

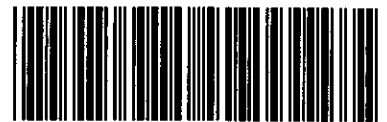
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**VIDEALERT LIMITED**

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**UNAUDITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2023**

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**VIDEALERT LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	M I Hoskin (resigned 15 July 2022) M Johnson (appointed 4 August 2023) M J Corcoran (resigned 15 September 2023) S J Callaghan (appointed 15 July 2022, resigned 4 August 2023) D J Sinclair (appointed 15 September 2023)
<b>Registered number</b>	05040786
<b>Registered office</b>	12th Floor One America Square London United Kingdom EC3N 2LS
<b>Bankers</b>	Lloyds Bank Plc 25 Gresham Street London EC2V 7HN
<b>Solicitors</b>	Squire Patton Boggs (UK) LLP 6 Wellington Place Leeds LS1 4AP

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**VIDEALERT LIMITED**

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**VIDEALERT LIMITED**  
**REGISTERED NUMBER: 05040786**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MAY 2023**

	<b>Note</b>	<b>2023 £</b>	<b>2022 £</b>
<b>Fixed assets</b>			
Intangible assets	5	404,105	11,651
Tangible assets	6	344,191	235,081
		<u>748,296</u>	<u>246,732</u>
<b>Current assets</b>			
Stocks	7	1,689,559	1,405,635
Debtors: amounts falling due within one year	8	11,895,129	11,586,750
Cash at bank and in hand	9	471,538	40,067
		<u>14,056,226</u>	<u>13,032,452</u>
Creditors: amounts falling due within one year	10	(12,609,447)	(11,438,929)
<b>Net current assets</b>		<u>1,446,779</u>	<u>1,593,523</u>
<b>Total assets less current liabilities</b>		<u>2,195,075</u>	<u>1,840,255</u>
<b>Net assets</b>		<u><u>2,195,075</u></u>	<u><u>1,840,255</u></u>
<b>Capital and reserves</b>			
Called up share capital	12	607,226	607,226
Share premium account	13	566,896	566,896
Profit and loss account	13	1,020,953	666,133
		<u>2,195,075</u>	<u>1,840,255</u>

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**VIDEALERT LIMITED**  
**REGISTERED NUMBER: 05040786**

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**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 MAY 2023**

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The directors consider that the Company is entitled to exemption from audit under section 479A of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The Company has opted not to file the Statement of Comprehensive Income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board on 20 February 2024 and were signed on its behalf by:



**M Johnson**  
Director

The notes on pages 3 to 14 form part of these financial statements.

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## VIDEALERT LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2023

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#### 1. General information

Videalert Limited ("the company") is a private company limited by share capital incorporated in England and Wales and domiciled in the United Kingdom.

The address of its registered office is:  
12th Floor One America Square  
London  
United Kingdom  
EC3N 2LS

#### 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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

The functional currency of the company is considered to be pounds sterling (£) because that is the currency of the primary economic environment in which the company operates.

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;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Free Flow Topco Limited as at 31 May 2023 and these financial statements may be obtained from 12th Floor One America Square, London, United Kingdom, EC3N 2LS.

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## VIDEALERT LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2023

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#### 2. Accounting policies (continued)

##### 2.3 Going concern

The Company forms part of a group of companies which are consolidated into the ultimate parent undertaking, Free Flow Topco Limited.

The financial statements have been prepared on a going concern basis. In determining the appropriate basis of preparation for these financial statements, the Board has assessed the Group and Company's ability to continue as a going concern for a period of twelve months from the date of approval of these financial statements. This assessment included base forecasts, which were subsequently sensitised for plausible downside scenarios, and then compared with available cash and other covenant requirements as applicable.

The base level forecast, reviewed and approved by the Board, was produced through to February 2025, and incorporates a range of assumptions applicable to the individual operating business units. The ability to accurately forecast future business performance varies across business units. Contractually based revenues, which cover our largest business units, are only significantly impacted by contractual changes usually known at least up to 12 months in advance. Other business units, principally Enforcement, Commercial Debt and Traffic Technology, have more variability due to the impact of volumetric changes such as caseload volumes, and these were most impacted by Covid-19 restrictions. In previous periods, our forecasts had to make high level assumptions on the return to pre-pandemic levels of business, which had inherently higher levels of uncertainty. As we move further from the pandemic era and have more trading experience in the post-pandemic environment, we are able to forecast with increased confidence in our assumptions.

