

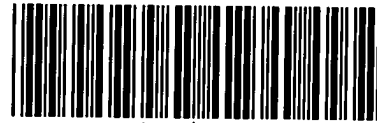
Registered number: 04672443

**VISIONOSS LIMITED AND SUBSIDIARY
COMPANIES**

FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

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COMPANIES HOUSE

**LUBBOCK FINE LLP
Chartered Accountants
Paternoster House
65 St Paul's Churchyard
London EC4M 8AB**

VISIONOSS LIMITED AND SUBSIDIARY COMPANIES
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VISIONOSS LIMITED AND SUBSIDIARY COMPANIES

COMPANY INFORMATION

Directors	M Frayne D Lipscombe M Caroe
Company secretary	D Lipscombe
Registered number	04672443
Registered office	Ashford House Grenadier Road Exeter Devon EX1 3LH
Independent auditors	Lubbock Fine LLP Chartered Accountants & Statutory Auditor Paternoster House 65 St Paul's Churchyard London EC4M 8AB
Bankers	Barclays Bank Plc Leicester Leicestershire LE87 2BB HSBC UK Bank Plc 14-18 Finsbury Square London EC2A 1BR ABSA Bank Ltd 1st Floor, Santyger Bldg 313 Durban Road Belville, 7530

VISIONOSS LIMITED AND SUBSIDIARY COMPANIES

GROUP STRATEGIC REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

The directors have pleasure in presenting the strategic report for the year ended 31 August 2023.

Principal activity

The principal business of the Company is to develop, market, sell and support digital transformation solutions that makes our customer's operations more efficient, accurate and cost effective. The market segment we are currently focused on is Unified Communications (UC), also known as the Collaboration space. Our automation, analytics and assurance software improves the deployment, operations, monitoring and consumption of UC. While all enterprises consume UC, the Company has decided to focus on large/complex enterprises as the benefits such organisations can derive from automation are, by definition, much more significant than those available to smaller, simpler companies.

The Key 2023 Strategic Initiatives are:

The key 2023 Strategic Initiatives have been:

1. Cross selling and up selling to existing customers. Now that the Group has achieved a substantial customer footprint, the Group continues seeking ways to become more strategically aligned with this customer base and to look to cross sell other products and services.
2. The second key strategy for the business was ongoing diversification to address the rapidly evolving Microsoft market segment.
3. The Group's third key strategy is to continue to evolve our go to market strategies from the largely partner centric approach of the past to a more balanced direct and partner strategy. We have invested significantly in developing marketing and business development capabilities to improve our direct enterprise penetration.

Future developments

The Group continues to grow their client base and to develop both their Microsoft & Insights business to generate increased revenues

Principal risks and uncertainties

The principal risks in the business strategy include

1. Technological shifts
2. Macro-economic trends

1. Technological shifts

Our deployed base is very Cisco centric and as the market transitions to other technologies such as Microsoft, we need to attain a balance between retaining our existing customers and helping them pivot to other technologies.

Risk Mitigation Strategies

The Company's solutions have proven multi-vendor capabilities.

VISIONOSS LIMITED AND SUBSIDIARY COMPANIES

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

2. Macro-economic trends

Like all other businesses, the Group’s overall prospects are impacted by the general macro-economic trends. While overall interest levels are high, the decision-making process in our customers has become much more stringent and slower. Sales cycles have been elongated and there has been price pressure brought to bear on us as well. Large deals have been slow and difficult to close.

Risk Mitigation Strategies

The Group’s solutions can be used to achieve cost savings in our customer base, and we have adapted our messaging to highlight these benefits.

Additionally, the Group continues to conserve our cash, we will focus any investment on marketing and business development or specific initiatives that directly support our 3 key strategies. All strategic investments are discussed with the Board.

Financial key performance indicators

The budgeting for 2023 was very aggressive based on the pipeline that we started the year with. The Q1 achievements were consistent with the positive outcome assumption, but since then the Group has missed successive Q targets as a consequence of the risks highlighted above.

The Group's key performance indicator ("KPI") achievements were as follows:

Category	Actual	Plan
Revenue	£14.1m	£18.0m
Operating Costs	£12.4m	£15.3m
Subscription revenue as %	84%	82%

Analysis of performance vs KPIs

The Group missed its revenue targets. The primary reasons for this are that the market changed dramatically. However, to compensate for this, we ensured we kept our costs aligned with the overall targets.

The Board remains confident that the key strategic initiatives are fundamentally the correct strategies for the Group. In the future, the Group will continue to invest in these initiatives, the future investments will be more focused on sales and marketing, as the foundational product solutions have been successfully developed.

We continue to review our operations to become more customer centric in our approach and to improve effectiveness, efficiency, to drive out unproductive costs and to implement internal systems and automation.

Overall Risk Management Policies

The Group’s Board and Management understand the strategies, risks, and risk mitigation initiatives in the business. Risks associated security breaches, financial fraud and the like are controlled by internal committees, thorough reporting, multiple signoffs required on transactions, weekly deal desk approval meetings to authorize all bids that go out for business as well as reporting and tracking of both internal and external projects.

