

Company Registration Number 3669569

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Clear Technology Limited

Financial statements

30 June 2009

Clear Technology Limited

Financial statements

Period from 1 January 2008 to 30 June 2009

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Clear Technology Limited

Officers and professional advisers

The board of directors

R E Jacops
A S Price

Company secretary

WCPHD Secretaries Limited

Registered office

5th Floor Alder Castle
10 Noble Street
London
EC2V 7QJ

Auditor

Chantrey Vellacott DFK LLP
Chartered Accountants
Registered Auditor
Russell Square House
10/12 Russell Square
London
WC1B 5LF

Clear Technology Limited

Directors' report

Period from 1 January 2008 to 30 June 2009

The directors present their report and the audited financial statements of the company for the period from 1 January 2008 to 30 June 2009

Principal activities

The principal activity of the company during the year remained that of providing information technology and software related consultancy services

Directors

The directors who served the company during the period were as follows

S Fallon
R E Jacops
A S Price
B S Cohen
T Crossley
J Kendall
G Dawkes

R E Jacops was appointed as a director on 19 January 2009

A S Price was appointed as a director on 9 April 2009

T Crossley was appointed as a director on 6 February 2008

S Fallon resigned as a director on 9 April 2009

B S Cohen resigned as a director on 18 July 2008

T Crossley resigned as a director on 19 January 2009

J Kendall resigned as a director on 6 February 2008

G Dawkes resigned as a director on 6 February 2008

Directors' responsibilities

The directors are responsible for preparing the annual report and the 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Insofar as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Clear Technology Limited

Directors' report *(continued)*

Period from 1 January 2008 to 30 June 2009

Auditor

Chantrey Vellacott DFK LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985

Signed on behalf of the directors



A S Price

Director

Approved by the directors on

4-23-10

Clear Technology Limited

Independent auditor's report to the shareholders of Clear Technology Limited

Period from 1 January 2008 to 30 June 2009

We have audited the financial statements of Clear Technology Limited for the period from 1 January 2008 to 30 June 2009 which comprise the profit and loss account, balance sheet and the related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007) and on the basis of the accounting policies set out therein.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Clear Technology Limited

**Independent auditor's report to the shareholders of Clear Technology Limited
(continued)**

Period from 1 January 2008 to 30 June 2009

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 30 June 2009 and of its loss for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

Emphasis of matter - Going concern

In forming our opinion, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the directors' assessment that the going concern concept is valid. The company incurred a net loss before tax of £499,766 (2007 - £587,502) during the period ended 30 June 2009 and, at that date, the company's total liabilities exceed its total assets by £1,496,703 (2007 - £996,937). The company's ability to continue as a going concern and meet its liabilities as and when they fall due for the foreseeable future is dependent on the continued support of the company's ultimate parent company and its ability to raise additional working capital facilities as required. The company received confirmation of the continued support of its ultimate parent company, Trilogy Inc. Should this support be withdrawn, this would give rise to a fundamental uncertainty as to whether the company could continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Chantrey Vellacott DFK LLP

CHANTREY VELLACOTT DFK LLP
Chartered Accountants
Registered Auditor

London

26 April 2010

Clear Technology Limited

Profit and loss account

Period from 1 January 2008 to 30 June 2009

	Note	Period from 1 Jan 08 to 30 Jun 09 £	Year to 31 Dec 07 £
Turnover		1,182,744	2,769,158
Administrative expenses		1,682,393	3,356,660
Operating loss	2	(499,649)	(587,502)
Interest payable and similar charges		117	—
Loss on ordinary activities before taxation		(499,766)	(587,502)
Tax on loss on ordinary activities	4	—	—
Loss for the financial period		(499,766)	(587,502)

There is no difference between the profits shown above and their historical cost equivalents

The notes on pages 8 to 12 form part of these financial statements

Clear Technology Limited

Balance sheet

As at 30 June 2009

	Note	30 Jun 09 £	31 Dec 07 £
Fixed assets			
Tangible assets	5	<u>99</u>	<u>9,496</u>
Current assets			
Debtors	6	<u>1,572</u>	158,099
Cash at bank		<u>16,582</u>	<u>14,215</u>
		<u>18,154</u>	<u>172,314</u>
Creditors amounts falling due within one year	7	<u>50,580</u>	<u>239,048</u>
Net current liabilities		<u>(32,426)</u>	<u>(66,734)</u>
Total assets less current liabilities		<u>(32,327)</u>	<u>(57,238)</u>
Creditors amounts falling due after more than one year	8	<u>1,464,376</u>	<u>939,699</u>
		<u>(1,496,703)</u>	<u>(996,937)</u>
Capital and reserves			
Called up equity share capital	11	<u>2</u>	<u>2</u>
Profit and loss account	12	<u>(1,496,705)</u>	<u>(996,939)</u>
Deficit		<u>(1,496,703)</u>	<u>(996,937)</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2007)

These financial statements were approved by the directors and authorised for issue on 26/4/2010 and are signed on their behalf by



A S Price

Company Registration Number 3669569

The notes on pages 8 to 12 form part of these financial statements

Clear Technology Limited

Notes to the financial statements

Period from 1 January 2008 to 30 June 2009

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007)

