
For the Year Ended 31 December 2018

	2018	2017
	£	£
Cash flows from operating activities		
(Loss)/profit for the financial year	**(6,357)**	368,631
Adjustments for:		
Depreciation of tangible assets	**508,030**	541,300
Impairments of fixed assets	**-**	156,069
Profit on disposal of tangible assets	**(16,522)**	(2,068)
Interest received	**(13,560)**	(5,744)
Taxation credit	**(93,310)**	(72,642)
Decrease in stocks	**142,782**	2,688
Decrease/(increase) in debtors	**1,164,036**	(1,477,672)
(Decrease) in creditors	**(531,327)**	(240,296)
Share of operating profit in joint ventures	**(335,875)**	(436,268)
Corporation tax received	**148,480**	67,575
Net cash generated from / (absorbed by) operating activities	**966,377**	(1,098,427)
Cash flows from investing activities		
Purchase of intangible fixed assets	**-**	(69,044)
Purchase of tangible fixed assets	**(202,334)**	(481,835)
Sale of tangible fixed assets	**104,595**	14,754
Distribution received from joint venture	**400,000**	-
Interest received	**13,560**	5,744
Net cash from investing activities	**315,821**	(530,381)
Cash flows from financing activities		
Dividends paid	**(500,000)**	-
Net cash used in financing activities	**(500,000)**	-
Net increase/(decrease) in cash and cash equivalents	**782,198**	(1,628,808)
Cash and cash equivalents at beginning of year	**3,720,111**	5,348,919
Cash and cash equivalents at the end of year	**4,502,309**	3,720,111
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**4,502,309**	3,720,111
	4,502,309	3,720,111

The notes on pages 15 to 31 form part of these financial statements.

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

The financial statements are prepared in GBP and rounded to the nearest £.

Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available to qualifying entities:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the group and the parent company would be identical;
- No cash flow statement has been presented for the parent company;
- Disclosures in respect of the parent company's income, expense, net gains and net losses on financial instruments measured at amortised cost have not been presented as equivalent disclosures have been provided in respect of the group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

The following principal accounting policies have been applied:

2. Accounting policies (continued)

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 2018. 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 less losses of associates and of jointly controlled entities is included in the consolidated profit and loss account and its interest in their net assets is recorded on the balance sheet using the equity method. Under Section 408 of the Companies Act 2006 Involve Visual Collaboration Limited is exempt from the requirement to present its own Statement of Comprehensive Income. The Company's profit for the year was £57,768 (2017 - £67,637 loss).

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

2.3 Going concern

The Group's business model results in a positive working capital cycle which generates sufficient cash flows to fund the business. The Company also continues to show a net asset position at 31 December 2018. The directors have reviewed the current performance and prepared cash flows forecasts for the next 12 months. The realisation of these forecasts may be affected by a number of factors, including changes in customer behaviour, however, the directors are confident that the Group has adequate resources to continue its operations for the foreseeable future.

For this reason, they continue to adopt the going concern basis in preparing the financial statements. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

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 balance sheet until it is due to be recognised as turnover in the Statement of Comprehensive Income.

2.5 Interest income

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

2. Accounting policies (continued)

2.6 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income 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.

2.7 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.

2.8 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.

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.

2. Accounting policies (continued)

2.9 Tangible fixed assets (continued)

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

Depreciation is provided on the following basis:

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

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

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

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 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2. Accounting policies (continued)

2.16 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 balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet 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.

2.17 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 11)
  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 loss

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

	2018 £	2017 £
Auditor's remuneration	**20,000**	21,600
Depreciation	**508,030**	541,300
Relocation costs of warehouse	**76,090**	-
Operating leases	**-**	28,000
(Profit) on disposal of fixed assets	**(16,522)**	(2,068)
Impairment of intangible assets	**-**	156,069

6. Employees

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

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Wages and salaries	**4,508,774**	4,377,721	**4,508,774**	4,377,721
Social security costs	**534,593**	532,032	**534,593**	532,032
Cost of defined contribution scheme	**86,233**	51,702	**86,233**	51,702
	5,129,600	4,961,455	**5,129,600**	4,961,455

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

	2018 No.	2017 No.
Management	**8**	13
Administration	**25**	28
Sales	**42**	40
Service and maintenance	**47**	48
	122	129

7. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	**329,076**	316,683
Company contributions to defined contribution pension schemes	**15,146**	15,000
	344,222	331,683

The highest paid director received remuneration of £110,270 (2017 - £146,126).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £9,000 (2017 - £13,500).