The fundamental market and business execution risks are primarily managed by allocating clear responsibilities to projects and initiatives, to defining plans with quarterly objectives and then meeting each month and quarter to review progress against plan so, where appropriate, corrective action can be taken. This happens at the project initiative level, executive level, and board level.

VISIONOSS LIMITED AND SUBSIDIARY COMPANIES

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

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

DocuSigned by:

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M Frayne
Director

Date: 21 July 2024 | 11:47 PDT

VISIONOSS LIMITED AND SUBSIDIARY COMPANIES

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

The directors present their report and the financial statements for the year ended 31 August 2023.

Directors' responsibilities statement

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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the 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 for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

Results and dividends

The operating profit for the year, before exceptional administrative expenses, was £70,799 (2022: £2,128,532). The loss for the year, after taxation, amounted to £4,239,917 (2022 - profit £1,165,733).

Directors

The directors who served during the year were:

M Frayne
D Lipscombe
M Caroe

Branches outside the United Kingdom

The Company established a branch in Australia in 2020.

Matters covered in the Group Strategic Report

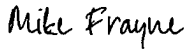
In accordance with 414C(11) of the Companies Act 2006 the Group has chosen to include information in relation to future developments and financial risk management in the Group's strategic report.

VISIONOSS LIMITED AND SUBSIDIARY COMPANIES

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

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

DocuSigned by:

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M Frayne
Director

Date: 21 July 2024 | 11:47 PDT

VISIONOSS LIMITED AND SUBSIDIARY COMPANIES

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VISIONOSS LIMITED AND SUBSIDIARY COMPANIES

Opinion

We have audited the financial statements of VisionOSS Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 August 2023, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity and the related notes, 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 August 2023 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2.3 in the financial statements, which indicates that at the balance sheet date, the Group had net current liabilities of £4,205,194, which includes a non realised liability related to share options of £3,932,670, and consequently incurred a loss of £4,239,917 during the year to 31 August 2023. As stated in Note 2.3, these events or conditions, along with other matters as set forth in Note 2.3, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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

VISIONOSS LIMITED AND SUBSIDIARY COMPANIES

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VISIONOSS LIMITED AND SUBSIDIARY COMPANIES (CONTINUED)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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 or the Directors' Report.

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

- adequate accounting records have not been kept 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 set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

VISIONOSS LIMITED AND SUBSIDIARY COMPANIES

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VISIONOSS LIMITED AND SUBSIDIARY COMPANIES (CONTINUED)

Auditors' 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 Auditors' 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 Group financial statements.

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

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- Enquiries of management, including obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance of laws and regulations; and
- Discussions between the engagement team and component auditors concerning work undertaken in relation to identifying and assessing risks of irregularities and non-compliance with laws at component levels.
- Discussions among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. The engagement team includes audit partners and staff who have extensive experience of working with entities in similar sectors and this experience was relevant to the discussion about where fraud risks might arise.

We also obtained an understanding of the legal and regulatory framework that the group operates in, focusing on provisions of those laws and regulations that had direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies Act 2006 and Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included health and safety regulations and environmental regulations.

VISIONOSS LIMITED AND SUBSIDIARY COMPANIES

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VISIONOSS LIMITED AND SUBSIDIARY COMPANIES (CONTINUED)

As a result of these procedures, we considered the particular areas that were susceptible to misstatement due to fraud were in respect of revenue recognition and management override. Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance;
- reviewing revenue recognition on a sample basis;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the rationale of any significant transactions that are unusual or outside the normal course of the group's operations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Sam Snelson

Sam Snelson (Senior Statutory Auditor)
for and on behalf of
Lubbock Fine LLP
Chartered Accountants & Statutory Auditor
Paternoster House
65 St Paul's Churchyard
London
EC4M 8AB

Date: 22 July 2024

VISIONOSS LIMITED AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £	2022 £
Turnover	4	14,087,336	14,015,307
Cost of sales		(910,763)	(748,633)
Gross profit		<u>13,176,573</u>	<u>13,266,674</u>
Administrative expenses		(13,105,774)	(11,138,142)
Exceptional administrative expenses		(3,963,464)	(404,266)
Operating (loss)/profit	5	<u>(3,892,665)</u>	<u>1,724,266</u>
Interest receivable and similar income		9,567	2,624
Interest payable and similar expenses	8	(257,667)	(529,899)
(Loss)/profit before taxation		<u>(4,140,765)</u>	<u>1,196,991</u>
Tax on (loss)/profit	9	(99,152)	(31,258)
(Loss)/profit for the financial year		<u>(4,239,917)</u>	<u>1,165,733</u>
Currency translation differences on consolidation		1,213,538	(815,170)
Total comprehensive income for the year		<u>(3,026,379)</u>	<u>350,563</u>
(Loss)/profit for the year attributable to:			
Owners of the parent Company		<u>(4,239,917)</u>	<u>1,165,733</u>
Total comprehensive income for the year attributable to:			
Owners of the parent Company		<u>(3,026,379)</u>	<u>350,563</u>

There were no recognised gains and losses for 2023 or 2022 other than those included in the consolidated statement of comprehensive income.

