
CLEARVISION (CM) 2005 LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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	Nexia Smith & Williamson Chartered Accountants & Statutory Auditor 4th Floor Cumberland House 15-17 Cumberland Place Southampton Hampshire SO15 2BG

CLEARVISION (CM) 2005 LIMITED

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**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

Introduction

The directors present their Strategic Report together with the audited financial statements for the year ended 31 December 2019.

Business review

FY 2019 was a year of significant, stable growth for Clearvision Group. Revenue grew by 31% and net profit by 77%, reaffirming Clearvision's status as leading Atlassian Platinum Solution Partner in Europe.

Several years of focus and investment enabled ClearHub to reach breakeven point and begin providing a net contribution to the Group. ClearHub is the world's only Atlassian contractor network and enjoyed above-target growth in 2019, with many more contractors placed into companies spanning multiple continents.

In Summer 2019, Clearvision achieved full ISO-27001 accreditation, providing assurance that our information security controls are robust and effective. This certification underlines our commitment to protecting our customers' data in an age when information security is paramount, and sets ourselves apart from competitors in the space.

Furthering our commitment to data security, Clearvision launched a partnership with Checkmarx - a global leader in software security solutions for DevOps. This partnership bolsters the suite of tools with which Clearvision can strengthen our customers' software development lifecycle.

Since Jan 2019, Clearvision has been a select tier status AWS certified partner on the AWS Partner Network (APN). Clearvision has invested significantly in AWS, allowing us to deliver a superior service when taking customers on their journey to The Cloud.

2019 saw the inception of the 'Hearts and Minds' team - an internal team of Visionaries dedicated to the wellbeing of our staff. The team organised in-house yoga, meditation, and mental health sessions. The initiative reflects our steadfast commitment to the best interests of our staff.

We are delighted to report that having had all staff sit the comprehensive 'b-Heard' survey in 2019, Clearvision placed within the prestigious Times 100 Best Small Companies to work for 2020. We rose 65 places up the table to be named number 32 nationally. We were also awarded a 3 star best company rating which reflects "extraordinary levels of workplace engagement".

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Principal risks and uncertainties

The Group monitors the following principal risk areas:

- Exposure to foreign exchange
- Dependence upon our primary partner (Atlassian)
- Uncertainties surrounding Brexit
- COVID-19

Post year end, the Covid-19 pandemic emerged and its impacts on the global economy began in Q1 2020.

The Senior Leadership Team have taken a number of measures intended to both maximise our output during the period, and to conserve our working capital.

We closed 2019 and indeed Q1 2020 with an exceptionally strong cash flow position, and with a substantial proportion of our 2020 planned revenue derived from recurring sources with high renewal rates.

As Cloud software experts, we live in a world which will be more relevant than ever once the dust has settled. We have a vast array of clients, diverse across many sectors - whilst some are affected, some are thriving.

Whilst the pandemic will inevitably have a negative impact on our revenue and profitability in 2020; given our financial strength and resolve with which we enter the crisis, we have every confidence that Clearvision can and will weather this storm.

Future developments

In FY 2020, Clearvision will continue to broaden its range of innovative solutions designed to address customer pain points by launching several new partnerships with software vendors and industry specialists alike.

These include MediComply - a Confluence based compliant document management system for the medical devices industry; Monday.com - a project tracking tool; and TogetherApart - a remote working initiative.

Financial key performance indicators

The Group monitors the following financial key performance indicators:

- Turnover - has increased by 31%, from £27.23m to £35.66m
- Profit before tax - has increased by 76%, from £0.63m to £1.11m

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.

G L Tombs

Director

Date: 13 May 2020

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors present their report and the financial statements for the year ended 31 December 2019.

Results and dividends

The profit for the year, after taxation, amounted to £888,842 (2018: £667,436).

No dividends were paid or proposed in the year (2018: £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 principle 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. Interest bearing assets comprise cash balances that earn interest at variable rates.

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.

CLEARVISION (CM) 2005 LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Post balance sheet events

In the period since 31 December 2019 a global pandemic, COVID-19, has emerged. The global response continues to evolve and the implications for businesses such as Clearvision (CM) 2005 Limited are as yet unclear. At the time of approving the financial statements, the directors are unable to estimate the future financial impact on the group.

Auditor

The auditor, Nexia Smith & Williamson, 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.

G L Tombs

Director

Date: 13 May 2020

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

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 2019 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 a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2019 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the Parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Emphasis of matter - impact of COVID-19

We draw attention to note 2.3 and note 21 of the financial statements, which describes the impact of COVID-19 on the Company. Our opinion is not modified in respect of this matter.

