

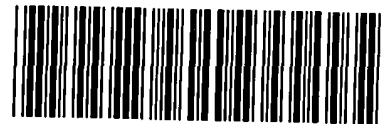
Registered number: 05643578

CLEARVISION (CM) 2005 LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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CLEARVISION (CM) 2005 LIMITED

COMPANY INFORMATION

Directors	G L Tombs N Butler
Company secretary	K M Tombs
Registered number	05643578
Registered office	Laurel Farm Winters Hill Durley Southampton Hampshire SO32 2AH
Independent auditor	CLA Evelyn Partners Limited Chartered Accountants & Statutory Auditor 4th Floor Cumberland House 15-17 Cumberland Place Southampton Hampshire SO15 2BG

CLEARVISION (CM) 2005 LIMITED

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CLEARVISION (CM) 2005 LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Introduction

The directors present their Strategic Report together with the audited financial statements for the year ended 31 December 2021.

Business review

FY2021 was a year of significant growth for Clearvision, with revenue growth of 44% and operating profit growth of 95%.

Clearvision continued to lead the Atlassian partner community in our ability to guide customers through their journey to Cloud, gaining Atlassian's Cloud Specialisation Accreditation and completing more successful cloud migrations than any other partner in the UK. This is a reflection of our 'Cloud 1st' strategy pioneered since 2019.

We were pleased to deliver the first Atlassian Cloud implementation to a major UK banking institution. Enterprise projects of this scale require a diverse and flexible technical workforce, and are made possible by ClearHub: the world's only dedicated Atlassian contractor network.

In 2021, Clearvision became a GitLab Select Partner, and went on to achieve the Professional Services Certified Partner Status in the GitLab Channel Services Program. The Program recognises the knowledge and proven success of building on GitLab's platform to help transform the DevOps lifecycle.

Through the Clearvision Innovation Team, we have strategically focused on scaling our GitLab service offerings, leading to the launch of GitLabGo: personalised GitLab support, cloud hosting, training, consultancy, and mentorship to companies that want to build the future of their business with GitLab.

We were delighted that Clearvision rose to a record placing of 9th in the Top 100 Best Small Companies to work for 2022, following a 2021 b-Heard survey result of "Outstanding". This reflects the enormous value we continue to place on employee engagement.

Principal risks and uncertainties

The Group monitors the following principal risk areas:

- Exposure to foreign exchange
- Dependence upon our primary partner (Atlassian)
- Macroeconomic conditions

Future developments

Q1 2022 saw the launch of the Clearvision Customer Success team, adding significant value to post-sale customer experience and ensuring customers gain the greatest possible return on investment from their software and services.

Q2 2022 saw the launch of 'Total Support', a flexible, full-stack Atlassian service wrap, including administration and toolset management, coaching, mentoring, training services, and technical consulting.

CLEARVISION (CM) 2005 LIMITED

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Financial key performance indicators

- Turnover - has increased by 44%, from £37.41m to £53.96m.
- Profit before tax - has increased by 94%, from £1.17m to £2.26m.
- Cash - has increased by 16%, from £6.06m to £7.04m.

Other key performance indicators

The Group also monitors non-financial key performance indicators such as staff turnover, client retention, business effectiveness and both customer and staff satisfaction.

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

Gerald Tombs

Gerald Tombs (Aug 31, 2022 16:50 GMT+1)

G L Tombs
Director

Date: 31/08/2022

CLEARVISION (CM) 2005 LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report and the financial statements for the year ended 31 December 2021.

Results and dividends

The profit for the year, after taxation, amounted to £1,887,876 (2020 - £905,695).

No dividends were paid or proposed in the year (2020 - £Nil).

Directors

The directors who served during the year were:

G L Tombs
N Butler

Financial risk management

The Group's activities expose it to a variety of financial risks that include the effects of the changes in exchange rates, price risk, credit risk and interest rate risk.

Foreign currency risk

The Group is exposed to changes in currency exchange rates due to purchasing items from Australia and making sales in a number of foreign countries. No hedging arrangements existed at the year end.

