Company Registration No. 04122071

CONFIRMIT LTD
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020

CONFIRMIT LTD

REPORT AND FINANCIAL STATEMENTS

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CONFIRMIT LTD

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS	Ken Werner Ostreng (resigned 27 May 2020) Halvor Weishappl Stokke (appointed 28 April 2020) Louis Cameron Davidson (resigned 31 December 2020) Halvor Weishappl Stokke (resigned 22 January 2021) Torhild Astrid Tangen (resigned 1 March 2021) Kyle Ferguson (appointed 1 March 2021) Torbjorn Andersson (appointed 1 March 2021) Simon Jeremy Reed (appointed 1 March 2021)
SECRETARY	Wale Omiyale (resigned 31 March 2021)
REGISTERED OFFICE	Blue Fin Building 110 Southwark Street, London SE1 0SU
BANKERS	DnB NOR Bank ASA 20 St. Dunstan's Hill London EC3R 8HY
ACCOUNTANTS AND TAX ADVISERS	Smith & Williamson LLP 25 Moorgate London EC2R 6AY
AUDITOR	Nexia Smith & Williamson Statutory Auditors 25 Moorgate London EC2R 6AY

CONFIRMIT LTD

STRATEGIC REPORT

The Directors present their Strategic report for the year ended 31 December 2020.

PRINCIPAL ACTIVITIES

The Company's principal activity during the year has been the sale of Horizons, a web-based tool for market research and enterprise feedback management, which incorporates Voice Of the Customer and Voice Of the Employee. Analysts consider the product suite to be one of the world's leaders in its field.

BUSINESS REVIEW & OUTLOOK

Like most businesses, 2020 was marked by a major global pandemic causing much change to many businesses including Confirmit Ltd. The benefits of the resilient nature of the business model employed by Confirmit meant that despite many clients looking for cost savings and having to adapt to working remotely, the revenues of £16.8m (2019: £17.5m) were only down by 4%. Quick actions by the company to reduce discretionary costs and to proactively manage the cost base led to a protection of Gross profit margin and, excluding the severance costs incurred, actually improves the profitability of the business.

The significant value of continuous structured and unstructured feedback from stakeholders such as customers, partners, prospects and employees is increasing. Corporate ability to utilize such input creates competitive advantage. The volume of data is accelerating, and the requirements for improved security, functionality and scalability are increasing. These trends continue to fuel a growing demand for the Company's software and solutions, but the Company's market is becoming more competitive.

2020 included some significant changes for the group following the purchase of parent company Confirmit AS by private equity group, Verdane, in February 2020, through a new company Curmit Holdco. Additionally, in March, Curmit Holdco purchased outright ownership of Dapresy AB & subsidiaries leading to a stronger group position overall. There was significant integration process followed during the year before the ownership of Dapresy was passed down to the Confirmit AS trading company. This led to Dapresy's UK business being transferred to Confirmit Ltd on 29 October 2020 as part of a streamlining of group operations.

The Company remains debt free with cash on its balance sheet at £1.7m at year end (2019: £6.2m). During the year, the Company has loaned surplus cash to its parent entity and has agreed that future royalty payments due to the parent will be deducted against this loan at the option of the Company.

Subsequent to the Balance sheet date, the parent company announced its intention to merge with the operations of FocusVision group of companies. This is covered in the Post Balance Sheet Events note. 2021 is expected to be a consolidation year as the combined new group completes its integration to provide a single 'Go To Market' strategy covering the former Confirmit, FocusVision and Dapresy entities. The breadth and depth of the revised product offering provides opportunities for both existing and new clients, and this is expected to assist the group grow overall and Confirmit Ltd on a standalone basis also.

KEY PERFORMANCE INDICATORS

Revenue is critical to the Company and to the overall Group's valuation. As a SaaS company, the group is focused on the solidity and predictability of its revenue stream, and so the key measure is that of Monthly or Annual Recurring revenue – this is the amount of revenue in the month that is contracted to continue into forward periods and is not purely a one-time project or service. In 2020, 88% (2019: 90%) of revenue was considered recurring, which although slightly lower year-on-year is a strong indication of repeatability of revenue.