During the year retirement benefits were accruing to 3 directors (2017 - 2) in respect of defined contribution schemes.

During the year, share options were granted to 2 directors (2017 - none), one of whom is the highest paid director, by the parent company Martin Dawes Solutions Holdings Limited. Neither of the directors exercised any share options during the year (2017 - none).

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

8. Interest receivable

	2018 £	2017 £
Bank interest receivable	**13,560**	4,245
Share of joint ventures' interest receivable	-	1,301
Other interest receivable	-	198
	13,560	5,744

9. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	**-**	83,857
Adjustments in respect of previous periods	**(67,197)**	(151,431)
	(67,197)	(67,574)
Total current tax	**(67,197)**	(67,574)
Deferred tax		
Adjustments in respect of prior periods	**19,058**	39,399
Origination and reversal of timing differences	**(45,171)**	(44,467)
Total deferred tax	**(26,113)**	(5,068)
Taxation on loss on ordinary activities	**(93,310)**	(72,642)

9. Taxation (continued)

Factors affecting tax charge for the year

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

	2018 £	2017 £
Profit before tax	**(99,667)**	295,989
Profit multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	**(18,937)**	56,968
Effects of:		
Expenses not deductible for tax purposes	**2,850**	(2,374)
Additional deduction for R&D expenditure	**(34,471)**	-
Adjustments to tax charge in respect of prior periods	**(67,197)**	(112,032)
Adjustments to tax charge in respect of prior periods - deferred tax	**19,058**	-
Other timing differences leading to an increase (decrease) in taxation	**73**	-
Difference in tax rates	**5,314**	5,877
Group relief	**-**	(21,977)
Fixed asset difference	**-**	896
Total tax credit for the year	**(93,310)**	(72,642)

Factors that may affect future tax charges

Changes to the UK Corporation tax rates were substantively enacted as part of the Finance Bill 2015-16 on 26 October 2015, reducing the effective tax rate from 20% to 19% from April 2017, with a further reduction to 17% from April 2020. Deferred taxes at the reporting date have been measured using these enacted tax rates and reflected in these financial statements.

10. Dividends

	2018 £	2017 £
Dividends paid	**500,000**	-

A dividend of £5.00 (2017 - Nil) per share was declared during the year.

11. Tangible fixed assets

Group and Company

	Motor vehicles £	Office equipment £	Rental equipment £	Total £
Cost				
At 1 January 2018	1,282,850	2,133,937	771,168	4,187,955
Additions	105,308	91,087	5,939	202,334
Disposals	(338,648)	-	-	(338,648)
At 31 December 2018	1,049,510	2,225,024	777,107	4,051,641
Depreciation				
At 1 January 2018	649,298	1,824,799	588,085	3,062,182
Charge for the year	204,120	189,821	114,089	508,030
Disposals	(250,575)	-	-	(250,575)
At 31 December 2018	602,843	2,014,620	702,174	3,319,637
Net book value				
At 31 December 2018	446,667	210,404	74,933	732,004
At 31 December 2017	633,552	309,138	183,083	1,125,773

12. Fixed asset investments

Group

	Investment in joint ventures £
Cost or valuation	
At 1 January 2018	**469,135**
Distribution received	**(400,000)**
Share of profit	**335,875**
At 31 December 2018	**405,010**

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 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Goods for resale	**366,291**	440,029	**366,291**	440,029
Work in progress	**-**	69,044	**-**	69,044
	366,291	509,073	**366,291**	509,073

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

Stock recognised in cost of sales during the period as an expense was £2,973,275 (2017 - £3,784,655).