Price risk

The Group is exposed to price risk due to normal inflationary increases in the purchase prices of items as well as potential price increases introduced by its principal partner Atlassian. The Group has no exposure to equity securities price risk as it holds no listed or other equity investments.

Credit risk

Credit risk is managed through taking deposits and milestone billing.

Interest rate risk

The Group has interest bearing assets and liabilities Interest bearing assets comprise cash balances that earn interest at variable rates. Interest bearing liabilities comprise loan balances that incur interest at fixed rates for 5 years and then variable rates.

Matters covered in the strategic report

Where necessary, disclosures relating to future developments and results & dividends have been made in the Strategic Report and have not been repeated here in accordance with Section 414C of the Companies Act 2006.

CLEARVISION (CM) 2005 LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Disclosure of information to auditor

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

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

Auditor

The auditor, CLA Evelyn Partners Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

Gerald Tombs

Gerald Tombs (Aug 31, 2022 16:50 GMT+1)

G L Tombs
Director

Date: 31/08/2022

CLEARVISION (CM) 2005 LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

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

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make 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 Group will continue in business.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLEARVISION (CM) 2005 LIMITED

Opinion

We have audited the financial statements of Clearvision (CM) 2005 Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2021 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Balance Sheets, the Consolidated and Parent Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Consolidated Analysis of Net Debt 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 Group's and of the Parent Company's affairs as at 31 December 2021 and of the Group's 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 Group and Parent 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 Group and Parent 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.

CLEARVISION (CM) 2005 LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLEARVISION (CM) 2005 LIMITED
(CONTINUED)

Other information

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

CLEARVISION (CM) 2005 LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLEARVISION (CM) 2005 LIMITED
(CONTINUED)

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 a general understanding of the Group and Parent Company's legal and regulatory framework through enquiry of management concerning: their understanding of relevant laws and regulations; the entity's policies and procedures regarding compliance; and how they identify, evaluate and account for litigation claims. We also drew on our existing understanding of the Group and Parent Company's industry and regulation.

We understand that the Group and Parent Company complies with the framework through:

- Outsourcing overseas payroll and tax compliance to external experts; and
- Subscribing to relevant updates from external experts, and making changes to internal procedures and controls as necessary.

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 Group and Parent Company's ability to conduct its business; and where failure to comply could result in material penalties. We 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.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the Group and Parent Company's financial statements to material misstatement, including how fraud might occur. The areas identified in this discussion were:

- Manipulation of the financial statements, especially revenue, via fraudulent journal entries or error affecting cut off around the year end, particularly as the size of the Group and Parent Company means that there is limited opportunity for segregation of duties.

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

- Substantive work on material areas affecting profits.
- Testing journal entries, focusing particularly on postings to unexpected or unusual accounts and those posted at unusual times.
- Obtaining a detailed understanding of the purchase and payroll system and the controls in place.

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.

CLEARVISION (CM) 2005 LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLEARVISION (CM) 2005 LIMITED
(CONTINUED)

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

CLA Evelyn Partners Limited

CLA Evelyn Partners Limited, Aug 31, 2022 16:52 GMT+1

Julie Mutton (Senior Statutory Auditor)

for and on behalf of

CLA Evelyn Partners Limited

Chartered Accountants
Statutory Auditor

4th Floor Cumberland House
15-17 Cumberland Place
Southampton
Hampshire
SO15 2BG

Date: 31/08/2022

CLEARVISION (CM) 2005 LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
Turnover	4	53,958,834	37,408,113
Cost of sales		(47,241,729)	(32,731,538)
Gross profit		6,717,105	4,676,575
Administrative expenses		(4,527,674)	(3,577,412)
Other operating income		90,841	72,130
Operating profit	5	2,280,272	1,171,293
Interest receivable and similar income		202	297
Interest payable and similar expenses	8	(24,728)	(5,859)
Profit before taxation		2,255,746	1,165,731
Tax on profit	9	(367,870)	(260,036)
Profit for the financial year		1,887,876	905,695

There was no other comprehensive income for 2021 (2020 - £Nil).