Business performance is monitored at constant currency exchange due to the international nature of contracts and the global cost base that the wider Confirmit Group relies upon.

The reliability of the Company's SaaS platform is key to many of its customers. For 2020 the platform achieved 100% server uptime.

POST BALANCE SHEET EVENTS

On 10th March 2021, the Curmit Group agreed to a Master Transaction agreement effectively creating a merger between the Confirmit group of companies and FocusVision companies under Clarity Topco & Clarity Worldwide Holdings Inc. This followed the announcement of the intention to merge on the 7th January 2021 and the completion of regulatory formalities during February.

The effect will be to bring together two complementary organisations who are both operating in the technology research industry, to harness their combined knowledge and expertise to provide a better overall service to both sets of clients.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company sells products developed elsewhere in the Group and relies upon those products remaining cutting edge in a competitive market. Whilst it retains confidence in its own group's staff to maintain its position, it has no control over the actions of its competitors with regard to their products or pricing. Further, the Company relies upon its customers being economically active and would suffer in the event of any substantial downturn in the financial markets. There appears to be a growing trend for corporate groups to consolidate onto a single platform with consequent risks and opportunities for the Company.

Although the company appears to have weathered the immediate risk posed by the Covid pandemic, the longer term effects of both this and the so-called 'Brexit' event on customers behaviour is yet to be fully reflected. At present there are no perceived direct consequences that would impact the ongoing ability of the company to continue to provide its contracted services.

Approved by the Board of Directors on 10 May 2021 and signed on its behalf by

Simon Reed

Simon Reed (May 10, 2021 12:52 GMT+1)

Simon Reed
Director

DIRECTORS' REPORT

The Directors present their report and the audited financial statements for the year ended 31 December 2020.

RESULT FOR THE YEAR AND DIVIDENDS

The profit for the year after tax was £482,777 (2019: £396,966). The Directors do not recommend the payment of a dividend (2019: £nil).

DIRECTORS

The Directors who served throughout the year and up to the date of this report were:

- Ken Werner Ostreng (resigned 27 May 2020)
- Torhild Astrid Tangen (resigned 1 March 2021)
- Louis Cameron Davidson (resigned 31 December 2020)
- Halvor Weishappl Stokke (appointed 28 April 2020, resigned 22 January 2021)
- Kyle Ferguson (appointed 1 March 2021)
- Torbjorn Andersson (appointed 1 March 2021)
- Simon Jeremy Reed (appointed 1 March 2021)

FINANCIAL RISK MANAGEMENT

The Company's operations expose it to financial risks that include the effects of changes in credit risk, liquidity risk, interest rate risk and foreign exchange risk. The Company does not use derivative financial instruments to manage interest or foreign exchange rate costs.

Given the size of the Company, the Directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the Board. The policies set by the Board of Directors are implemented by the Company's finance department.

Price risk

The Company is exposed to price risk due to normal inflationary increases in the purchase price of the goods and services it purchases in the UK.

Foreign currency risk

The Company is exposed to foreign currency exchange rate risk as a result of trade receivables which will be settled in other currencies. During the year the Company did not enter into any arrangements to hedge this risk, as the Directors did not consider the exposure to be significant given the short-term nature of the balances. The Company will review this policy as appropriate in the future.

Credit risk

The Company makes credit checks on customers where it feels it would be appropriate. Subsequent to the year end, this has involved more frequent contact with its customers and a close review of their ability to meet their contractual commitments.

Liquidity risk

The Company has provided cash advances against future royalties payable to the Company's shareholder Confirmit AS, which has substantially reduced the Company's cash balance. However, the Company has continued to generate cash and profits from operations in 2020 and the Directors believe it will maintain adequate cash balances to meet its foreseeable needs.

DIRECTORS' REPORT (Continued)

DISCLOSURE OF INFORMATION TO THE AUDITORS

In the case of each person who was a Director at the time this report was approved:

- so far as that Director is aware there is no relevant available information of which the Company's auditor is unaware; and
- that Director had taken all steps that the Director ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

AUDITOR

A resolution to re-appoint the auditor, Nexia Smith & Williamson, will be proposed at the next Annual General Meeting.