An impairment loss of £86,784 (2017 - £3,515 impairment reversal) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

14. Debtors: Amounts falling due within one year

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade debtors	**1,803,112**	2,884,088	**1,803,112**	2,884,088
Amounts owed by related parties	**23,832**	66,727	**23,832**	66,727
Amounts owed by joint ventures	**143,993**	218,101	**143,993**	218,101
Amounts owed by group undertakings	**554**	254,928	**554**	254,928
Other debtors	**549,152**	104,723	**549,152**	104,723
Prepayments and accrued income	**532,857**	688,969	**532,857**	688,969
Deferred taxation	**58,125**	32,012	**58,125**	32,012
	3,111,625	4,249,548	**3,111,625**	4,249,548

An impairment loss of £Nil (2017 - £2,373) 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. Cash and cash equivalents

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Cash at bank and in hand	**4,502,309**	3,720,111	**4,502,309**	3,720,111

16. Creditors: Amounts falling due within one year

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Payments received on account	**155,638**	214,624	**155,638**	214,624
Trade creditors	**357,079**	676,291	**357,079**	676,291
Amounts owed to related parties	**16,456**	17,508	**16,456**	17,508
Amounts owed to group undertakings	**114,324**	114,324	**114,324**	114,324
Taxation and social security	**295,318**	597,638	**295,318**	597,638
Other creditors	**354,398**	-	**354,398**	-
Accruals and deferred income	**893,491**	1,016,363	**893,491**	1,016,363
	2,186,704	2,636,748	**2,186,704**	2,636,748

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

17. Financial instruments

	Group 2018 £	Group 2017 £
Financial assets		
Financial assets measured at amortised cost	**7,353,757**	7,647,799
Financial liabilities		
Financial liabilities measured at amortised cost	**(1,178,934)**	(2,592,770)

Financial assets measured at amortised cost comprise cash at bank and in hand, trade and other debtors and accrued income.

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

18. Deferred taxation

Group and Company

	2018 £
At beginning of year	**32,012**
Charged to profit or loss	**26,113**
At end of year	**58,125**

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

19. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
100,000 (2017 -100,000) Allotted, called up and fully paid 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.

20. 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.

21. Pension commitments

Defined contribution plans

The Company operates defined contribution pension schemes. The pension cost charge for the period represents contributions payable by the Company to the schemes and amounted to £86,233 (2017 - £51,702). There were no outstanding or prepaid contributions at either the beginning or end of the financial period.

22. Commitments under operating leases

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

Group	2018 £	2017 £
Not later than 1 year	-	23,333
	-	23,333

During the year £Nil (2017 - £28,000) was recognised as an expense in the Statement of Comprehensive Income in respect of operating leases.

23. Related party transactions

Involve Visual Collaboration Limited has had transactions with Martin Dawes Limited in which one director of Involve Visual Collaboration Limited has an interest following its demerger from this group on 30 September 2007. All transactions between Involve Visual Collaboration Limited and its related parties for the financial period are summarised as followed:

	2018 £	2017 £
Expenditure		
Martin Dawes Limited	**103,781**	101,803
Martin Dawes House LLP	**88,185**	71,040
MDS Global Limited	**4,340**	3,705
	196,306	176,548

	2018 £	2017 £
Income		
Martin Dawes Limited	**21,503**	14,221
Martin Dawes House LLP	**28,624**	37,414
MDS Global Limited	**5,053**	6,387
Lavastorm Analytics Limited	**-**	1,550
	55,180	59,572

Transactions were conducted on an arms-length basis.

As at 31 December 2018 the balances included within Debtors included: Balance owing from Martin Dawes Limited £2,072 (2017: £Nil), owing from Martin Dawes Systems Limited £736 (2017: £459), owing from Martin Dawes House LLP £2,226 (2017: £1,999), owing from Lavastorm Analytics Limited £Nil (2017: £Nil). Other debtors includes directors loan accounts including amounts owing from Mr Martin Dawes £502,540 (2017: £19,600) and amounts owing from Mr Robert Pasqualino of £44,669 (2017: £44,669). These were the maximum amounts outstanding during the year. The amount owed by Mr Martin Dawes was repaid in full post year end.

As at 31 December 2018 the balances included within Creditors included: Balance owing to Martin Dawes Limited £16,456 (2017: £16,350), owing to Martin Dawes House LLP £Nil (2017: £1,158).

24. Controlling party

The Company is a subsidiary undertaking of Martin Dawes Solutions Holdings Limited, who are also the ultimate controlling party. 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 these groups are available to the public and may be obtained from Martin Dawes House, Europa Boulevard, Westbrook, Warrington, Cheshire, WA5 7WH.