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. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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 where 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 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 or 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.

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the 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.

Julie Mutton (Senior Statutory Auditor)

for and on behalf of

Nexia Smith & Williamson

Chartered Accountants

Statutory Auditor

4th Floor Cumberland House

15-17 Cumberland Place

Southampton

Hampshire

SO15 2BG

18 May 2020

CLEARVISION (CM) 2005 LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £	2018 £
Turnover	4	35,664,333	27,229,193
Cost of sales		(30,954,462)	(23,507,474)
Gross profit		4,709,871	3,721,719
Administrative expenses		(3,668,378)	(3,123,969)
Other operating income		64,921	27,569
Operating profit	5	1,106,414	625,319
Interest receivable and similar income		354	141
Profit before taxation		1,106,768	625,460
Tax on profit		(217,926)	41,976
Profit for the financial year		888,842	667,436
Other comprehensive income for the year			
Currency translation differences on translation of net assets of foreign subsidiaries		(697)	(1,676)
Total comprehensive income for the year		888,145	665,760

The notes on pages 17 to 34 form part of these financial statements.

CLEARVISION (CM) 2005 LIMITED
REGISTERED NUMBER:05643578

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note		2019 £	2018 £
Fixed assets				
Intangible assets	8		5,918	24,590
Tangible assets	9		54,285	59,132
			60,203	83,722
Current assets				
Debtors: amounts falling due within one year	11	7,897,076	4,196,660	
Cash at bank and in hand	12	3,561,984	3,667,512	
		11,459,060	7,864,172	
Creditors: amounts falling due within one year	13	(9,487,739)	(6,807,580)	
Net current assets			1,971,321	1,056,592
Deferred taxation	14	(3,065)	-	
			(3,065)	-
Net assets			2,028,459	1,140,314
Capital and reserves				
Called up share capital	15		2	2
Profit and loss account	16		2,028,457	1,140,312
Shareholders' funds			2,028,459	1,140,314

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

G L Tombs

Director

Date: 13 May 2020

The notes on pages 17 to 34 form part of these financial statements.

CLEARVISION (CM) 2005 LIMITED
REGISTERED NUMBER:05643578

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	As restated 2018 £
Fixed assets			
Intangible assets	8	5,918	24,590
Tangible assets	9	47,583	50,085
		<u>53,501</u>	<u>74,675</u>
Current assets			
Debtors: amounts falling due within one year	11	8,358,727	4,065,545
Cash at bank and in hand	12	2,246,039	3,298,072
		<u>10,604,766</u>	<u>7,363,617</u>
Creditors: amounts falling due within one year	13	(9,006,261)	(6,412,081)
Net current assets		<u>1,598,505</u>	951,536
Total assets less current liabilities		<u>1,652,006</u>	1,026,211
Provisions for liabilities			
Deferred taxation	14	(2,981)	-
		<u>(2,981)</u>	-
Net assets		<u><u>1,649,025</u></u>	<u><u>1,026,211</u></u>
Capital and reserves			
Called up share capital	15	2	2
Profit and loss account brought forward		1,026,209	558,490
Profit for the year		622,814	467,719
Profit and loss account carried forward	16	1,649,023	1,026,209
Shareholders' funds		<u><u>1,649,025</u></u>	<u><u>1,026,211</u></u>

CLEARVISION (CM) 2005 LIMITED
REGISTERED NUMBER:05643578

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2019

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

G L Tombs

Director

Date: 13 May 2020

The notes on pages 17 to 34 form part of these financial statements.

CLEARVISION (CM) 2005 LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2018	2	474,552	474,554
Comprehensive income for the year			
Profit for the year	-	667,436	667,436
Currency translation differences on translation of net assets of foreign subsidiaries	-	(1,676)	(1,676)
Total comprehensive income for the year	-	665,760	665,760
At 31 December 2018	2	1,140,312	1,140,314
Comprehensive income for the year			
Profit for the year	-	888,842	888,842
Currency translation differences on translation of net assets of foreign subsidiaries	-	(697)	(697)
Total comprehensive income for the year	-	888,145	888,145
At 31 December 2019	2	2,028,457	2,028,459