Approved by the Board of Directors on 10 May 2021 and signed on its behalf by

Simon Reed

Simon Reed (May 10, 2021 12:52 GMT+1)

Simon Reed
Director

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the Directors to prepare financial statements for each reporting period. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 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 year.

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

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Nexia Smith & Williamson

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONFIRMIT LTD

Opinion

We have audited the financial statements of Confirmit Ltd (the 'company') for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income and Retained Earnings, the Statement of Financial Position and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 31 December 2020 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

Other information

The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Report and Financial Statements. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 6, 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.

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:

We obtained an understanding of the company's legal and regulatory framework through enquiry of management of their understanding of the relevant laws and regulations, the company's policies and procedures regarding compliance and how they identify, evaluate and rectify any instances of non-compliance. We also drew on our existing understanding of the company's industry and regulation.

We understand the company complies with requirements of the framework through:

- The company making use of the wider Confirmit Group's legal department to ensure that operating procedures, manuals, and internal controls are updated as legal and regulatory requirements change; and
- The Directors' close involvement in the day-to-day running of the business, meaning that any litigation or claims would come to their attention directly; and
- The outsourcing of tax compliance to external experts.

In the context of the audit, we considered those laws and regulations which determine the form and content of the financial statements, which are central to the company's ability to conduct business and where failure to comply could result in material penalties. We have identified the following laws and regulations as being of significance in the context of the company;

- The Companies Act 2006 and FRS 102 in respect of the preparation and presentation of the financial statements; and
- General Data Protection Regulations ("GDPR"), due to the nature of the company's operations.

We performed the following specific procedures to gain evidence about compliance with the significant laws and regulations above;

- Detailed review of the procedures management has implemented over compliance with GDPR; and
- Performed a review of board minutes to identify any indicators of known or suspected non-compliance with significant laws and regulations.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were with regard to the manipulation of the financial statements through manual journals and incorrect recognition of revenue.

The procedures carried out to gain evidence in the above areas included;

- Testing of revenue transactions to underlying documentation;
- Challenging management regarding the assumptions used in the estimates identified above, and comparison to post-year-end data as appropriate; and
- Testing of manual journal entries selected based on specific risk assessments applied based on the client processes and controls surrounding manual journals.

A further description of our responsibilities is available 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.

Nexia Smith & Williamson

Chetan Mistry
Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

25 Moorgate
London
EC2R 6AY

10 May 2021

CONFIRMIT LTD

STATEMENT OF COMPREHENSIVE INCOME AND RETAINED EARNINGS
for the year ended 31 DECEMBER 2020

	Notes	2020 £	2019 £
Turnover	3	16,783,555	17,526,547
Cost of sales		(4,495,086)	(4,714,436)
Gross profit		**12,288,469**	**12,812,111**
Administrative expenses		(12,470,308)	(12,330,333)
Operating profit	4	**(181,839)**	**481,778**
Finance income	5	677,785	368,049
Finance expense	6	(13,169)	(13,610)
Profit before taxation		**482,777**	**836,217**
Taxation	8	-	439,251
Profit for the financial year		**482,777**	**396,966**
Retained earnings at the beginning of the period as previously stated		1,264,919	867,953
Hive-up from Dapresy UK Limited		(263,534)	-
Profit for the period		482,777	396,966
Retained earnings at the end of the period		**1,484,162**	**1,264,919**

All of the Company's operations are classed as continuing.