The notes on pages 18 to 36 form part of these financial statements.

CLEARVISION (CM) 2005 LIMITED
REGISTERED NUMBER:05643578

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	11	91,587	62,295
		<u>91,587</u>	<u>62,295</u>
Current assets			
Debtors: amounts falling due within one year	13	9,658,963	4,933,997
Cash at bank and in hand	14	7,035,809	6,055,452
		<u>16,694,772</u>	<u>10,989,449</u>
Creditors: amounts falling due within one year	15	(11,198,069)	(7,162,511)
Net current assets		5,496,703	3,826,938
Creditors: amounts falling due after more than one year	16	(750,000)	(949,060)
Provisions for liabilities			
Deferred taxation	18	(16,260)	(6,019)
		<u>(16,260)</u>	<u>(6,019)</u>
Net assets		4,822,030	2,934,154
Capital and reserves			
Called up share capital	19	2	2
Profit and loss account	20	4,822,028	2,934,152
Shareholders' funds		4,822,030	2,934,154

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

Gerald Tombs
Gerald Tombs (AUG 31, 2022 16:50 GMT+1)

G L Tombs
Director

Date: 31/08/2022

The notes on pages 18 to 36 form part of these financial statements.

CLEARVISION (CM) 2005 LIMITED
REGISTERED NUMBER:05643578

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	11	88,606	58,198
		<u>88,606</u>	<u>58,198</u>
Current assets			
Debtors: amounts falling due within one year	13	9,587,580	3,687,734
Cash at bank and in hand	14	5,212,840	5,531,641
		<u>14,800,420</u>	<u>9,219,375</u>
Creditors: amounts falling due within one year	15	(10,733,925)	(6,206,106)
Net current assets		<u>4,066,495</u>	<u>3,013,269</u>
Total assets less current liabilities		<u>4,155,101</u>	<u>3,071,467</u>
Creditors: amounts falling due after more than one year	16	(750,000)	(949,060)
Provisions for liabilities			
Deferred taxation	18	(16,260)	(6,019)
		<u>(16,260)</u>	<u>(6,019)</u>
Net assets		<u><u>3,388,841</u></u>	<u><u>2,116,388</u></u>
Capital and reserves			
Called up share capital	19	2	2
Profit and loss account		<u>3,388,839</u>	<u>2,116,386</u>
Shareholders' funds		<u><u>3,388,841</u></u>	<u><u>2,116,388</u></u>

CLEARVISION (CM) 2005 LIMITED
REGISTERED NUMBER:05643578

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the Company for the year was £1,272,453 (2020 - £467,363).

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

Gerald Tombs
Gerald Tombs (Aug 31, 2022 16:50 GMT+1)

G L Tombs
Director

Date: 31/08/2022

The notes on pages 18 to 36 form part of these financial statements.

CLEARVISION (CM) 2005 LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2020	2	2,028,457	2,028,459
Comprehensive income for the year			
Profit for the year	-	905,695	905,695
At 31 December 2020	<u>2</u>	<u>2,934,152</u>	<u>2,934,154</u>
Comprehensive income for the year			
Profit for the year	-	1,887,876	1,887,876
At 31 December 2021	<u>2</u>	<u>4,822,028</u>	<u>4,822,030</u>

CLEARVISION (CM) 2005 LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2020	2	1,649,023	1,649,025
Comprehensive income for the year			
Profit for the year	-	467,363	467,363
At 31 December 2020	<u>2</u>	<u>2,116,386</u>	<u>2,116,388</u>
Comprehensive income for the year			
Profit for the year	-	1,272,453	1,272,453
At 31 December 2021	<u><u>2</u></u>	<u><u>3,388,839</u></u>	<u><u>3,388,841</u></u>