CLEARVISION (CM) 2005 LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2018	2	558,490	558,492
Comprehensive income for the year			
Profit for the year	-	467,719	467,719
Total comprehensive income for the year	<u>-</u>	<u>467,719</u>	<u>467,719</u>
At 31 December 2018	2	1,026,209	1,026,211
Comprehensive income for the year			
Profit for the year	-	622,814	622,814
Total comprehensive income for the year	<u>-</u>	<u>622,814</u>	<u>622,814</u>
At 31 December 2019	<u>2</u>	<u>1,649,023</u>	<u>1,649,025</u>

CLEARVISION (CM) 2005 LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 £	2018 £
Cash flows from operating activities		
Profit for the financial year	888,842	667,436
Adjustments for:		
Amortisation of intangible assets	18,672	18,672
Depreciation of tangible assets	18,413	26,415
Loss on disposal of tangible assets	4,768	2,397
Interest received	(354)	(141)
Taxation credit/(charge)	217,926	(41,976)
Increase in debtors	(3,809,658)	(1,238,429)
Increase in creditors	2,622,831	2,464,954
Corporation tax (paid)/received	(49,968)	427,730
Foreign exchange movements	979	(1,676)
Net cash (used in)/generated from operating activities	(87,549)	2,325,382
Cash flows from investing activities		
Purchase of tangible fixed assets	(18,333)	(2,248)
Interest received	354	141
Net cash used in investing activities	(17,979)	(2,107)
Net (decrease)/increase in cash and cash equivalents	(105,528)	2,323,275
Cash and cash equivalents at the beginning of the year	3,667,512	1,344,237
Cash and cash equivalents at the end of the year	3,561,984	3,667,512
Cash and cash equivalents at the end of the year comprise:		
Cash at bank and in hand	3,561,984	3,667,512
	3,561,984	3,667,512

CLEARVISION (CM) 2005 LIMITED

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2019

	At 1 January 2019 £	Cash flows £	At 31 December 2019
Cash at bank and in hand	3,667,512	(105,528)	3,561,984
	<u>3,667,512</u>	<u>(105,528)</u>	<u>3,561,984</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

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;
- Disclosures in respect of the Parent Company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the Group as a whole; and
- 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 Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

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, including the potential impact of Covid-19. 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 Revenue recognition

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

Rendering of services

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

- the amount of revenue can be measured reliably;
- it is probable that the 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

Revenue 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 ownership of the license;
- 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 revenue can be measured reliably;
- It is probable 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.

2.5 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.6 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 basis:

Development expenditure	-	33 %	straight-line
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2.7 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 the Consolidated Statement of Comprehensive Income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.8 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.

2.9 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 the Consolidated Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

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 2019

2. Accounting policies (continued)

2.10 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 the Consolidated Statement of Comprehensive Income 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.

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, 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 is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

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 £7,528,907 (2018: £3,829,577) 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 2019

4. Turnover

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

	2019 £	2018 £
Professional services	4,363,288	3,583,927
Licenses	31,301,045	23,645,266
	<u>35,664,333</u>	<u>27,229,193</u>

Analysis of turnover by country of destination:

	2019 £	2018 £
United Kingdom	17,831,351	14,944,254
Rest of the world	17,832,982	12,284,939
	<u>35,664,333</u>	<u>27,229,193</u>

5. Operating profit

The operating profit is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets	18,413	26,415
Amortisation of intangible assets	18,672	18,672
Fees payable to the Group's auditor and its associates for the audit of the Company's annual financial statements	15,500	14,200
Exchange differences	182,730	116,680
Other operating lease rentals	<u>36,559</u>	<u>30,991</u>

CLEARVISION (CM) 2005 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

6. Employees

Staff costs were as follows:

	Group 2019 £	<i>Group 2018 £</i>	Company 2019 £	<i>Company 2018 £</i>
Wages and salaries	2,822,765	2,886,623	1,866,527	2,012,750
Social security costs	339,461	344,437	301,382	306,469
Cost of defined contribution scheme	54,963	37,143	54,963	37,143
	<u>3,217,189</u>	<u>3,268,203</u>	<u>2,222,872</u>	<u>2,356,362</u>

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

	Group 2019 No.	<i>Group 2018 No.</i>	Company 2019 No.	<i>Company 2018 No.</i>
Sales	21	26	17	17
Administration	41	42	39	42
	<u>62</u>	<u>68</u>	<u>56</u>	<u>59</u>

CLEARVISION (CM) 2005 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

7. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profit/(loss) for the year	103,911	30,037
Adjustments in respect of previous periods	-	17,445
Foreign tax		
Foreign tax on income for the year	-	303
Total current tax	<u>103,911</u>	<u>47,785</u>
Deferred tax		
Origination and reversal of timing differences	114,015	(89,761)
Total deferred tax	<u>114,015</u>	<u>(89,761)</u>
Taxation on profit/(loss) on ordinary activities	<u>217,926</u>	<u>(41,976)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

7. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	<u>1,106,768</u>	<u>625,460</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	210,286	118,837
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,800	1,217
Fixed asset differences	283	-
Adjustments to tax charge in respect of prior periods	-	17,445
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	-	(8,144)
Rate change adjustment	(13,426)	(6,697)
Other differences leading to an increase (decrease) in the tax charge	18,983	8,837
Deferred tax asset not recognised	-	(173,576)
Other permanent differences	-	105
Total tax charge for the year	<u>217,926</u>	<u>(41,976)</u>

The Group has tax losses of £nil (2018: £859,546) available for carry forward to future periods.

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

8. Intangible assets

Group and Company

	Development expenditure £
Cost	
At 1 January 2019	56,015
At 31 December 2019	<u>56,015</u>
Amortisation	
At 1 January 2019	31,425
Charge for the year	18,672
At 31 December 2019	<u>50,097</u>
Net book value	
At 31 December 2019	<u><u>5,918</u></u>
At 31 December 2018	<u><u>24,590</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

9. Tangible fixed assets

Group

	Short-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 January 2019	39,427	34,118	81,159	154,704
Additions	10,085	4,382	3,866	18,333
Disposals	-	(844)	(13,674)	(14,518)
At 31 December 2019	<u>49,512</u>	<u>37,656</u>	<u>71,351</u>	<u>158,519</u>
Depreciation				
At 1 January 2019	35,295	20,171	40,106	95,572
Charge for the year	3,318	4,027	11,068	18,413
Disposals	-	(744)	(9,007)	(9,751)
At 31 December 2019	<u>38,613</u>	<u>23,454</u>	<u>42,167</u>	<u>104,234</u>
Net book value				
At 31 December 2019	<u>10,899</u>	<u>14,202</u>	<u>29,184</u>	<u>54,285</u>
<i>At 31 December 2018</i>	<u>4,132</u>	<u>13,947</u>	<u>41,053</u>	<u>59,132</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

9. Tangible fixed assets (continued)

Company

	Short-term leasehold property	Fixtures and fittings	Computer equipment	Total
	£	£	£	£
Cost				
At 1 January 2019	39,427	32,956	66,046	138,429
Additions	10,085	4,382	3,866	18,333
Disposals	-	(844)	(13,674)	(14,518)
At 31 December 2019	<u>49,512</u>	<u>36,494</u>	<u>56,238</u>	<u>142,244</u>
Depreciation				
At 1 January 2019	35,295	19,643	33,406	88,344
Charge for the year	3,318	3,850	8,900	16,068
Disposals	-	(744)	(9,007)	(9,751)
At 31 December 2019	<u>38,613</u>	<u>22,749</u>	<u>33,299</u>	<u>94,661</u>
Net book value				
At 31 December 2019	<u>10,899</u>	<u>13,745</u>	<u>22,939</u>	<u>47,583</u>
At 31 December 2018	<u>4,132</u>	<u>13,313</u>	<u>32,640</u>	<u>50,085</u>

CLEARVISION (CM) 2005 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

10. Fixed asset investments

Company

The value of investments in subsidiaries was restated in the year. Please refer to note 18 for detail.

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 %
Clearvision (CM) 2005 Ireland Limited	Dormant	Ordinary	100 %

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.

The registered office address of Clearvision (CM) 2005 Ireland Limited is Suite 17, Guinness Enterprise Centre, Taylor's Lane, Dublin, 8 D08TH82.

11. Debtors

	Group 2019 £	<i>Group 2018 £</i>	Company 2019 £	<i>Company 2018 £</i>
Trade debtors	7,528,907	3,829,577	6,657,717	3,005,326
Amounts owed by group undertakings	-	-	1,398,475	702,359
Other debtors	10,192	41,207	10,192	41,207
Prepayments and accrued income	357,977	216,635	292,343	205,325
Deferred taxation	-	109,241	-	111,328
	<u>7,897,076</u>	<u>4,196,660</u>	<u>8,358,727</u>	<u>4,065,545</u>

12. Cash and cash equivalents

	Group 2019 £	<i>Group 2018 £</i>	Company 2019 £	<i>Company 2018 £</i>
Cash at bank and in hand	<u>3,561,984</u>	<u>3,667,512</u>	<u>2,246,039</u>	<u>3,298,072</u>