The notes on pages 17 to 39 form part of these financial statements.

VISIONOSS LIMITED AND SUBSIDIARY COMPANIES

REGISTERED NUMBER:04672443

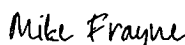
CONSOLIDATED BALANCE SHEET

AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	11	6,302,417	7,090,219
Tangible assets	12	107,660	121,872
		<u>6,410,077</u>	<u>7,212,091</u>
Current assets			
Debtors: amounts falling due within one year	14	1,092,126	1,658,586
Cash at bank and in hand	15	2,690,232	3,471,606
		<u>3,782,358</u>	<u>5,130,192</u>
Creditors: amounts falling due within one year	16	(7,987,552)	(10,966,462)
Net current liabilities		<u>(4,205,194)</u>	<u>(5,836,270)</u>
Total assets less current liabilities		<u>2,204,883</u>	<u>1,375,821</u>
Creditors: amounts falling due after more than one year	17	(1,828,520)	(1,671,797)
Net assets/(liabilities)		<u><u>376,363</u></u>	<u><u>(295,976)</u></u>
Capital and reserves			
Called up share capital	19	16,489	16,489
Share premium account	20	15,617,462	15,617,462
Other reserves	20	4,049,715	32,954
Profit and loss account	20	(19,307,303)	(15,962,881)
		<u><u>376,363</u></u>	<u><u>(295,976)</u></u>

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

DocuSigned by:



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M Frayne
Director

Date: 21 July 2024 | 11:47 PDT

The notes on pages 17 to 39 form part of these financial statements.

VISIONOSS LIMITED AND SUBSIDIARY COMPANIES

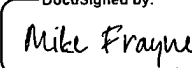
REGISTERED NUMBER:04672443

COMPANY BALANCE SHEET

AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	12	24,260	33,561
Investments	13	8,281,805	7,967,452
		<u>8,306,065</u>	<u>8,001,013</u>
Current assets			
Debtors: amounts falling due within one year	14	7,820,145	8,060,244
Cash at bank and in hand	15	2,195,420	2,177,316
		<u>10,015,565</u>	<u>10,237,560</u>
Creditors: amounts falling due within one year	16	(4,820,497)	(6,476,383)
Net current assets		<u>5,195,068</u>	<u>3,761,177</u>
Total assets less current liabilities		<u>13,501,133</u>	<u>11,762,190</u>
Creditors: amounts falling due after more than one year	17	(1,828,520)	(1,671,797)
Net assets		<u><u>11,672,613</u></u>	<u><u>10,090,393</u></u>
Capital and reserves			
Called up share capital	19	16,489	16,489
Share premium account	20	15,617,462	15,617,462
Other reserves	20	4,049,715	148,620
Profit and loss account	20	(8,011,053)	(5,692,178)
		<u>11,672,613</u>	<u>10,090,393</u>

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

DocuSigned by:

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M Frayne
 Director

Date: 21 July 2024 | 11:47 PDT

The notes on Pages 17 to 39 form part of these financial statements.

VISIONOSS LIMITED AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2023

	Called up share capital £	Share premium account £	Other reserves £	Profit and loss account £	Total equity £
At 1 September 2021	12,739	11,283,739	166,363	(16,316,947)	(4,854,106)
Profit for the year	-	-	-	1,165,733	1,165,733
Other recognised gains and losses during the year	-	-	-	(945,076)	(945,076)
Total comprehensive income for the year	-	-	-	220,657	220,657
Shares issued during the year	3,750	4,333,723	-	-	4,337,473
Transfer to/from profit and loss account	-	-	(133,409)	133,409	-
At 1 September 2022	16,489	15,617,462	32,954	(15,962,881)	(295,976)
Loss for the year	-	-	-	(4,239,917)	(4,239,917)
Other recognised gains and losses during the year	-	-	-	1,213,538	1,213,538
Total comprehensive income for the year	-	-	-	(3,026,379)	(3,026,379)
Transfer to profit and loss account	-	-	318,043	(318,043)	-
Movement on equity-settled share- based payments in the year	-	-	3,698,718	-	3,698,718
At 31 August 2023	16,489	15,617,462	4,049,715	(19,307,303)	376,363

The notes on pages 17 to 39 form part of these financial statements.