CLEARVISION (CM) 2005 LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
Cash flows from operating activities		
Profit for the financial year	1,887,876	905,695
Adjustments for:		
Amortisation of intangible assets	-	5,918
Depreciation of tangible assets	22,867	18,048
Loss on disposal of tangible assets	-	3,461
Interest paid	24,728	5,859
Interest received	(202)	297
Taxation charge	367,870	260,036
(Increase)/decrease in debtors	(4,724,966)	2,963,079
Increase/(decrease) in creditors	3,699,415	(2,524,583)
Corporation tax received/(paid)	(172,087)	(108,667)
Net cash generated from operating activities	1,105,501	1,529,143
Cash flows from investing activities		
Purchase of tangible fixed assets	(52,159)	(29,519)
Interest received	202	(297)
Net cash used in investing activities	(51,957)	(29,816)
Cash flows from financing activities		
New secured loans	-	1,000,000
Repayment of loans	(48,459)	-
Interest paid	(24,728)	(5,859)
Net cash (used in)/generated from financing activities	(73,187)	994,141
Net increase in cash and cash equivalents	980,357	2,493,468
Cash and cash equivalents at beginning of year	6,055,452	3,561,984
Cash and cash equivalents at the end of year	7,035,809	6,055,452
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	7,035,809	6,055,452
	7,035,809	6,055,452

CLEARVISION (CM) 2005 LIMITED

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2021

	At 1 January 2021 £	Cash flows £	Other non- cash changes £	At 31 December 2021 £
Cash at bank and in hand	6,055,452	980,357	-	7,035,809
Debt due after 1 year	(950,000)	-	200,000	(750,000)
Debt due within 1 year	(50,000)	48,459	(200,000)	(201,541)
	<u>5,055,452</u>	<u>1,028,816</u>	<u>-</u>	<u>6,084,268</u>

CLEARVISION (CM) 2005 LIMITED

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

1. General information

Clearvision (CM) 2005 Limited is a private company, limited by shares, domiciled and incorporated in England and Wales (registered number: 05643578). The registered office address is Laurel Farm, Winters Hill, Durley, Southampton, Hampshire, SO32 2AH.

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 judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

Parent Company disclosure exemptions

In preparing the separate financial statements of the Parent Company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the year has been presented as the reconciliation for the Group and the Parent Company would be identical;
- No Statement of Cash Flows has been presented for the Parent Company;
- No disclosures have been given for the aggregate remuneration of the key management personnel of the Parent Company as their remuneration is included in the totals for the Group as a whole.

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 profit or loss from the date on which control is obtained. They are deconsolidated from the date control ceases.

CLEARVISION (CM) 2005 LIMITED

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

2. Accounting policies (continued)

2.3 Going concern

The directors have made an assessment in preparing these financial statements as to whether the Group is a going concern. Cash flow projections have been prepared and having considered the projections, the directors have concluded that they have reasonable expectation that the Group will have adequate cash resources to meet their financial obligations as they fall due for at least one year from signing the accounts and for this reason they continue to adopt the going concern basis in preparing the financial statements of the Group.

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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

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.

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

2. Accounting policies (continued)

2.5 Revenue recognition

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

Rendering of services

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

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

Software Licenses

Turnover from the sale of software licenses is recognised when all the following conditions have been satisfied:

- The Group has transferred to the buyer the significant risks and rewards of the ownership of the licence;
- The Group retains neither continuing managerial involvement to the degree usually associated with the ownership nor effective control over the goods sold;
- The amount of turnover can be measured reliably;
- It is probably that the economic benefits associated with the transaction will flow; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

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.

CLEARVISION (CM) 2005 LIMITED

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

2. Accounting policies (continued)

2.7 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.

Amortisation is provided on the following bases:

Development expenditure	-	33 % straight-line
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2.8 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.

Depreciation is provided on the following bases:

Short-term leasehold property	-	20% straight-line
Fixtures and fittings	-	25% reducing balance
Computer equipment	-	25% reducing balance

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

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

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

2. Accounting policies (continued)

2.9 Financial instruments

Financial assets and financial liabilities are recognised in the Balance Sheet when the Group becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Group will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Group's cash management.