CONFIRMIT LTD

STATEMENT OF FINANCIAL POSITION at 31 December 2020

	Notes	2020 £	2019 £
Non current assets			
Property, plant and equipment	9	31,906	62,884
Intangible assets	10	221,962	425,518
Investments	11	100,507	100,407
		354,375	**588,809**
Current assets			
Trade and other receivables	12	17,561,003	8,045,779
Cash and cash equivalents		1,729,167	6,160,464
Deferred tax asset	14	69,294	69,294
		19,359,464	**14,275,537**
Current liabilities			
Deferred Income		(8,571,698)	(9,239,809)
Other current liabilities	13	(9,233,217)	(4,234,135)
		(17,804,915)	**(13,473,944)**
Net current assets		**1,554,549**	**801,593**
Non-current liabilities	15	**(299,279)**	**-**
Net assets		**1,609,645**	**1,390,402**
Equity and Reserves			
Share capital	16	1	1
Other reserves	17	125,482	125,482
Profit and loss account	17	1,484,162	1,264,919
Total equity and reserves		**1,609,645**	**1,390,402**

Approved and authorised for issue by the Board of Directors on 10 May 2021 and signed on its behalf by

Simon Reed

Simon Reed (May 10, 2021 12:52 GMT+1)

Simon Reed
Director
Company Registration No. 04122071

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below:

General information and basis of accounting

Confirmit Ltd is a private limited company, limited by shares, incorporated in England and Wales. The address of the registered office is Blue Fin Building, 110 Southwark Street, London, SE1 0SU.

The nature of the Company's operations and its principal activities are set out in the Strategic report on page 2.

These financial statements are prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The financial statements are prepared under the historical cost convention.

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 financial statements are also presented in pounds sterling.

Exemptions

The Company has taken advantage of the exemption given by Section 400 of the Companies Act 2006 not to prepare consolidated financial statements on the basis that it is a wholly owned subsidiary of Confirmit AS which prepares consolidated financial statements which are publicly available. Accordingly, these financial statements present information about the Company as an entity and not about its group.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of:

- the exemption from preparing a statement of cash flows;
- the exemption from disclosing key management personnel compensation; and
- the exemption from disclosing financial instruments as equivalent disclosures have been provided in the group accounts.

Going Concern

At 31 December 2020, the Company has a positive balance sheet with cash balances of £1.7m (2019: £6.2m) and net current assets of £1.6m (2019: £0.8m). During the year, the Company has loaned surplus cash to its parent entity and has agreed, as evidenced in writing, that future royalty payments due to the parent will be deducted against this loan at the option of the Company. The business is built around a licensing model with the majority of licenses subject to renewal after a minimum license period of 12 months. Historically, the Company has benefited from very low client churn and stable margins which has been sustained throughout the pandemic to date. The directors have prepared detailed future forecasts which carefully considers the future cash requirements of the Company including the reasonable possible reduction in the renewal of licenses by customers as a result of a prolonged period of reduced trading activity due to the ongoing Covid-19 pandemic. These demonstrate that the Company will be able to operate within its available resources and will have sufficient cash reserves to meet its liabilities as they fall due.

The Company is reliant upon the support of the wider Confirmit Group to provide appropriate technical and operational support to honour its commitments under license agreements with its customers. The directors are in regular contact with the wider Confirmit Group and have no reason

1. **ACCOUNTING POLICIES (Continued)**

to believe that the Group will not continue to provide the Company with this technical and operational support.

Based on the above and detailed financial forecasts, the directors have concluded that the Company will have sufficient funds to ensure it can meet its financial liabilities as and when they fall due, for a period of at least 12 months from the date of signing these financial statements.

Turnover

The Company's revenue originates from sales of time restricted licences and transactions for utilisation of the Confirmit software, and consultancy services in connection with installations, support and training.

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. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue from the sale of time restricted licenses and transactions are recognised by reference to the stage of completion of the contract. The revenue is recognised equally over the length of the contract period, which reflects the delivery of the services to customers. Where a license has only been partially completed at the end of the reporting period, turnover represents the fair value of the service provided to date based on the stage of completion of the contract at the Statement of Financial Position date. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and recognised as part of creditors due within one year. Where licences are for periods of multiple years, revenue is recognised as if there were multiple single year contracts with one year's worth of revenue being recognised and deferred in line with the above stated policy.

Revenues from consultancy services are recognised in line with the value of services performed.

Intangible fixed assets

Goodwill represents any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired. Goodwill is capitalised and written off on a straight-line basis over its useful economic life of 3 or 10 years.