Our base forecast assumes that the period to February 2025 will see revenues return to the levels seen pre-pandemic, which is supported by our experiences in the 2023 calendar year to date. The forecasts also assume a level of increased operating costs. Although in the current economic environment forecasting future costs includes an elevated level of uncertainty, we are seeing more stabilisation in our main cost drivers as inflation has reduced in the second half of 2023, and supply side pressures associated with this have eased. The Group is also well advanced with delivering procurement and resource cost savings through a comprehensive cost review that mitigate these impacts. The Group to which the Company belongs has also taken measures to limit its exposure to the interest rate risk on its borrowings by entering into an interest rate hedge that largely caps the maximum cash outflow were interest rates to rise further over the next 12 months. The investors have provided the ultimate parent undertaking, Free Flow Topco Limited, and its subsidiaries with letters of support which confirm that they are committed to provide financial and operational resources to the Company, were these to be required, for a period up to 18 months from the signing of the financial statements.

The Board have additionally considered plausible downside scenarios in a sensitised version, and their impact on the forecast covering the same time period. The approach taken has been to determine specific cash and EBITDA drivers across the business units and model the impact of plausible deterioration of these over the forecast period, along with the impact of mitigations where these are wholly in the control of the business.

Both the base level and sensitised forecasts demonstrate that the Group will remain in compliance with cash requirements and EBITDA covenants in the assessment period to February 2025. Therefore, with the improving business stability and the Board's increased confidence in its ability to forecast, the Directors have confidence that the headroom available against any further potential downside identified in our modelling is adequate to meet the requirements of our going concern assessment.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2023**

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**2. Accounting policies (continued)**

**2.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue 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 revenue is recognised:

**Sale of goods**

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

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company 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**

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

**2.5 Interest income**

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

**2.6 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.

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## VIDEALERT LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2023

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#### 2. Accounting policies (continued)

##### 2.7 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.

##### 2.8 Intangible assets

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

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

##### 2.9 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Motor vehicles	- 5 years
Fixtures and fittings	- 5 years
Computer equipment	- 3 years

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

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

##### 2.10 Debtors

Short-term debtors are measured at transaction price, less any impairment.

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## VIDEALERT LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2023

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#### 2. Accounting policies (continued)

##### 2.11 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.

##### 2.12 Creditors

Short-term creditors are measured at the transaction price.

##### 2.13 Tax

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net

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VIDEALERT LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2023

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2. Accounting policies (continued)

basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered

2.14 Share Capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

3. Employees

The average monthly number of employees, including directors, during the period was 38 (2022 - 28).

4. Taxation

	2023 £	2022 £
<b>Corporation tax</b>		
Current tax on profits for the year	200	-
	<u>200</u>	<u>-</u>
<b>Total current tax</b>	<u>200</u>	<u>-</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(20,750)	(45,961)
Adjustment in respect of previous periods	-	(3,705)
Changes to tax rates	(5,184)	(14,514)
<b>Total deferred tax (credit)</b>	<u>(25,934)</u>	<u>(64,180)</u>
<b>Tax (credit) on profit on ordinary activities</b>	<u>(25,734)</u>	<u>(64,180)</u>

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VIDEALERT LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2023

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4. Taxation (continued)

**Factors affecting tax charge for the year**

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

	2023 £	2022 £
Profit on ordinary activities before tax	<b>329,086</b>	<b>604,231</b>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2022 - 19%)	<b>65,817</b>	<b>114,804</b>
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	<b>1,000</b>	<b>121</b>
Adjustments to tax charge in respect of prior periods	<b>220</b>	<b>(3,705)</b>
Share options	<b>-</b>	<b>2,145</b>
Group relief	<b>(32,248)</b>	<b>(562,049)</b>
Transfer pricing adjustments	<b>(55,339)</b>	<b>399,018</b>
Effect of changes in tax rates	<b>(5,184)</b>	<b>(14,514)</b>
<b>Total tax (credit) for the year</b>	<b>(25,734)</b>	<b>(64,180)</b>

**Factors that may affect future tax charges**

At 1 April 2023, the corporation tax rate increased to 25%.