Financial liabilities and equity instruments issued by the Group 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 Group are recorded at the proceeds received, net of direct issue costs.

2.10 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

2.11 Finance costs

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

2.12 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.

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

2. Accounting policies (continued)

2.13 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.

CLEARVISION (CM) 2005 LIMITED

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

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

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 period, or in the period of the revision and future periods if the revision affects both current and future periods.

The directors consider the following key judgements and sources of estimation uncertainty to have had the most significant effect on the amounts recognised in the financial statements.

Revenue recognition

License revenue billed in advance of delivery is recognised on the date of supply. At the year end, all licenses invoiced but not yet supplied are deferred.

Revenue is accrued for unbilled consultancy services provided. In calculating the accrued income, management considers all the unbilled work performed and the likelihood of recoverability.

Support revenue billed in advance is recognised as the service is provided, with the balance being deferred. In determining the amount of revenue to be recognised, management will review the number of hours delivered against total hours sold and the contract value.

Bad debt provision

The trade debtors balance of £8,876,873 (2020 - £4,516,602) in the Group's Balance Sheet comprises a number of balances, including some large items. A full line by line review of trade debtors is carried out on a regular basis. In the event that a balance is no longer deemed collectable, a specific provision is raised.

CLEARVISION (CM) 2005 LIMITED

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

4. Turnover

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

	2021 £	2020 £
Professional services	4,500,461	4,418,360
Licenses	49,458,373	32,989,753
	<u>53,958,834</u>	<u>37,408,113</u>

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	23,458,623	17,743,125
Rest of the world	30,500,211	19,664,988
	<u>53,958,834</u>	<u>37,408,113</u>

5. Operating profit

The operating profit is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets	22,867	17,647
Amortisation of intangible assets	-	5,918
Fees payable to the Group's auditor and its associates for the audit of the Company's annual financial statements	16,275	15,500
Exchange differences	56,958	(113,468)
Other operating lease rentals	61,066	48,010
	<u>61,066</u>	<u>48,010</u>

CLEARVISION (CM) 2005 LIMITED

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

6. Employees

Staff costs were as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	3,114,308	2,926,457	2,313,037	2,123,372
Social security costs	334,818	293,721	317,551	293,721
Termination payments	55,000	-	55,000	-
Cost of defined contribution scheme	71,313	62,794	71,313	62,794
	<u>3,575,439</u>	<u>3,282,972</u>	<u>2,756,901</u>	<u>2,479,887</u>

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

	Group 2021 No.	Group 2020 No.	Company 2021 No.	Company 2020 No.
Sales	18	22	17	19
Administration	44	38	42	36
	<u>62</u>	<u>60</u>	<u>59</u>	<u>55</u>

7. Directors' remuneration

The highest paid director received remuneration of £283,592 (2020 - £243,950).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £111,000 (2020 - £Nil).

8. Interest payable and similar expenses

	2021 £	2020 £
Bank interest payable	<u>24,728</u>	<u>5,859</u>

CLEARVISION (CM) 2005 LIMITED

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

9. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profit for the year	419,493	257,082
Adjustments in respect of previous periods	(61,864)	-
Total current tax	<u>357,629</u>	<u>257,082</u>
Deferred tax		
Origination and reversal of timing differences	8,340	2,954
Effect of tax rate change on opening balance	1,901	-
Total deferred tax	<u>10,241</u>	<u>2,954</u>
Taxation on profit on ordinary activities	<u>367,870</u>	<u>260,036</u>

Factors affecting tax charge for the year

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

	2021 £	2020 £
Profit on ordinary activities before tax	<u>2,255,746</u>	<u>1,165,731</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	428,592	221,489
Effects of:		
Expenses not deductible for tax purposes	246	178
Fixed asset differences	(2,275)	14
Additional deduction for R&D expenditure	(34,177)	-
Adjustments to tax charge in respect of previous periods	(61,864)	-
Remeasurement of deferred tax for changes in tax rates	3,903	-
Rate change adjustment	-	11,637
Other differences leading to an increase in the tax charge	33,445	26,718
Total tax charge for the year	<u>367,870</u>	<u>260,036</u>

The Group has tax losses of £Nil (2020 - £Nil) available for carry forward to future periods.