Impairment

Non-financial assets
Assets, other than those measured at fair value, are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-

1. **ACCOUNTING POLICIES (Continued)**

generating units of which the goodwill is a part. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Financial assets
For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Property, plant and equipment

Depreciation is provided on cost or revalued amounts in equal annual instalments over the estimated useful lives of the assets concerned. The following annual rates are used.

Plant & Machinery and Vehicles	– 33% straight line
Furniture and equipment	– 20% or 33% straight line
Leasehold premises	– over the length of the lease

Taxation

Current tax, including UK corporation 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 reporting 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 reporting 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.

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less/(more) than the value at which it is recognised, a deferred tax liability/(asset) is recognised for the additional tax that will be paid/(avoided) in respect of that difference. Similarly, a deferred tax asset/(liability) is recognised for the additional tax that will be avoided/(paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

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.

1. ACCOUNTING POLICIES (Continued)

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

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 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.

Foreign currency

Transactions in foreign currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each statement of financial position date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at the statement of financial position date.

Exchange gains and losses are included within administrative expenses.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Financial instruments

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments issued by the Company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

Financial assets and liabilities
Financial assets and liabilities comprise trade and other receivables, amounts owed to and from group undertakings, trade and other payable and accruals.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

1. ACCOUNTING POLICIES (Continued)

Financial assets and liabilities are only offset in the statement of financial position when, and only when, there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the conditions for a basic financial instrument are subsequently measured at amortised cost using the effective interest method.

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Financial assets are derecognised when and only when (a) the contractual rights to the cash flows from the financial asset expire or are settled, (b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or (c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Cash and cash equivalents
Cash and cash equivalents are classified as basic financial instruments. Cash is represented by cash on hand and demand deposits. Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash without significant risk of change in value.

Investments
Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded, or their fair value is reliably measurable) are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries are measured at cost less impairment.

Employee benefits

Short term employee benefits, including holiday pay and time off in lieu are accrued as services are rendered and recorded at their undiscounted amount.

For defined contribution schemes the amount charged to profit or loss in respect of pension costs and other retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Statement of Financial Position.

2. KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS

In the application of the Company's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that

2. KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS (CONTINUED)

period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Revenue recognition of consulting services
Revenue from consulting services is recognised in the Statement of Comprehensive Income in line with the delivery. Judgement is required in assessing the stage of completion of the services and the fair value of the revenue to recognise as a result.

Key sources of estimation uncertainty

Impairment of goodwill
Where an indicator of impairment is identified an impairment review is undertaken. Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. The carrying amount of goodwill at the reporting date was £221,962 (2019: £425,518). No indicators of impairment were identified, and no impairment loss has been recognised.

3. TURNOVER

An analysis of the Company's turnover by geographical market is set out below:

	2020	2019
	£	£
United Kingdom	7,568,380	7,815,396
Other European Union	4,989,185	5,315,074
Rest of World	4,225,990	4,396,077
	16,783,555	17,526,547

An analysis of the Company's turnover is set out below:

	2020	2019
	£	£
Sale of licenses	14,882,428	15,855,116
Consultancy and other revenue	1,901,127	1,671,431
	16,783,555	17,526,547

4. OPERATING PROFIT

Operating profit is stated after charging:

	2020	2019
	£	£
Auditor's remuneration		
- audit of the Company's annual financial statements	42,056	35,000
- other services relating to taxation and other	16,607	20,000
Depreciation	36,222	36,094
Goodwill amortisation	512,273	425,517
Impairment of investment	308,617	-
Operating lease expense – land and buildings	563,155	536,032
Net foreign exchange losses (gains)	(422,536)	189,763

5. FINANCE INCOME

	2020 £	2019 £
Bank interest	3,834	48,166
Other interest income	1,184	-
Dividends received	672,766	319,882
	677,784	368,048

6. FINANCE EXPENSE

	2020 £	2019 £
Bank charges	12,542	13,610
Interest	627	-
	13,169	13,610

7. EMPLOYEE INFORMATION

The average number of persons employed by the Company during the year was:

	2020 Number	2019 Number
Administration and sales	62	65

	2020 £	2019 £
Staff costs for the above persons were:		
Wages and salaries	6,631,913	5,509,345
Social security costs	848,958	727,962
Pension costs	70,928	63,759
	7,551,799	6,301,066

The total remuneration of the Directors who served during the year was as follows:

	2020 £	2019 £
Remuneration as executives	171,593	166,548
Highest paid Director	171,593	166,548

The Company maintains a money purchase pension scheme through which Directors and employees may contribute by way of salary sacrifice.