The company's ability to continue as a going concern and meet its liabilities as and when they fall due for the foreseeable future is dependent on the continued support of its ultimate parent company, Trilogy Inc. The company has received confirmation from the parent company to that effect covering a period of at least twelve months from the date of signing these financial statements

The financial statements have been drawn up on a going concern basis, which assumes that the support of the company's ultimate parent will continue for the foreseeable future and that the company will raise additional working capital facilities as required. The financial statements do not include any adjustments that would have to be made should the company be unable to continue trading

Turnover

The turnover shown in the profit and loss account represents the value of goods and services provided in the year, exclusive of Value Added Tax

In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion

Fixed assets

All fixed assets are initially recorded at cost

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Equipment - 33 33% Straight line

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit

Financial instruments

Financial assets such as cash and debtors are measured at the present value of the amounts receivable, less an allowance for the expected level of doubtful receivables. Financial liabilities such as trade creditors and finance leases are measured at the present value of the obligation

Clear Technology Limited**Notes to the financial statements****Period from 1 January 2008 to 30 June 2009**

2 Operating loss

Operating loss is stated after charging/(crediting)

	Period from 1 Jan 08 to 30 Jun 09 £	Year to 31 Dec 07 £
Directors' emoluments	115,486	150,000
Directors' pension contributions	5,044	6,552
Staff pension contributions	42,006	45,910
Depreciation of owned fixed assets	5,905	-
Loss/(Profit) on disposal of fixed assets	3,492	(890)
Auditor's fees	10,950	-
Net loss on foreign currency translation	<u>520,249</u>	<u>-</u>

3 Directors' pension schemes

The number of directors who are accruing benefits under company pension schemes was as follows

	Period from 1 Jan 08 to 30 Jun 09 No	Year to 31 Dec 07 No
Money purchase schemes	<u>1</u>	<u>1</u>

4 Taxation on ordinary activities**Factors affecting current tax charge**

The tax assessed on the loss on ordinary activities for the period is at a higher rate than the standard rate of corporation tax in the UK of 28% (2007 - 30%)

	Period from 1 Jan 08 to 30 Jun 09 £	Year to 31 Dec 07 £
Loss on ordinary activities before taxation	<u>(499,766)</u>	<u>(587,502)</u>
Loss on ordinary activities multiplied by rate of tax	(139,934)	(176,251)
Expenses not deductible for tax purposes	556	897
Capital allowances for period in excess of depreciation	2,388	(3,140)
Tax losses carried forward	<u>136,990</u>	<u>178,494</u>
Total current tax	<u>-</u>	<u>-</u>

Clear Technology Limited**Notes to the financial statements****Period from 1 January 2008 to 30 June 2009**

5 Tangible fixed assets

	Equipment £
Cost	
At 1 January 2008	49,743
Disposals	(49,298)
At 30 June 2009	<u>445</u>
Depreciation	
At 1 January 2008	40,247
Charge for the period	5,905
On disposals	(45,806)
At 30 June 2009	<u>346</u>
Net book value	
At 30 June 2009	<u>99</u>
At 31 December 2007	<u>9,496</u>

6 Debtors

	30 Jun 09 £	31 Dec 07 £
Trade debtors	–	25,155
VAT recoverable	1,296	43,239
Other debtors	276	89,705
	<u>1,572</u>	<u>158,099</u>

7 Creditors amounts falling due within one year

	30 Jun 09 £	31 Dec 07 £
Trade creditors	16,614	94,646
Other taxation and social security	–	57,157
Other creditors	33,966	87,245
	<u>50,580</u>	<u>239,048</u>

Clear Technology Limited

Notes to the financial statements

Period from 1 January 2008 to 30 June 2009

8 Creditors amounts falling due after more than one year

	30 Jun 09 £	31 Dec 07 £
Amounts owed to group undertakings	<u>1,464,376</u>	<u>939,699</u>

9 Commitments under operating leases

At 30 June 2009 the company had aggregate annual commitments under non-cancellable operating leases as set out below

	30 Jun 09 £	31 Dec 07 £
Operating leases which expire		
Within one year	-	78,967
Within two to five years	-	<u>12,496</u>
	-	<u>91,463</u>

10 Related party transactions

The entire turnover of the company arises from sales to the immediate parent undertaking, Clear Technology Inc

At the year end, an amount of £1,454,401 (2007 £939,699) was owed to Clear Technology Inc

As at the balance sheet date, the company owed £9,975 to Artemis International Corporation Limited, a company that is controlled by the ultimate parent company Trilogy Inc

11 Share capital

Authorised share capital

	30 Jun 09 £	31 Dec 07 £
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid

	30 Jun 09 No	£	31 Dec 07 No	£
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

Clear Technology Limited**Notes to the financial statements****Period from 1 January 2008 to 30 June 2009**

12 Profit and loss account

	Period from 1 Jan 08 to 30 Jun 09 £	Year to 31 Dec 07 £
Balance brought forward	(996,939)	(409,437)
Loss for the financial period	(499,766)	(587,502)
Balance carried forward	<u>(1,496,705)</u>	<u>(996,939)</u>

13 Ultimate parent company

The Ultimate parent undertaking and controlling party is Trilogy Inc , which is incorporated in the USA. The group accounts are available from corporate headquarters

6011 West Courtyard Drive
Austin
TX 78730
USA

The smallest and largest group of undertakings for which group accounts have been drawn up is that headed by Trilogy Inc