VISIONOSS LIMITED AND SUBSIDIARY COMPANIES

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 AUGUST 2023

	Called up share capital £	Share premium account £	Other reserves £	Profit and loss account £	Total equity £
At 1 September 2021	12,739	11,283,739	222,821	(6,622,873)	4,896,426
Profit for the year	-	-	-	769,155	769,155
Other recognised gains and losses during the year	-	-	-	87,339	87,339
Total comprehensive income for the year	-	-	-	856,494	856,494
Shares issued during the year	3,750	4,333,723	-	-	4,337,473
Transfer to/from profit and loss account	-	-	(74,201)	74,201	-
At 1 September 2022	16,489	15,617,462	148,620	(5,692,178)	10,090,393
Loss for the year	-	-	-	(2,021,705)	(2,021,705)
Other recognised gains and losses during the year	-	-	-	(94,793)	(94,793)
Total comprehensive income for the year	-	-	-	(2,116,498)	(2,116,498)
Transfer to profit and loss account	-	-	202,377	(202,377)	-
Movement on equity-settled share- based payments in the year	-	-	3,698,718	-	3,698,718
At 31 August 2023	16,489	15,617,462	4,049,715	(8,011,053)	11,672,613

The notes on pages 17 to 39 form part of these financial statements.

VISIONOSS LIMITED AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £	As restated 2022 £
Cash flows from operating activities			
(Loss)/profit for the financial year		(4,239,917)	1,165,733
Adjustments for:			
Amortisation of intangible assets		787,805	878,580
Depreciation of tangible assets		60,824	69,711
Loss on disposal of tangible assets		1,480	9
Interest paid		257,667	529,899
Interest received		(9,565)	(2,624)
Taxation charge		99,152	31,258
Decrease in debtors		565,537	1,197,514
(Decrease) in creditors		(1,267,272)	(1,417,103)
Corporation tax (paid)		(98,229)	(32,984)
Foreign exchange		866,463	(586,565)
Share-based payment expense		3,932,670	-
Net cash generated from operating activities		<u>956,615</u>	<u>1,833,428</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(89,231)	(56,292)
Sale of tangible fixed assets		-	907
Purchase of subsidiary undertaking		-	(7,625,100)
Interest received		9,565	2,624
Cash acquired with subsidiary undertaking		-	838
Net cash from investing activities		<u>(79,666)</u>	<u>(7,677,023)</u>
Cash flows from financing activities			
Issue of ordinary shares		-	1,158,063
Repayment of loans		(1,400,656)	(1,494,579)
Other new loans		-	2,171,624
Interest paid		(257,667)	(529,899)
Net cash used in financing activities		<u>(1,658,323)</u>	<u>1,305,209</u>
Net (decrease) in cash and cash equivalents		<u>(781,374)</u>	<u>(4,538,386)</u>
Cash and cash equivalents at beginning of year		3,471,606	8,009,992
Cash and cash equivalents at the end of year		<u><u>2,690,232</u></u>	<u><u>3,471,606</u></u>
Cash and cash equivalents at the end of year comprise:			
Cash at bank and in hand		<u><u>2,690,232</u></u>	<u><u>3,471,606</u></u>

VISIONOSS LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

1. General information

VisionOSS Limited is a private company, limited by shares, incorporated in England and Wales. Its principal place of business is Regus Building, 200 Brook Drive, Green Park, Reading, RG2 6UB. It's registered office address is Ashford House, Grenadier Road, Exeter, Devon, EX1 3LH.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment 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 following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

Management regularly monitors the Group's working capital requirements to ensure that there is adequate headroom for its day-to-day operations, and regularly update its cashflow forecasts which considers the foreseeable future, including the next 12 months of operation from the date of signing the financial statements. This considers the Group's ability to repay its lenders and suppliers as payments become due.

At the balance sheet date, the Group had net current liabilities of £4,205,194, which includes a non realised liability related to share options of £3,932,670, and consequently incurred a loss of £4,239,917 during the year to 31 August 2023. Looking ahead, the forecasts anticipate a net cash surplus will be generated, however this is on the basis that the Group are able to win new contracts to generate the revenues which are being forecast.

VISIONOSS LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.3 Going concern (continued)

Furthermore, as discussed in Note 16, the Group has two credit facilities as at 31 August 2023. One of these facilities is due within one year and has been fully repaid at the date of signing the financial statements. The other credit facility is provided by a director, and the final repayment date has been extended, meaning this is due in more than one year as at the balance sheet date. It is expected that the director will continue to support the Group and will not recall this loan until the Group are able to repay the balance.

The directors believe that it is appropriate to prepare the financial statements on a going concern basis which assumes that the Group will continue in operational existence for the foreseeable future on the basis of the Group's plans and the continued support of the Group's lenders and both current and future potential investors.

Should the going concern basis prove to be inappropriate then adjustments may be required to reduce the carrying values of assets to their recoverable amounts, to provide for any additional liabilities that may arise, and to reclassify fixed assets and long-term liabilities respectively.

2.4 Turnover

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

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

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

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

VISIONOSS LIMITED AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.4 Turnover (continued)

Agent commission income

The Group has entered into an agreement whereby it acts as an agent on behalf of a principal. The Group receives a fixed percentage commission income based on the revenues of the principal. This commission income is recognised in the period to which the revenues of the principal relate.

