

Visual Data Media Services Limited

Annual report and financial statements

for the year ended 30 September 2021

Company Information

Directors	J Trautman S Roue
Company secretary	J Trautman
Registered number	01713597
Registered office	316-318 Latimer Road London W10 6QN
Independent auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL

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Strategic report

For the year ended 30 September 2021

Introduction

The directors present their strategic report of Visual Data Media Services Limited ('the company') for the year ended 30 September 2021.

Business review

The year to 30 September 2021 has been another successful year for the company. During the year, the group was acquired by a private equity investor, Endeavour Capital, via a restructuring with our parent company Visual Data Media Services LLC.

With the backing of Endeavour Capital, a strong revenue outlook with great industry tailwinds, we are very optimistic that our business will continue its growth as the pre-eminent media service business in industry.

The acquisition of VDMS Acton Limited and the migration of employees and operations to a single premises commenced during the year, resulting in consolidation of various service contracts and associated synergies.

Principal risks and uncertainties

COVID-19 risk

We have faced limited disruption to the company resulting from COVID 19, therefore the overall impact on the company is considered to be minimal.

Our procurement teams are in regular conversations to assess the risk of supply failure and have built relationships with alternative vendors to mitigate the risk.

Foreign currency risk

There is a risk of foreign currency balance exposure.

The company aims to have sufficient currency to carry out its purchases due to a diverse sales territory portfolio.

Financial key performance indicators

During the year, turnover has increased by 22%, gross profit has increased by 16% and profit before tax has increased significantly by 80%. The increase in profit before tax demonstrates materialising synergies associated with acquisitions.

Other key performance indicators

The directors do not believe there are any key performance indicators other than those already disclosed in the financial statements.

Future developments

The directors expect the general level of activity to remain consistent with the current year's performance in the forthcoming year.

Strategic report (continued)

For the year ended 30 September 2021

This report was approved by the board on 7 February 2022 and signed on its behalf.

S Roue
Director

Directors' report

For the year ended 30 September 2021

The directors present their report and the financial statements of Visual Data Media Services Limited ('the company') for the year ended 30 September 2021.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

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

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

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £1,549,540 (2020 - £873,583).

Directors

The directors who served during the year were:

J Trautman
S Roue

Impact of COVID-19

The directors have considered the impact of the COVID-19 pandemic on the company, with a particular focus on its effect on the company's clients, suppliers, directors' and employees. The directors do not consider this to be cause for material uncertainty in respect of the company's ability to continue as a going concern. The company has adapted well, successfully employing business continuity plans, and the directors consider that the company has sufficient financial resources to continue for the foreseeable future, despite the current crisis. Therefore the financial statements have been prepared on the going concern basis.

Directors' report (continued)

For the year ended 30 September 2021

Matters covered in the Strategic report

The company has chosen, in accordance with s.414C(11) of the Companies Act 2006, to set out in the company's Strategic report, information required by Schedule 7 of the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008, and Part 2 of the Companies (Miscellaneous Reporting) Regulations 2018 to be contained in the Directors' report. It has done so in respect of risk exposure and future developments.

Disclosure of information to auditor

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

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

This report was approved by the board on 7 February 2022 and signed on its behalf.

S Roue
Director

Independent auditor's report to the members of Visual Data Media Services Limited

For the year ended 30 September 2021

Opinion

We have audited the financial statements of Visual Data Media Services Limited (the 'company') for the year ended 30 September 2021, which comprise the Statement of income and retained earnings, the Statement of financial position 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 company's affairs as at 30 September 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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.

Conclusions relating to going concern

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

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

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

Independent auditor's report to the members of Visual Data Media Services Limited (continued)

For the year ended 30 September 2021

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's 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 Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent auditor's report to the members of Visual Data Media Services Limited (continued)

For the year ended 30 September 2021

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

How the audit was considered capable of detecting irregularities including fraud:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the Senior Statutory Auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations, including knowledge specific to auditing media development companies
- we made enquiries of management as to where they considered there was susceptibility to fraud, and their knowledge of actual, suspected and alleged fraud;
- we identified the laws and regulations that could reasonably be expected to have a material effect on the financial statements of the company through discussions with directors and other management at the planning stage, and from our knowledge and experience of media development companies;
- the audit team held a discussion to identify any particular areas that were considered to be susceptible to misstatement, including with respect to fraud and non-compliance with laws and regulations;
- we considered the impact of COVID-19 on the company and its internal controls; and
- we focused our planned audit work on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company including the Companies Act 2006 and taxation legislation;

