

**VOLUME GROUP LIMITED
(FORMERLY VOLUME LIMITED)**

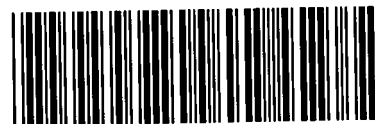
UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 MARCH 2021

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VOLUME GROUP LIMITED
REGISTERED NUMBER: 03278281

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	4	1,506,524	1,226,748
Tangible assets	5	268,664	89,422
		<u>1,775,188</u>	<u>1,316,170</u>
Current assets			
Stocks		37,963	186,501
Debtors: amounts falling due within one year	7	1,517,135	1,713,272
Bank and cash balances		708,023	50,984
		<u>2,263,121</u>	<u>1,950,757</u>
Creditors: amounts falling due within one year	8	(2,563,466)	(2,559,149)
Net current liabilities		<u>(300,345)</u>	<u>(608,392)</u>
Total assets less current liabilities		<u>1,474,843</u>	<u>707,778</u>
Creditors: amounts falling due after more than one year	9	(2,505,866)	-
Provisions for liabilities			
Deferred taxation	10	(243,236)	(243,236)
Net (liabilities)/assets		<u><u>(1,274,259)</u></u>	<u><u>464,542</u></u>
Capital and reserves			
Called up share capital		93	93
Capital redemption reserve		10	10
Profit and loss account		(1,274,362)	464,439
		<u><u>(1,274,259)</u></u>	<u><u>464,542</u></u>

VOLUME GROUP LIMITED
REGISTERED NUMBER: 03278281

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021

The director considers that the company is entitled to exemption from audit under section 477 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 director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the consolidated statement of income and retained earnings 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 and were signed on its behalf by:



C Sykes
Director

Date: 23 JUNE 2022

The notes on pages 5 to 15 form part of these financial statements.

VOLUME GROUP LIMITED
REGISTERED NUMBER: 03278281

COMPANY BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	4	1,506,524	1,226,748
Tangible assets	5	239,027	48,998
Investments	6	76	76
		<u>1,745,627</u>	<u>1,275,822</u>
Current assets			
Stocks		37,963	186,501
Debtors: amounts falling due within one year	7	1,490,340	1,685,587
Bank and cash balances		688,611	31,907
		<u>2,216,914</u>	<u>1,903,995</u>
Creditors: amounts falling due within one year	8	(2,609,503)	(3,320,672)
Net current liabilities		<u>(392,589)</u>	<u>(1,416,677)</u>
Total assets less current liabilities		<u>1,353,038</u>	<u>(140,855)</u>
Creditors: amounts falling due after more than one year	9	(2,505,866)	-
Provisions for liabilities			
Deferred taxation	10	(153,199)	(153,199)
Net liabilities		<u>(1,306,027)</u>	<u>(294,054)</u>
Capital and reserves			
Called up share capital		93	93
Capital redemption reserve		10	10
Profit and loss account brought forward		(294,157)	161,204
Loss for the year		(1,011,973)	(282,489)
Dividends declared and paid		-	(172,872)
		<u>(1,306,130)</u>	<u>(294,157)</u>
Profit and loss account carried forward		<u>(1,306,027)</u>	<u>(294,054)</u>

VOLUME GROUP LIMITED
REGISTERED NUMBER: 03278281

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021

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C Sykes
Director

Date: 23 JUNE 2022

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VOLUME GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. General information

The company is a private limited company, which is incorporated and registered in England and Wales (no.03278281). The address of the registered office is Buckhurst Court, London Road, Wokingham, Berkshire, RG40 1PA.

The principal activity of the group and company is that of the development of conversational AI platforms.

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.

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 income and retained earnings 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 income and retained earnings from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 November 2015.

VOLUME GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.3 Going concern

In their assessment of going concern the directors have considered the current and developing impact on the business as a result of the COVID-19 virus. The pandemic has had a significant impact on the company's results for the year ended 31 March 2021. Revenue has fallen and, whilst steps were taken to reduce costs, profit has inevitably been hit. The company has taken advantage of the Government's Coronavirus Job Retention Scheme and also deferred payment of VAT in order to mitigate the cashflow affects.

The company took out a CBILS loan in order to invest in its future and early indications are that the year to 31 March 2022 will be a much more profitable year as business confidence returns. Turnover is increasing and the pipeline of new work looks strong. The directors have reviewed their budgets and forecasts and are confident that they have sufficient facilities in place to meet their operating cash requirements for the foreseeable future and, having regard to the above, the directors believe it appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements.

2.4 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.

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.

VOLUME GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.5 Revenue and work in progress

The company sells through the provision of services to the sales, marketing and learning & development functions of global organisations. These four competences comprise: Client Services & Support, Creative Agency, Technology Practice and Learning and Development Practice. When the outcome of a transaction for the rendering of service can be estimated reliably the company recognises revenue in the reporting period in which the services are rendered.

Income represents the fair value of services provided during the year on client assignments. Fair value reflects the amounts expected to be recoverable from clients based on time spent, skills provided and expenses incurred, and excludes VAT. Fee income is recognised as contract activity progresses and the right to consideration is secured, except where the final outcome cannot be assessed with reasonable certainty.

Unbilled expenses on individual assignments are included as work in progress.

2.6 Operating leases: the Group as lessee

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

2.7 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.8 Government grants

The coronavirus job retention scheme grant is recognised in the profit and loss account in the period to which it relates.

2.9 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.

VOLUME GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.10 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 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.

2.11 Intangible assets

Development assets

Expenditure on research is written off in the year in which it is incurred.