2.5 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the *Consolidated Statement of Comprehensive Income* over its useful economic life.

Other intangible assets

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

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

2.6 Tangible fixed assets and depreciation

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.

At each reporting date the Group assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

VISIONOSS LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation (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:

Short-term leasehold property	- Straight line over the life of the lease
Fixtures and fittings	- Straight line at 20%
Plant and machinery	- Straight line at 33%

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

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

2.7 Valuation of investments

Investments in subsidiaries are valued at cost less provision for impairment.

2.8 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.

2.9 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.

2.10 Financial instruments

The Group has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Group's Balance Sheet when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

VISIONOSS LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.10 Financial instruments (continued)

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans, other loans and loans due to fellow group companies are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

VISIONOSS LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.10 Financial instruments (continued)

Derecognition of financial instruments

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Group transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Group will continue to recognise the value of the portion of the risks and rewards retained.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Group's contractual obligations expire or are discharged or cancelled.

2.11 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.

2.12 Foreign currency translation

Functional and presentation currency

The Group's functional currency is USD. This differs from the presentational currency which is GBP. The reason for the difference is that the financial statements give a more true and fair representation of the business for the financial statement users.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

VISIONOSS LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.12 Foreign currency translation (continued)

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.13 Finance costs

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

2.14 Operating leases: the Group as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

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

VISIONOSS LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.16 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- 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 balance sheet date.

2.17 Interest income

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

VISIONOSS LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.18 Share based payments

The group issues equity-settled share-based payments to certain employees (including directors). Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, together with a corresponding increase in equity, based upon the Group's estimate of the shares that will eventually vest.

Fair value is measured using the Black Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Where the terms of an equity-settled transaction are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled transaction is cancelled, it is treated as if it had vested on the date of the cancellation, and any expense not yet recognised for the transaction is recognised immediately. However, if a new transaction is substituted for the cancelled transaction, and designated as a replacement transaction on the date that it is granted, the cancelled and new transactions are treated as if they were a modification of the original transaction, as described in the previous paragraph.

Where vested share options are forfeited in the year, the expense recognised to date is not subsequently reversed however a transfer is made from the share option reserve to the profit and loss reserve to reflect the reduction of share options in issue.

2.19 Share capital

Ordinary share capital is classed as equity.

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The only key judgements and sources of estimation uncertainty are:

Revenue Recognition

A proportion of the turnover which the Group receives is from software consultancy projects. Such turnover is recognised by the Group according to the stage of completion of each project. Due to the absence of other formal information, the stage of completion is estimated by the Group on the basis of their experience and knowledge of the project.

Share-based payments

Share-based payments relates to employee share option scheme issued during the year, and is measured and recognised in the Group's financial statements based on the fair value of the share option on the grant date. The fair value of the share option scheme is estimated using the Black-Scholes option-pricing model. This model requires assumptions including the expected volatility and estimated current share price value.

VISIONOSS LIMITED AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

4. Turnover

An analysis of turnover by class of business is as follows:

	2023	2022
	£	£
Sale of goods	9,471,352	7,300,205
Rendering of services	4,615,984	6,715,102
	<u>14,087,336</u>	<u>14,015,307</u>

Analysis of turnover by country of destination:

	2023	2022
	£	£
United Kingdom	2,203,444	3,093,622
Rest of the world	11,883,892	10,921,685
	<u>14,087,336</u>	<u>14,015,307</u>

5. Operating profit/loss

The operating profit is stated after charging:

	2023	2022
	£	£
Depreciation of tangible fixed assets	64,326	69,711
Amortisation of intangible fixed assets	787,802	878,577
Fees payable to the Group's auditors and its associates for the audit of the Group's annual financial statements	39,626	45,929
Exchange differences	771,868	(327,096)
Other operating lease rentals	253,091	301,716
Defined contribution pension cost	242,739	226,987
	<u>2,169,252</u>	<u>2,204,817</u>

VISIONOSS LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

6. Employees

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

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Wages and salaries	8,013,645	7,335,698	3,102,255	2,775,662
Social security costs	483,120	480,446	238,390	246,713
Cost of defined contribution scheme	272,739	226,987	147,549	104,482
	<u>8,769,504</u>	<u>8,043,131</u>	<u>3,488,194</u>	<u>3,126,857</u>

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

	2023 No.	2022 No.
Number of engineering staff	54	47
Number of sales and marketing staff	17	16
Number of global services staff	26	30
Number of general and administration staff	12	13
	<u>109</u>	<u>106</u>

7. Directors' remuneration

	2023 £	2022 £
Directors' emoluments	425,186	371,831
Group contributions to defined contribution pension schemes	32,712	5,087
	<u>457,898</u>	<u>376,918</u>

During the year retirement benefits were accruing to 1 director (2022 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £328,240 (2022 - £278,060).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2022 - £2,422).