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VIDEALERT LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2023

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5. Intangible assets

	Development expenditure £
<b>Cost</b>	
At 1 June 2022	59,457
Additions	426,202
At 31 May 2023	<u>485,659</u>
<b>Amortisation</b>	
At 1 June 2022	47,806
Charge for the year on owned assets	33,748
At 31 May 2023	<u>81,554</u>
<b>Net book value</b>	
At 31 May 2023	<u><u>404,105</u></u>
At 31 May 2022	<u><u>11,651</u></u>

VIDEALERT LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2023

6. Tangible fixed assets

	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 June 2022	9,310	46,239	55,124	909,800	1,020,473
Additions	-	-	-	272,578	272,578
At 31 May 2023	9,310	46,239	55,124	1,182,378	1,293,051
<b>Depreciation</b>					
At 1 June 2022	9,310	29,796	54,570	691,716	785,392
Charge for the year on owned assets	-	4,369	554	158,545	163,468
At 31 May 2023	9,310	34,165	55,124	850,261	948,860
<b>Net book value</b>					
At 31 May 2023	-	12,074	-	332,117	344,191
At 31 May 2022	-	16,443	554	218,084	235,081

7. Stocks

	2023 £	2022 £
Finished goods and goods for resale	1,689,559	1,405,635
	1,689,559	1,405,635

**VIDEALERT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2023**

**8. Debtors**

	2023 £	2022 £
Trade debtors	1,353,804	720,666
Amounts owed by group undertakings	8,543,174	6,430,073
Other debtors	-	297,142
Prepayments and accrued income	1,923,573	4,090,225
Deferred taxation	74,578	48,644
	<u>11,895,129</u>	<u>11,586,750</u>

Amounts owed by group undertakings are interest free, unsecured and payable on demand.

**9. Cash and cash equivalents**

	2023 £	2022 £
Cash at bank and in hand	471,538	40,067
	<u>471,538</u>	<u>40,067</u>

**10. Creditors: Amounts falling due within one year**

	2023 £	2022 £
Trade creditors	68,000	32,122
Amounts owed to group undertakings	8,523,177	9,412,666
Other taxation and social security	266,510	-
Other creditors	10,487	10,028
Accruals and deferred income	3,741,273	1,984,113
	<u>12,609,447</u>	<u>11,438,929</u>

Amounts owed to group undertakings are interest free, unsecured and payable on demand.

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VIDEALERT LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2023

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11. Deferred taxation

	2023 £
At beginning of year	48,644
Charged to profit or loss	25,934
<b>At end of year</b>	<b>74,578</b>

The deferred tax asset is made up as follows:

	2023 £	2022 £
Fixed asset timing difference	73,842	47,908
Short term timing differences	736	736
	<b>74,578</b>	<b>48,644</b>

12. Share capital

	2023 £	2022 £
<b>Allotted, called up and fully paid</b>		
711,392 (2022 - 711,392) Ordinary shares of £0.100000 each	71,139	71,139
626,855 (2022 - 626,855) A Ordinary shares of £0.043072 each	27,000	27,000
5,090,874 (2022 - 5,090,874) B Ordinary shares of £0.100000 each	509,087	509,087
	<b>607,226</b>	<b>607,226</b>

The company has three classes of ordinary shares which carry no right to fixed income.

13. Reserves

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

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## VIDEALERT LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2023

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#### **14. Pension commitments**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £39,481 (2022 - £31,360). Contributions totalling £9,368 (2022 - £8,187) were payable to the fund at the balance sheet date and are included in creditors.

#### **15. Controlling party**

Videalert Development Limited is the immediate parent undertaking of Videalert Limited.

The smallest group of undertakings for which consolidated financial statements have been drawn up is that headed by Marston (Holdings) Limited. The largest group of undertakings for which group accounts have been drawn up is that headed by the ultimate parent company and controlling party as at 31 May 2023, Free Flow Topco Limited. Consolidated accounts are available from 12th Floor One America Square, London, United Kingdom, EC3N 2LS.