Development expenditure is recognised as an intangible asset once the relevant criteria has been met. Development expenditure is stated at cost less accumulated amortisation and any accumulated impairment losses. It is amortised over its estimated life using the straight line method. If there is an indication that there has been a significant change in the amortisation rate, useful life or residual value of an intangible asset, the amortisation period is revised prospectively to reflect the new expectations.

Development costs are being amortised evenly over their estimated useful life of 5 years.

Goodwill

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life of three years.

VOLUME GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.12 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, as follows.

Depreciation is provided on the following basis:

Improvements to property	-	25% reducing balance
Fixtures and fittings	-	25% reducing balance
Office equipment	-	25% reducing balance
Computer equipment	-	33% straight line

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

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

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.14 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.

2.15 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.

2.16 Dividends

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

VOLUME GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

3. Employees

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

	2021 No.	2020 No.
Management, administration and client services	<u>86</u>	<u>85</u>

4. Intangible assets

Group and company

	Goodwill £	Development assets £	Total £
Cost			
At 1 April 2020	100,000	1,838,441	1,938,441
Additions	-	647,467	647,467
At 31 March 2021	<u>100,000</u>	<u>2,485,908</u>	<u>2,585,908</u>
Amortisation			
At 1 April 2020	100,000	611,693	711,693
Charge for the year on owned assets	-	367,691	367,691
At 31 March 2021	<u>100,000</u>	<u>979,384</u>	<u>1,079,384</u>
Net book value			
At 31 March 2021	<u>-</u>	<u>1,506,524</u>	<u>1,506,524</u>
At 31 March 2020	<u>-</u>	<u>1,226,748</u>	<u>1,226,748</u>

VOLUME GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

5. Tangible fixed assets

Group

	Land and buildings £	Fixtures, fittings and equipment £	Total £
Cost or valuation			
At 1 April 2020	245,159	409,183	654,342
Additions	-	244,576	244,576
Disposals	-	(54,044)	(54,044)
At 31 March 2021	<u>245,159</u>	<u>599,715</u>	<u>844,874</u>
Depreciation			
At 1 April 2020	245,159	319,762	564,921
Charge for the year on owned assets	-	64,078	64,078
Disposals	-	(52,789)	(52,789)
At 31 March 2021	<u>245,159</u>	<u>331,051</u>	<u>576,210</u>
Net book value			
At 31 March 2021	<u>-</u>	<u>268,664</u>	<u>268,664</u>
At 31 March 2020	<u>-</u>	<u>89,422</u>	<u>89,422</u>

VOLUME GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

5. Tangible fixed assets (continued)

Company

	Land and buildings £	Fixtures, fittings and equipment £	Total £
Cost or valuation			
At 1 April 2020	245,159	203,776	448,935
Additions	-	244,576	244,576
At 31 March 2021	<u>245,159</u>	<u>448,352</u>	<u>693,511</u>
Depreciation			
At 1 April 2020	245,159	154,779	399,938
Charge for the year on owned assets	-	54,546	54,546
At 31 March 2021	<u>245,159</u>	<u>209,325</u>	<u>454,484</u>
Net book value			
At 31 March 2021	<u>-</u>	<u>239,027</u>	<u>239,027</u>
<i>At 31 March 2020</i>	<u>-</u>	<u>48,998</u>	<u>48,998</u>

VOLUME GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

6. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2020	76
At 31 March 2021	<u>76</u>

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered office	Class of shares	Holding
Volume Technology Centre (Private) Limited	Sri Lanka	Ordinary	100%
Volume Inc	USA	Ordinary	100%

7. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	646,997	735,584	646,997	735,584
Other debtors	360,068	37,988	333,273	10,384
Called up share capital not paid	-	81	-	-
Prepayments and accrued income	210,162	763,193	210,162	763,193
Tax recoverable	299,908	176,426	299,908	176,426
	<u>1,517,135</u>	<u>1,713,272</u>	<u>1,490,340</u>	<u>1,685,587</u>

Included within other debtors due within one year is a loan to C Sykes, the director, amounting to £181,570 (2020 - £nil). Interest of £3,669 has been charged on this loan within the year.

VOLUME GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

8. Creditors: Amounts falling due within one year

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Bank overdrafts	-	908,244	-	908,244
Other loans (see note 10)	590,786	-	590,786	-
Trade creditors	343,158	500,713	338,785	494,150
Amounts owed to group undertakings	-	-	105,650	829,184
Other taxation and social security	542,821	357,606	536,434	349,094
Obligations under finance lease and hire purchase contracts	90,718	-	90,718	-
Other creditors	81,530	96,843	46,862	61,555
Accruals and deferred income	914,453	695,743	900,268	678,445
	2,563,466	2,559,149	2,609,503	3,320,672

The bank overdraft is secured by a fixed and floating charge over the group's assets.

The Director has given a personal guarantee in relation to the overdraft.

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

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Other loans	2,409,214	-	2,409,214	-
Net obligations under finance leases and hire purchase contracts	96,652	-	96,652	-
	2,505,866	-	2,505,866	-

The Coronavirus Business Interruption Loan is interest free for six months after which interest is charged at 10.5%. The whole of the loan is repayable within five years and is secured by a fixed and floating charge over the assets of the company.

VOLUME GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

10. Deferred taxation

Group

	2021 £	2020 £
At beginning of year	243,236	206,710
Charged to profit or loss	-	36,526
At end of year	243,236	243,236

Company

	2021 £	2020 £
At beginning of year	153,199	116,673
Charged to profit or loss	-	36,526
At end of year	153,199	153,199

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Accelerated capital allowances	243,236	243,236	153,199	153,199
	243,236	243,236	153,199	153,199

11. 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 £95,954 (2020 - £78,259). Contributions totalling £17,516 (2020 - £34,344) were payable to the fund at the balance sheet date and are included in creditors.