CLEARVISION (CM) 2005 LIMITED

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

9. Taxation (continued)

Factors that may affect future tax charges

Finance Act 2021 includes legislation to increase the main rate of corporation tax from 19% to 25% from 1 April 2023. A small-profits rate will also apply from that date reducing tax for profits up to £250k to a minimum of 19%. The full anticipated effect of these changes is reflected in the above deferred tax balances.

10. Intangible assets

Group and Company

	Development expenditure £
Cost	
At 1 January 2021	56,015
At 31 December 2021	<u>56,015</u>
Amortisation	
At 1 January 2021	56,015
At 31 December 2021	<u>56,015</u>
Net book value	
At 31 December 2021	<u><u>-</u></u>
At 31 December 2020	<u><u>-</u></u>

CLEARVISION (CM) 2005 LIMITED

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

11. Tangible fixed assets

Group

	Short-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 January 2021	55,592	32,308	79,814	167,714
Additions	-	11,061	41,224	52,285
Exchange adjustments	-	(35)	(462)	(497)
At 31 December 2021	<u>55,592</u>	<u>43,334</u>	<u>120,576</u>	<u>219,502</u>
Depreciation				
At 1 January 2021	42,984	18,021	44,414	105,419
Charge for the year	3,761	5,370	13,736	22,867
Exchange adjustments	-	(27)	(344)	(371)
At 31 December 2021	<u>46,745</u>	<u>23,364</u>	<u>57,806</u>	<u>127,915</u>
Net book value				
At 31 December 2021	<u>8,847</u>	<u>19,970</u>	<u>62,770</u>	<u>91,587</u>
At 31 December 2020	<u>12,608</u>	<u>14,287</u>	<u>35,400</u>	<u>62,295</u>

CLEARVISION (CM) 2005 LIMITED

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

11. Tangible fixed assets (continued)

Company

	Short-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 January 2021	55,592	31,223	67,844	154,659
Additions	-	11,061	41,224	52,285
At 31 December 2021	<u>55,592</u>	<u>42,284</u>	<u>109,068</u>	<u>206,944</u>
Depreciation				
At 1 January 2021	42,984	17,254	36,223	96,461
Charge for the year	3,761	5,293	12,823	21,877
At 31 December 2021	<u>46,745</u>	<u>22,547</u>	<u>49,046</u>	<u>118,338</u>
Net book value				
At 31 December 2021	<u>8,847</u>	<u>19,737</u>	<u>60,022</u>	<u>88,606</u>
<i>At 31 December 2020</i>	<u>12,608</u>	<u>13,969</u>	<u>31,621</u>	<u>58,198</u>

CLEARVISION (CM) 2005 LIMITED

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

12. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Clearvision USA Inc.	Software consultancy	Ordinary	100%
Clearvision Central Europe s.r.o	Dormant	Ordinary	51%

The registered office address of Clearvision USA Inc. is 2401 Walnut Street, Suite 102, Philadelphia, PA 19103-4341.

The registered office address of Clearvision Central Europe s.r.o is Štúrova 44, Košice 040 01, Slovakia.

13. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	8,876,873	4,516,602	7,914,544	3,172,175
Amounts owed by group undertakings	-	-	1,030,022	105,700
Other debtors	79,902	15,403	79,902	15,403
Prepayments and accrued income	702,188	401,992	563,112	394,456
	<u>9,658,963</u>	<u>4,933,997</u>	<u>9,587,580</u>	<u>3,687,734</u>

14. Cash and cash equivalents

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Cash at bank and in hand	7,035,809	6,055,452	5,212,840	5,531,641