VISIONOSS LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

8. Interest payable and similar expenses

	2023 £	2022 £
Other loan interest payable	257,667	529,899

9. Taxation

	2023 £	2022 £
Corporation tax		
Current tax on profits for the year	2,048	7,268
Foreign tax on income for the year	97,104	23,990
Total current tax	99,152	31,258

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022 - lower than) the standard rate of corporation tax of 21.52% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
(Loss)/profit on ordinary activities before tax	(4,140,765)	1,196,991
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.52% (2022 - 19%)	(890,888)	227,428
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	169,496	-
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	847,136	1,219
Capital allowances for year in excess of depreciation	646	11,613
Utilisation of tax losses	(52,826)	(69,012)
Different rate taxes on overseas earnings	(51,133)	123,162
Other timing differences leading to an increase (decrease) in taxation	(20,383)	(273,120)
Overseas tax paid	97,104	9,968
Total tax charge for the year	99,152	31,258

Factors that may affect future tax charges

VISIONOSS LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

9. Taxation (continued)

A deferred tax asset of £3,435,093 (2022 - £4,529,000) has not been recognised in the accounts as it is uncertain whether the Group will make sufficient future taxable profits to utilise this asset. The asset arises due to trading losses generated by the Group in earlier periods and may be offset against future taxable profits, which are available for an indefinite period.

10. Exceptional items

	2023 £	2022 £
Severance costs	30,794	404,266
Share option expense	3,932,670	-
	<u>3,963,464</u>	<u>404,266</u>

Severance costs relate to the costs associated with making employees redundant during the year.

Share option expense is in relation to the issue of a new share option scheme, as detailed in Note 21.

11. Intangible assets

Group

	Patents £	Goodwill £	Total £
Cost			
At 1 September 2022	90,775	7,878,021	7,968,796
At 31 August 2023	<u>90,775</u>	<u>7,878,021</u>	<u>7,968,796</u>
Amortisation			
At 1 September 2022	90,775	787,802	878,577
Charge for the year on owned assets	-	787,802	787,802
At 31 August 2023	<u>90,775</u>	<u>1,575,604</u>	<u>1,666,379</u>
Net book value			
At 31 August 2023	<u>-</u>	<u>6,302,417</u>	<u>6,302,417</u>
At 31 August 2022	<u>-</u>	<u>7,090,219</u>	<u>7,090,219</u>

VISIONOSS LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

11. Intangible assets (continued)

None of the Group's intangible fixed assets are held in the Parent Company.

Other intangible assets have not been included within Goodwill as they relate to patents acquired as part of the acquisition of the LayerX subsidiary during the prior year.

12. Tangible fixed assets**Group**

	Short-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Total £
Cost				
At 1 September 2022	112,978	553,868	104,073	770,919
Additions	7,949	35,862	45,420	89,231
Disposals	(61,141)	(59,235)	(57,967)	(178,343)
Exchange adjustments	(8,270)	(6,482)	(1,922)	(16,674)
At 31 August 2023	<u>51,516</u>	<u>524,013</u>	<u>89,604</u>	<u>665,133</u>
Depreciation				
At 1 September 2022	87,070	469,317	92,660	649,047
Charge for the year on owned assets	6,438	47,234	7,152	60,824
Disposals	(60,453)	(56,022)	(36,438)	(152,913)
Exchange adjustments	-	-	515	515
At 31 August 2023	<u>33,055</u>	<u>460,529</u>	<u>63,889</u>	<u>557,473</u>
Net book value				
At 31 August 2023	<u>18,461</u>	<u>63,484</u>	<u>25,715</u>	<u>107,660</u>
At 31 August 2022	<u>25,908</u>	<u>84,551</u>	<u>11,413</u>	<u>121,872</u>

VISIONOSS LIMITED AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

12. Tangible fixed assets (continued)

Company

	Short-term leasehold property £	Plant and machinery £	Total £
Cost			
At 1 September 2022	2,779	83,598	86,377
Additions	-	10,268	10,268
Disposals	-	(3,667)	(3,667)
At 31 August 2023	<u>2,779</u>	<u>90,199</u>	<u>92,978</u>
Depreciation			
At 1 September 2022	77	52,739	52,816
Charge for the year on owned assets	926	16,661	17,587
Disposals	-	(1,685)	(1,685)
At 31 August 2023	<u>1,003</u>	<u>67,715</u>	<u>68,718</u>
Net book value			
At 31 August 2023	<u><u>1,776</u></u>	<u><u>22,484</u></u>	<u><u>24,260</u></u>
At 31 August 2022	<u><u>2,702</u></u>	<u><u>30,859</u></u>	<u><u>33,561</u></u>

VISIONOSS LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

13. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 September 2022	7,967,452
Additions	582,179
Disposals	(267,826)
At 31 August 2023	<u>8,281,805</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
VisionOSS Incorporated	5435 N Garland Ave, Suite 140-517, Garland, TX 75040, USA	IT & Telecoms distribution	Ordinary	100%
VisionOSS Pty Limited	Unit 5 Knowledge Park III, Heron Crescent, Century City, 7441, South Africa	IT & Telecoms distribution	Ordinary	100%
LayerX Technologies Incorporated	5435 N Garland Ave, Suite 140-517, Garland, TX 75040, USA	IT & Telecoms distribution	Ordinary	100%