We assessed the extent of compliance with the laws and regulations identified above through:

- making enquiries of management;
- inspecting legal correspondence throughout the year for any potential litigation or claims; and
- considering the internal controls in place that are designed to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- determined the susceptibility of the company to management override of controls by checking the implementation of controls and enquiring of individuals involved in the financial reporting process, taking into account the impact of COVID-19 on controls during the year;
- reviewed journal entries throughout the year to identify unusual transactions;
- performed analytical procedures to identify any large, unusual or unexpected transactions and investigated any large variances from the prior period; and
- reviewed accounting estimates and evaluated where judgements or decisions made by management indicated bias on the part of the company's management.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included:

- agreeing financial statement disclosures to underlying supporting documentation; and

Independent auditor's report to the members of Visual Data Media Services Limited (continued)

For the year ended 30 September 2021

- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error as they may involve deliberate concealment or collusion. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

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 Auditor's report.

Use of our report

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

Simon Wax (Senior statutory auditor)

for and on behalf of

Buzzacott LLP

Statutory Auditor

130 Wood Street

London

EC2V 6DL

9 February 2022

Statement of income and retained earnings

For the year ended 30 September 2021

	Note	2021 £	2020 £
Turnover	4	9,826,708	8,062,974
Cost of sales		(4,236,430)	(3,233,355)
Gross profit		5,590,278	4,829,619
Administrative expenses		(4,516,469)	(3,875,460)
Other operating income	5	837,166	163,233
Operating profit	6	1,910,975	1,117,392
Interest payable and similar expenses	10	(10,249)	(43,511)
Profit before tax		1,900,726	1,073,881
Tax on profit	11	(351,186)	(200,298)
Profit after tax		1,549,540	873,583
Retained earnings at the beginning of the year		7,168,946	6,295,363
		7,168,946	6,295,363
Profit for the year		1,549,540	873,583
Retained earnings at the end of the year		8,718,486	7,168,946

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of income and retained earnings.

The notes on pages 11 to 25 form part of these financial statements.

Statement of financial position

As at 30 September 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	12	963,116	1,102,977
Tangible assets	13	962,592	1,084,564
Investments	14	1,174,248	1,174,248
		<u>3,099,956</u>	<u>3,361,789</u>
Current assets			
Stocks	15	9,133	8,990
Debtors	16	7,392,740	5,328,190
Cash at bank and in hand	17	1,167,959	1,542,913
		<u>8,569,832</u>	<u>6,880,093</u>
Creditors: amounts falling due within one year	18	(2,776,568)	(2,665,582)
Net current assets		<u>5,793,264</u>	<u>4,214,511</u>
Total assets less current liabilities		<u>8,893,220</u>	<u>7,576,300</u>
Creditors: amounts falling due after more than one year	19	(22,606)	(290,500)
Provisions for liabilities			
Deferred tax	22	(151,128)	(115,854)
		<u>(151,128)</u>	<u>(115,854)</u>
Net assets		<u><u>8,719,486</u></u>	<u><u>7,169,946</u></u>
Capital and reserves			
Called up share capital	23	560	560
Capital redemption reserve	24	440	440
Profit and loss account	24	8,718,486	7,168,946
		<u><u>8,719,486</u></u>	<u><u>7,169,946</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 February 2022.

S Roue

Director

The notes on pages 11 to 25 form part of these financial statements.

Notes to the financial statements

For the year ended 30 September 2021

1. General information

Visual Data Media Services Limited is a private company limited by shares and registered in England and Wales. The registered office and principal place of business of the company is 316-318 Latimer Road, London, W10 6QN. The registered number of the company is 01713597.

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 UK and Republic of Ireland' ('FRS 102') and the Companies Act 2006.

Consolidated financial statements have not been prepared as the company is a wholly owned subsidiary and the results of the company are consolidated in the financial statements of the ultimate parent undertaking. These financial statements present information about the company as an individual undertaking.