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2020 £	2019 £
Tax expense included in profit or loss		
Corporation tax charge for the year	-	-
Total current tax charge	-	-
Deferred tax (Note 14)		
Origination and reversal of timing differences	-	439,251
Tax charge on profit on ordinary activities	-	439,251

	2020 £	2019 £
Tax reconciliation		
Profit on ordinary activities before taxation	482,777	836,217
Profit on ordinary activities multiplied by the average rate of corporation tax in the UK of 19% (2019: 19%)	91,728	158,881
Tax effects of:		
Fixed asset differences	-	-
Expenses not deductible for tax purposes	162,391	111,951
Income not taxable for tax purposes	(127,826)	(60,778)
Other permanent differences	-	268
Foreign tax credits	-	-
Difference in deferred tax rates	(122,171)	(22,139)
Deferred tax not recognised	(4,122)	251,068
Total tax charge	-	439,251

Factors that may affect future tax charges:
The Company has unused trading losses of £5,419,371 (2019: £5,929,926) to utilise against future taxable profits.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2020 (Continued)

9. TANGIBLE FIXED ASSETS

	Leasehold Premises	Plant and Machinery & Vehicles	Furniture and Equipment	Total
	£	£	£	£
Cost				
At 1 January 2020	149,220	192,921	22,541	364,682
Additions	-	5,244	-	5,244
At 31 December 2020	149,220	198,165	22,541	369,926
Depreciation				
At 1 January 2020	149,220	134,488	18,090	301,798
Charge for the year	-	34,314	1,908	36,222
At 31 December 2020	149,220	168,802	19,998	338,020
Net book value				
As at 31 December 2020	-	29,363	2,543	31,906
As at 31 December 2019	-	58,433	4,451	62,884

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2020 (Continued)

10. INTANGIBLE FIXED ASSETS

	Goodwill
Cost	**£**
At 1 January 2020	4,255,173
Additions	308,717
At 31 December 2010	4,563,890
Amortisation	
At 1 January 2020	3,829,655
Charge for the year	512,273
At 31 December 2020	4,341,928
Net book value	
As at 31 December 2020	221,962
As at 31 December 2019	425,518

11. INVESTMENTS

Cost and net book value	**£**
At 1 January 2020	100,407
Additions	308,717
Impairment	(308,617)
At 31 December 2020	100,507
Investments represent:	
Investments in subsidiaries	95,517
Other investments	4,990
	100,507

11. INVESTMENTS (CONTINUED)

The investment in subsidiary represents 99% of the ordinary share capital of Obshestvo S Ogranichennoi Otvetstvennostyo "Konfirmit", a company incorporated in Russia, the remaining 1% being owned by Confirmit AS. Konfirmit provides computer software and services in Russia. The registered address is 77, Building 1, Shelkovskoye Schosse, Moscow, Russia 107207.

The fair value of other investments is not materially different from its historic cost.

On 29 October 2020, as part of a wider group restructure to streamline the operations of the group within the UK, the Company acquired 100% of the share capital in Dapresy UK Limited. Subsequently, the trade and assets of Dapresy UK Limited were transferred to the Company. The value of the investment has been impaired to reflect the ceasing of trading within this subsidiary and is dormant at the year-end. The transaction has been accounted for under the merger accounting method with all results from Dapresy UK Limited being recognised within the Company's financial statements from the date of the transfer of trade and assets.