CLEARVISION (CM) 2005 LIMITED

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

15. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank loans	201,541	50,940	201,541	50,940
Trade creditors	6,974,341	2,613,349	6,964,635	2,606,953
Corporation tax	421,322	235,780	233,844	107,261
Other taxation and social security	883,132	1,416,309	870,962	1,386,134
Other creditors	67,855	102,237	50,419	80,172
Accruals and deferred income	2,649,878	2,743,896	2,412,524	1,974,646
	<u>11,198,069</u>	<u>7,162,511</u>	<u>10,733,925</u>	<u>6,206,106</u>

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank loans	750,000	949,060	750,000	949,060

The Company secured a CBILS loan for £1,000,000 in 2020 over a term of 72 months. The loan had an initial capital repayment holiday of 12 months. The loan has interest charged at fixed rate of 2.35% for 5 years, after which the interest charged is a variable rate of the Bank of England base rate + 2%.

The loan is secured by a charge on the assets of the Company.

CLEARVISION (CM) 2005 LIMITED

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

17. Loans

Analysis of the maturity of loans is given below:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Amounts falling due within one year				
Bank loans	201,541	50,940	201,541	50,940
Amounts falling due 1-2 years				
Bank loans	200,000	200,518	200,000	200,518
Amounts falling due 2-5 years				
Bank loans	550,000	599,960	550,000	599,960
Amounts falling due after more than 5 years				
Bank loans	-	148,582	-	148,582
	<u>951,541</u>	<u>1,000,000</u>	<u>951,541</u>	<u>1,000,000</u>

CLEARVISION (CM) 2005 LIMITED

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

18. Deferred taxation

Group

	2021 £	2020 £
At beginning of year	6,019	3,065
Charged to profit or loss	10,241	2,954
At end of year	16,260	6,019

Company

	2021 £	2020 £
At beginning of year	6,019	2,981
Charged to profit or loss	10,241	3,038
At end of year	16,260	6,019

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Accelerated capital allowances	17,962	7,119	17,962	7,119
Short-term timing differences	(1,702)	(1,100)	(1,702)	(1,100)
	16,260	6,019	16,260	6,019

19. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
21,965,472 Ordinary shares of £0.000001 each	2	2

Ordinary shares have attached to them full voting and dividend rights.

CLEARVISION (CM) 2005 LIMITED

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

20. Reserves

Profit and loss account

This reserve relates to the cumulative retained earnings less amounts distributed to shareholders.

21. Share based payments

At the year end 2,724,809 (2020 - 3,876,264) share options were outstanding with an exercise price of £0.01. During the year 974,382 (2020 - 0) options lapsed because the option holder left the employment of the Group and no options (2020 - no options) were exercised or granted. The scheme conditions state that the options can only be exercised on an exit event. No share-based payment charge has been recognised because at the reporting date it was not considered probable that the vesting conditions would be met.

22. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £71,313 (2020 - £62,794). Contributions totalling £16,092 (2020 - £13,805) were payable to the fund at the balance sheet date and are included in creditors.

23. Commitments under operating leases

At 31 December 2021 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Not later than 1 year	48,000	48,000	48,000	48,000
Later than 1 year and not later than 5 years	76,000	124,000	76,000	124,000
	<u>124,000</u>	<u>172,000</u>	<u>124,000</u>	<u>172,000</u>

CLEARVISION (CM) 2005 LIMITED

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

24. Related party transactions

A director (together with his spouse) controls Clearvision (CM) Solutions Limited. During the year, management charges of £93,800 (2020 - £59,866) and consultancy fees of £281,250 (2020 - £243,950) were charged by Clearvision (CM) Solutions Limited.

A spouse of a director had an amount owed to them by the Group of £1,453 (2020 - £165) at the balance sheet date.

During the year transactions were made to a director's son by the Group totalling £Nil (2020 - £410) during the year.

Key management personnel

	2021	2020
	£	£
Key management personnel remuneration	<u>993,544</u>	<u>919,568</u>

25. Controlling party

Throughout the year, the Parent Company was under the joint control of The Software Delivery Company Limited, a company controlled by N Butler (a director) and Clearvision (CM) Solutions Limited, a company controlled by G L Tombs (a director).