CLEARVISION (CM) 2005 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

13. Creditors: Amounts falling due within one year

	Group	<i>Group</i>	Company	<i>Company</i>
	2019	<i>As restated</i>	2019	<i>As restated</i>
	£	£	£	£
Trade creditors	5,973,833	<i>4,138,040</i>	5,939,285	<i>4,117,422</i>
Corporation tax	87,365	<i>30,037</i>	18,014	<i>-</i>
Other taxation and social security	1,089,063	<i>1,104,307</i>	1,074,394	<i>1,104,307</i>
Other creditors	283,231	<i>203,401</i>	252,248	<i>176,958</i>
Accruals and deferred income	2,054,247	<i>1,331,795</i>	1,722,320	<i>1,013,394</i>
	<u>9,487,739</u>	<i><u>6,807,580</u></i>	<u>9,006,261</u>	<i><u>6,412,081</u></i>

CLEARVISION (CM) 2005 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

14. Deferred taxation

Group

	2019 £	2018 £
At beginning of year	(109,241)	(19,480)
Charged to profit or loss	112,306	(89,761)
At end of year	<u>3,065</u>	<u>(109,241)</u>

Company

	2019 £	2018 £
At beginning of year	(111,328)	5,315
Charged to profit or loss	114,309	(116,643)
At end of year	<u>2,981</u>	<u>(111,328)</u>

The deferred taxation balance is made up as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Accelerated capital allowances	3,065	5,119	3,790	3,032
Tax losses carried forward	-	(114,360)	-	(114,360)
Short-term timing differences	-	-	(809)	-
	<u>3,065</u>	<u>(109,241)</u>	<u>2,981</u>	<u>(111,328)</u>

15. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
21,965,472 Ordinary shares	<u>2</u>	<u>2</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

16. Reserves

Profit and loss account

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

17. Prior year adjustment

During the year, it was identified that the share capital of a subsidiary, Clearvision USA Inc., and consequently, the value of fixed asset investments was incorrect. The value of share capital and investments in subsidiary companies have been corrected this year. As a result, investments have decreased by £13,070 and amounts owed by group undertakings have increased by £13,070. These balances are eliminated on consolidation, therefore there is no impact from group perspective. There has been no impact on the profit or loss for the prior year.

18. 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 £54,963 (2018: £37,143). Contributions totalling £11,787 (2018: £8,170) were payable to the fund at the balance sheet date and are included in creditors.

19. Commitments under operating leases

At 31 December 2019 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group	<i>Group</i>	Company	<i>Company</i>
	2019	<i>2018</i>	2019	<i>2018</i>
	£	<i>£</i>	£	<i>£</i>
Not later than 1 year	48,000	<i>27,042</i>	48,000	<i>27,042</i>
Later than 1 year and not later than 5 years	<u>176,088</u>	<i><u>-</u></i>	<u>176,088</u>	<i><u>-</u></i>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

20. Related party transactions

Directors' current accounts

During the year the directors have maintained current accounts.

During the year, advances of £Nil were made to directors (2018: £50,000). Repayments by directors to the Group totalled £40,000 (2018: £10,416). At the balance sheet date, amounts owed by the Group to directors totalled £Nil (2018: £3,273) and amounts owed by directors to the Group totalled £Nil (2018: £40,000).

Other transactions

A director (together with his spouse) controls Clearvision (CM) Solutions Limited. During the year, management charges of £48,400 (2018: £42,875) and consultancy fees of £247,250 (2018: £232,650) were charged by Clearvision (CM) Solutions Limited. During the year, a dividend of £Nil (2018: £Nil) was paid to Clearvision (CM) Solutions Limited. At the balance sheet date, amount owed to the Group totalled £Nil (2018: £837).

A director (together with his spouse) controls The Software Delivery Company Limited. During the year, consultancy fees of £Nil (2018: £2,250) were charged by The Software Delivery Company Limited. During the year, a dividend of £Nil (2018: £Nil) was paid to The Software Delivery Company Limited. Amounts of £Nil (2018: £Nil) were owed at the year end.

Key management personnel

	2019	2018
	£	£
Key management personnel remuneration	<u>883,909</u>	<u>846,083</u>

21. Post balance sheet events

In the period since 31 December 2019 a global pandemic, COVID-19, has emerged. The global response continues to evolve and the implications for businesses such as Clearvision (CM) 2005 Limited are as yet unclear. At the time of approving the financial statements, the directors are unable to estimate the future financial impact on the group.

22. 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).

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