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

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

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

This information is included in the consolidated financial statements of VDMS UK Holdings Limited as at 30 September 2021 and these financial statements may be obtained from Companies House.

2.3 Going concern

Impact of COVID-19

The directors have considered the impact of the COVID-19 pandemic on the company, with a particular focus on its effect on the company's clients, suppliers, directors' and employees.

The directors do not consider this to be cause for material uncertainty in respect of the company's ability to continue as a going concern. The company has adapted well, successfully employing business continuity plans, and the directors consider that the company has sufficient financial resources to continue for the foreseeable future, despite the current crisis. Therefore the financial statements have been prepared on the going concern basis.

Notes to the financial statements

For the year ended 30 September 2021

2. Accounting policies (continued)

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover from end to end content management and digital media supply chain solutions is recognised on an accruals basis in line with relevant agreements.

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 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 profit or loss over its useful economic life.

2.6 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Leasehold improvements	-	Over the lease term
Plant and machinery	-	20% on cost
Motor vehicles	-	20% on reducing balance

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 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

Notes to the financial statements

For the year ended 30 September 2021

2. Accounting policies (continued)

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of income and retained earnings for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.9 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.

2.10 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.

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

2.11 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans to related parties.

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 Statement of income and retained earnings.

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.

2.12 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.

Notes to the financial statements

For the year ended 30 September 2021

2. Accounting policies (continued)

2.13 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

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.

2.14 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of income and retained earnings in the same period as the related expenditure.

2.15 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.

2.16 Operating leases: the company as lessee

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

2.17 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

Notes to the financial statements

For the year ended 30 September 2021

2. Accounting policies (continued)

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the company 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 profit or loss in the year that the company 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.

2.19 Current and deferred taxation

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

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

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

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions which affect the amounts reported for assets and liabilities as at the year end date and amounts reported for revenues and expenses during the period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. However, the nature of estimation means that actual outcomes could differ from those estimates.

The directors consider that the area where uncertainty of estimation arises is accrued income.

Notes to the financial statements

For the year ended 30 September 2021

4. Turnover

The whole of the turnover is attributable to the principal activity of the company.

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	7,631,704	6,324,620
Rest of Europe	422,593	1,388,165
Rest of the world	1,772,411	350,189
	<u>9,826,708</u>	<u>8,062,974</u>

5. Other operating income

	2021 £	2020 £
Other operating income	808,995	-
Government grants receivable	28,171	163,233
	<u>837,166</u>	<u>163,233</u>

6. Operating profit

The operating profit is stated after charging:

	2021 £	2020 £
Exchange differences	15,700	33,439
Other operating lease rentals	<u>225,536</u>	<u>310,554</u>

7. Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor for the audit of the company's annual financial statements	19,000	18,360

The company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent company.

Notes to the financial statements

For the year ended 30 September 2021

8. Employees

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

	2021 £	2020 £
Wages and salaries	4,837,539	3,704,030
Social security costs	506,300	395,614
Cost of defined contribution scheme	106,534	73,843
	<u>5,450,373</u>	<u>4,173,487</u>

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

	2021 No.	2020 No.
Admin	79	45
Operational	53	71
	<u>132</u>	<u>116</u>

9. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	194,610	196,920
	<u>194,610</u>	<u>196,920</u>

During the year the retirement benefits were accruing to £nil (2020 - £nil) in respect of defined contribution pension schemes.

Key management personnel

Key management personnel includes the directors of the company only.

10. Interest payable and similar expenses

	2021 £	2020 £
Bank interest payable	6,292	38,987
Other loan interest payable	3,957	4,524
	<u>10,249</u>	<u>43,511</u>