The carrying value of the investments and the aggregate of the share capital and reserves as at 31 August 2023 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £	Carrying value of investment £
VisionOSS Incorporated	6,009,465	202,311	287,266
VisionOSS Pty Limited	2,981,369	(1,048,486)	369,439
LayerX Technologies Incorporated	323,979	-	7,625,100

VISIONOSS LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

14. Debtors

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Trade debtors	697,430	1,196,097	488,079	1,007,933
Amounts owed by group undertakings	-	-	7,118,387	6,856,072
Other debtors	111,544	131,811	28,473	41,251
Prepayments and accrued income	272,908	319,511	185,206	154,988
Tax recoverable	10,244	11,167	-	-
	<u>1,092,126</u>	<u>1,658,586</u>	<u>7,820,145</u>	<u>8,060,244</u>

15. Cash and cash equivalents

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Cash at bank and in hand	<u>2,690,232</u>	<u>3,471,606</u>	<u>2,195,420</u>	<u>2,177,316</u>

16. Creditors: Amounts falling due within one year

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Other loans	1,084,066	2,795,703	1,084,066	2,795,703
Trade creditors	294,039	305,707	209,385	205,883
Other taxation and social security	355,578	454,928	340,188	444,315
Other creditors	352,478	355,662	137,813	155,580
Accruals and deferred income	5,901,391	7,054,462	3,049,045	2,874,902
	<u>7,987,552</u>	<u>10,966,462</u>	<u>4,820,497</u>	<u>6,476,383</u>

The Group and Parent's financing facility includes two credit facilities. One credit facility amounts to €1,264,659 (2022 - €2,872,000) and incurs as interest at 10% on the draw-down amount. This balance is due within one year under the terms of the facility.

The other facility amounts to \$2,320,456 (2022 - \$2,320,436) and incurs interest at 13% on the draw-down amount. This balance is due in more than one year under the terms of the facility.

These credit facilities have the purpose of providing cover for working capital and liquidity commitments. The loans are secured by a charge over the Group's assets.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

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

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Other loans	1,828,520	1,671,797	1,828,520	1,671,797
	<u>1,828,520</u>	<u>1,671,797</u>	<u>1,828,520</u>	<u>1,671,797</u>

Other loans comprise amounts due after more than one year under the terms of the facilities disclosed in note 16.

18. Financial instruments

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Financial assets				
Financial assets that are debt instruments measured at amortised cost	1,016,718	1,601,939	7,785,776	8,079,793
	<u>1,016,718</u>	<u>1,601,939</u>	<u>7,785,776</u>	<u>8,079,793</u>
Financial liabilities				
Financial liabilities measured at amortised cost	(5,473,079)	(7,245,351)	(4,062,200)	(5,430,374)
	<u>(5,473,079)</u>	<u>(7,245,351)</u>	<u>(4,062,200)</u>	<u>(5,430,374)</u>

Financial assets measured at amortised cost comprise trade debtors, amounts owed by group undertakings, other debtors (excluding VAT recoverable) and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, taxation and social security, accruals and other loans.

19. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
16,488,599 (2022 - 16,488,600) Ordinary shares of £0.001 each	16,489	16,489
	<u>16,489</u>	<u>16,489</u>

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

20. Reserves

Share premium account

Share premium reflects the amount received in exchange for shares in the company in excess of the shares' par value.

Other reserves

Other reserves comprises the value of share options granted which have vested, not yet been exercised and not expired.

Profit and loss account

Profit and loss account includes all cumulative profits and losses, and currency translation differences, less the value of share options which have been cancelled.

21. Share-based payments

Equity-settled share-based payments

The Group has a share option scheme under which options to subscribe for the Company's ordinary shares have been granted to all employees (including directors) either as Enterprise Management Incentives (EMI) options or unapproved options.

Options are exercisable at the earlier of an IPO, a change of control or sale of the Group, the date at which a resolution is proposed for the voluntary liquidation of the Group, or by providing Notice of Exercise which is accepted by the Group.

If the options remain unexercised after a period of 10 years from the date of grant, the options expire. Options are forfeited if the employee leaves the Group before the options vest.