12. TRADE AND OTHER RECEIVABLES

	2020 £	2019 £
Trade receivables	6,254,053	7,326,504
Amounts owed by group undertakings	11,037,003	184,643
Prepayments and accrued income	269,913	439,830
Corporation Tax recoverable	34	94,802
	17,561,003	8,045,779

Financial assets are recognised at their undiscounted amount.

13. OTHER CURRENT LIABILITIES

	2020 £	2019 £
Trade payables	98,276	578,388
Other payables	1,770	252,651
Amounts owed to group undertakings	6,194,015	1,804,457
VAT and social security taxes	1,194,895	861,096
Accruals	1,744,261	737,543
	9,233,217	4,234,135

Financial liabilities are recognised at their undiscounted amount.

14. DEFERRED TAXATION

	Deferred taxation £
Deferred tax asset at 1 January 2020 and 31 December 2020	69,294

The deferred tax provided in the financial statements recognised at the substantively enacted tax rate expected to apply to the reversal of the timing differences of 19% (2019: 17%) is as follows:

	2020 £	2019 £
Fixed asset timing differences	(2,218)	(6,495)
Other short term timing differences	6,866	6,143
Tax losses carried forward and other deductions	64,646	69,646
	69,294	69,294

It is estimated that none of the deferred tax asset (2019: £nil) arising from unused trading losses is expected to reverse in the next reporting period. There is no expiry date on timing differences or unused tax losses.

15. NON-CURRENT LIABILITIES

	2020 £	2019 £
Amounts owed to group undertakings	299,279	-
	299,279	-

The amounts owed to group undertakings consists of an intercompany loan owed to Dapresy AB issued as part of the group reorganisation to merge Dapresy's UK operations with the Company. The loan is unsecured, has an interest rate of 1.23% and is repayable on 31 December 2025.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2020 (Continued)

16. SHARE CAPITAL

	2020	2019
	£	£
Authorised		
100,000 ordinary shares of £1 each	100,000	100,000
Allotted, called up and fully paid		
1 ordinary share of £1	1	1

17. RESERVES

Other Reserves

The other reserves relate to a capital contribution from the parent in respect of share options granted by the parent to employees of the Company.

Profit and loss account

This reserve relates to the cumulative profit earned by the Company less amounts distributed to shareholders.

18. OPERATING LEASE COMMITMENTS

The future minimum lease payments under non-cancellable leases are as follows:

	Land and Buildings	
	2020	2019
	£	£
Due:		
Within one year	616,791	622,332
Between two and five years	-	615,086
	616,791	1,237,418

19. ULTIMATE CONTROLLING PARTY

At 31 December 2020, the Company's immediate parent company was Confirmit AS, a company registered in Norway.

The smallest and largest group of undertakings for which consolidated accounts for the year ended 31 December 2020 have been drawn up is that headed by Curmit Holdco AS Registration: 923 992 731. Copies of the group accounts can be obtained from the registered office address of Confirmit AS – Karenslyst Alle 51, N-0279 Oslo, Norway.

At 31 December 2020 the Company's ultimate parent company was Curmit HoldCo AS, which is controlled by Verdane Fund Manager Future AB, based in Sweden. Curmit HoldCo AS owned around 96% of Curmit Midco with remainder owned by Curmit MipCo and minority management owned companies. In turn, Curmit MidCo AS owns 100% of Curmit BidCo AS, which owns 100% of Confirmit AS.

20. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemptions available under FRS 102 Section 33.1A and consequently has not disclosed transactions with members of the Group where the corresponding entity is wholly owned by the parent company, Confirmit AS.

21. POST BALANCE SHEET EVENTS

On 7 January 2021, the Confirmit Group announced its intention to merge with FocusVision Group. The merger obtained regulatory approval and completed in March 2021.

On 8 March 2021, the entire share capital of Curmit MidCo AS was acquired by Compass Topco AS as part of the merger with the Clarity Worldwide Group (FocusVision). Since 8 March 2021, the Company's ultimate parent company was Compass Topco Ltd, registered in UK.

The assets of Confirmit Ltd have been pledged as part of the Credit agreement used for financing arrangements of the Compass Topco group.