Notes to the financial statements

For the year ended 30 September 2021

11. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	371,535	295,750
Adjustments in respect of previous periods	(55,623)	-
	<u>315,912</u>	<u>295,750</u>
Total current tax	<u>315,912</u>	<u>295,750</u>
Deferred tax		
Origination and reversal of timing differences	(1,312)	(11,746)
Adjustments in respect of prior periods	-	(97,138)
Effect of tax rate change on opening balances	36,586	13,432
	<u>35,274</u>	<u>(95,452)</u>
Total deferred tax	<u>35,274</u>	<u>(95,452)</u>
Taxation on profit on ordinary activities	<u>351,186</u>	<u>200,298</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	<u>1,900,726</u>	<u>1,073,881</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	361,138	204,037
Effects of:		
Expenses not deductible for tax purposes	8,346	26,559
Adjustments to tax charge in respect of prior periods	(56,798)	(32,759)
Fixed asset differences	20,788	35,028
Remeasurement of deferred tax for changes in tax rates	36,272	-
Other differences leading to an increase (decrease) in the tax charge	-	(32,567)
Group relief	(18,560)	-
Total tax charge for the year	<u>351,186</u>	<u>200,298</u>

Notes to the financial statements

For the year ended 30 September 2021

11. Taxation (continued)

Factors that may affect future tax charges

On 3 March 2021, the government announced its intention to increase the corporation tax rate from 1 April 2023. This rate will taper from 19% for businesses with profits of less than £50,000 to 25% for businesses with profits over £250,000. This was substantively enacted on 24 May 2021 as the Finance Bill 2021 passed the House of Commons.

The deferred taxes at the reporting date reflected in these financial statements have been measured at 19% being the substantively enacted tax rate that at the reporting date was expected to apply to the reversal of the timing differences.

12. Intangible assets

	Premier Goodwill	Soho Goodwill	Total
	£	£	£
Cost			
At 1 October 2020	1,400,023	19,500	1,419,523
At 30 September 2021	1,400,023	19,500	1,419,523
Amortisation			
At 1 October 2020	313,621	2,925	316,546
Charge for the year	139,861	-	139,861
At 30 September 2021	453,482	2,925	456,407
Net book value			
At 30 September 2021	946,541	16,575	963,116
At 30 September 2020	1,086,402	16,575	1,102,977

Notes to the financial statements

For the year ended 30 September 2021

13. Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 October 2020	919,808	3,792,995	9,557	4,722,360
Additions	6,138	342,366	-	348,504
At 30 September 2021	925,946	4,135,361	9,557	5,070,864
Depreciation				
At 1 October 2020	570,978	3,057,261	9,557	3,637,796
Charge for the year	143,542	326,934	-	470,476
At 30 September 2021	714,520	3,384,195	9,557	4,108,272
Net book value				
At 30 September 2021	211,426	751,166	-	962,592
At 30 September 2020	348,830	735,734	-	1,084,564

The net book value of land and buildings may be further analysed as follows:

	2021 £	2020 £
Short leasehold	211,426	348,830
	<u>211,426</u>	<u>348,830</u>

Finance leases

The net book value of assets held under finance leases at the year end totalled £146,252 (2020 - £234,878).

Notes to the financial statements

For the year ended 30 September 2021

14. Fixed asset investments

	Investments in subsidiary company £
Cost or valuation	
At 1 October 2020	1,174,248
At 30 September 2021	<u>1,174,248</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the company:

Name	Registered office	Class of shares	Holding
VDMS Acton Limited	316-318 Latimer Road, London, W10 6QN	Ordinary	100 %

15. Stocks

	2021 £	2020 £
Raw materials and consumables	9,133	8,990
	<u>9,133</u>	<u>8,990</u>

Stock recognised in cost of sales during the year as an expense was £12,932 (2020 - £21,548).

Notes to the financial statements

For the year ended 30 September 2021

16. Debtors

	2021 £	2020 £
Trade debtors	1,337,750	1,239,366
Amounts owed by group undertakings	5,063,038	2,768,177
Other debtors	38,449	902,231
Prepayments and accrued income	953,503	418,416
	<u>7,392,740</u>	<u>5,328,190</u>

Included within other debtors are rent deposits totalling £38,319 (2020 - £38,319) due after more than one year.

17. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	1,167,959	1,542,913
	<u>1,167,959</u>	<u>1,542,913</u>

18. Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loans	-	389,477
Other loans	-	68,241
Trade creditors	252,663	319,612
Amounts owed to group undertakings	1,055,324	722,455
Corporation tax	177,099	122,697
Other taxation and social security	423,176	435,616
Obligations under finance lease and hire purchase contracts	19,063	78,917
Other creditors	18,921	11,046
Accruals and deferred income	830,322	517,521
	<u>2,776,568</u>	<u>2,665,582</u>

Notes to the financial statements

For the year ended 30 September 2021

19. Creditors: amounts falling due after more than one year

	2021 £	2020 £
Bank loans	-	267,894
Net obligations under finance leases and hire purchase contracts	22,606	22,606
	<u>22,606</u>	<u>290,500</u>

20. Loans

Analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year		
Bank loans	-	389,477
Other loans	-	68,241
	<u>-</u>	<u>457,718</u>
Amounts falling due 1-2 years		
Bank loans	-	267,894
	<u>-</u>	<u>267,894</u>
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>725,612</u>

21. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2021 £	2020 £
Within one year	48,074	78,917
Between 1-5 years	11,642	42,696
Over 5 years	-	3,279
	<u>59,716</u>	<u>124,892</u>

Notes to the financial statements

For the year ended 30 September 2021

22. Deferred taxation

	2021 £	2020 £
At beginning of year	(115,854)	(211,306)
Charged to profit or loss	(35,274)	95,452
At end of year	(151,128)	(115,854)

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Fixed asset timing differences	(156,479)	(117,944)
Short term timing differences	5,351	2,090
	(151,128)	(115,854)

23. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
560 (2020 - 560) Ordinary shares of £1.00 each	560	560

24. Reserves

Capital redemption reserve

This was created on the buyback of the company's own shares.

Profit and loss account

Includes all current and prior period retained profits and losses.

25. Pension commitments

The company operates a defined contribution pension scheme. Contributions by the company amounted to £106,534 (2020: £73,978) during the year. Outstanding pension commitments at the year end amounted to £18,921 (2020: £10,997) and are included within other creditors.

Notes to the financial statements

For the year ended 30 September 2021

26. Commitments under operating leases

At 30 September 2021 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	343,336	416,377
Later than 1 year and not later than 5 years	107,235	450,571
	<u>450,571</u>	<u>866,948</u>

27. Related party transactions

The company has taken advantage of the exemptions available under FRS 102 regarding transactions with entities that are part of the group headed by VDMS UK Holdings Limited, on the grounds that all direct and indirect subsidiary undertakings which are party to such transactions are wholly owned members of the group.

During the year, the company recharged Visual Data Media Services LLC £799,962 (2020 - £360,490) for expenses paid on behalf of Visual Data Media Services LLC. Expenses totalling £799,962 (2020 - £336,580) were paid by Visual Data Media Services LLC on behalf of the company during the year. At the year end, there was a balance of £nil (2020 - £nil) due to Visual Data Media Services LLC, a company within the group headed up by Endeavour Capital Fund VII, LP.

At the year end, there was a balance of £nil (2020 - £49) due to a director of the company. During the year, £49 was repaid to a director in respect of this loan balance (2020 - £nil).

During the year, VDMS Intermediate Holdings LLC purchased the shares of Visual Data Media Services LLC from Visual Data Holdings Inc. As part of this transaction, VDMS Intermediate Holdings LLC took on the loan balances due to the company on behalf of 316 Latimer Limited and Mariner Property Management LLC. At the time of the transaction, these companies owed the company £136,528 and £332,143 respectively. At the year end, Visual Data Media Services LLC owed the company £468,671. Visual Data Media Services LLC is a related party by virtue of being a part of the group headed up by Endeavour Capital VII, LP. Mariner Property Management LLC and 316 Latimer Limited were related parties by virtue of common ownership before the aforementioned transaction. At the year end, £nil (2020 - £332,143) was due to the company from Mariner Property Management LLC. At the year end, £nil (2020 - £556,292) was due to the company from 316 Latimer Limited. The remaining balance of £318,564 is now due to the company by VDMS UK Holdings Limited which took on the loan balance as part of the transaction in the year.

28. Controlling party

The immediate parent company is The Future Media Group Limited.

The ultimate parent company at the year end was VDMS Parent Holdings LLC, a company incorporated in the USA. The ultimate controlling party at the year end was Endeavour Capital Fund VII, LP.

The smallest group of undertakings preparing consolidated financial statements including the company is headed by Visual Data Media Services LLC. Consolidated financial statements can be obtained from 610 N. Hollywood Way, Burbank, CA 91505, USA.

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