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FOR THE YEAR ENDED 31 AUGUST 2023

Share-based payments

During the year there were the following movements in the Company's outstanding ordinary share options under the scheme:

Type of option	Date of grant of £0.001 each	Exercise price	Outstanding at 1 September 2022	Forfeited/ exercised/ lapsed during the year	Granted during the year	Outstanding at 31 August 2023
EMI	17 November 2009	£0.67	46,943	(46,943)	-	-
EMI	31 January 2016	£0.59	10,500	(10,500)	-	-
Unapproved	17 November 2009	£0.67	182,370	(182,370)	-	-
Unapproved	1 January 2010	£2.37	10,000	(10,000)	-	-
Unapproved	4 January 2010	£2.37	18,000	(18,000)	-	-
Unapproved	22 August 2011	£2.37	106,250	(106,250)	-	-
Unapproved	1 December 2011	£2.37	1,500	(1,500)	-	-
Unapproved	31 August 2013	£2.31	560,244	(560,244)	-	-
Unapproved	11 September 2013	£0.59	5,000	(5,000)	-	-
Unapproved	1 February 2014	£0.59	15,000	(15,000)	-	-
Unapproved	31 March 2014	£0.59	89,622	(88,938)	-	684
Unapproved	31 August 2014	£0.59	193,406	(109,964)	-	83,442
Unapproved	31 October 2015	£0.59	22,183	(22,183)	-	-
Unapproved	31 January 2016	£0.59	3,500	(3,500)	-	-
Unapproved	14 June 2017	£0.50	6,234	(6,234)	-	-
Unapproved	7 May 2023	\$0.75	-	-	4,441,141	4,441,141
Unapproved	7 May 2023	\$1.60	-	-	769,939	769,939
Total			1,270,752	(1,186,626)	5,211,080	5,295,206

The fair values of the share options granted during the year were calculated using the Black-Scholes pricing model. The inputs into the model were as follows:

Current share price - £1.26
 Expected volatility - 20.3%
 Expected life - 10 years
 Risk free rate of interest - 3.52%

The fair values of the share options granted in previous years were calculated using the Black-Scholes pricing model. The inputs into the model were as follows:

Current share price - £0.33
 Expected volatility - 30%
 Expected life - 10 years
 Risk free rate of interest - 0.5%

On 7 May 2023, a new share option scheme was issued. This replaced all previous share option schemes still in place, and was therefore considered a modification to the previous share option schemes. The previous share options were therefore fair valued as at 7 May 2023, and this balance reduced the fair value of the new share options by £235,092.

During the year, £3,932,670 (2022: £nil) was recognised in the Statement of Comprehensive Income in respect of share-based payment transactions.

VISIONOSS LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

22. Prior year adjustment

The Group has restated its comparative information for the year ended 31 August 2022 within the Consolidated Statement of Cash Flows.

The effect of the prior year adjustment is to restate the cashflow movement in creditors by £2,552,525, restate the cash flow on issue of ordinary shares by £3,179,410 and restate the cash flow from repayment of loans by £626,885. There is no impact on the profit of the Group for the year ended 31 August 2022.

23. Parent Company profit for the year

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 profit after tax of the parent Company for the year was £2,021,705 (2022 - £769,155).

24. Pension commitments

The Group operates a pension scheme which provides for the full payment of the contribution by the Group. The scheme operates on a defined contribution money purchase basis and the contributions are charged to the profit and loss account as they arise.

Group

The charge for the year was £242,739 (2022 - £226,978). At the balance sheet date pension contributions in the amount of £36,012 (2022 - £48,297) remained outstanding.

Company

The charge for the year was £117,549 (2022 - £104,482). At the balance sheet date pension contributions in the amount of £28,666 (2022 - £39,812) remained outstanding.

VISIONOSS LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

25. Commitments under operating leases

At 31 August 2023 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Land and Buildings				
Not later than 1 year	175,765	142,752	93,231	98,325
Later than 1 year and not later than 5 years	524,973	646,428	80,240	173,470
Later than 5 years	47,275	153,353	-	-
	<u>748,013</u>	<u>942,533</u>	<u>173,471</u>	<u>271,795</u>
			Company 2023 £	Company 2022 £
Other				
Not later than 1 year				7,200
				<u>7,200</u>

26. Related party transactions

At the balance sheet date an amount of £1,828,520 (2022 - £1,993,272) was due to key management personnel in respect of a loan (2022: due to an Other related party). This loan was transferred from an Other related party to the key management personnel on 16 December 2022. The loan is secured by a charge over the Group's assets, bears interest at a rate of 13% per annum and is due in more than one year.

At the balance sheet date an amount of £129,205 (2021 - £5,245) was due from the Group to directors of the Group.

27. Key management personnel compensation

All directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the Group are considered to be key management personnel. The remuneration of directors and other members of key management during the year are as follows:

	2023 £	2022 £
Short term benefits	873,581	38,298
Post employment benefits	18,844	38,298
	<u>892,425</u>	<u>76,596</u>

VISIONOSS LIMITED AND SUBSIDIARY COMPANIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

28. Controlling party

There is no overall controlling party of the Group.

29. Analysis of net debt

	At 1 September 2022 £	Cash flows £	Other non- cash changes £	At 31 August 2023 £
Cash at bank and in hand	3,471,606	(781,374)	-	2,690,232
Debt due after 1 year	(1,671,797)	-	(156,723)	(1,828,520)
Debt due within 1 year	(2,795,703)	1,400,655	310,982	(1,084,066)
	<u>(995,894)</u>	<u>619,281</u>	<u>154,259</u>	<u>(222,354)</u>