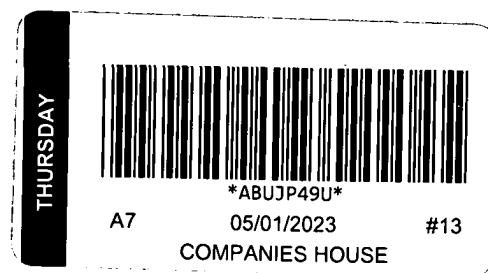

CIRRUS RESPONSE LIMITED

AMENDED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022



CIRRUS RESPONSE LIMITED

COMPANY INFORMATION

Directors	R Hoggarth J P Roos
Company secretary	M Roos
Registered number	08700358
Registered office	Kirkgate 19-31 Church Street Epsom Surrey KT17 4PF
Independent auditors	Barnes Roffe LLP Chartered Accountants & Statutory Auditors 3 Brook Business Centre Cowley Mill Road Uxbridge Middlesex UB8 2FX

CIRRUS RESPONSE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

The following accounts replace the original accounts filed at Companies House. They are now the statutory accounts and have been prepared as they were at the date of the original accounts.

The directors present their report and the financial statements for the year ended 31 March 2022.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' 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 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 of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting 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 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Going concern

The financial statements have been prepared on a going concern basis. Revenue since the reporting date continues to increase, is ahead of budget, and is generating an increased gross margin. Revenue projections for the remaining months of the financial year ending 31 March 2023 remain positive with a healthy pipeline to support continued growth. There is every reason to believe that such revenue increases will be ongoing after March 2023 and for the foreseeable future.

The business is looking for future investment to fund continued rapid growth and has been engaged with parties to secure such. This will enable the company to identify and execute accelerated growth in coming years. The directors have optional plans to protect the company's liquidity should market conditions require and remain confident that the cashflow is managed within the business to enable it to continue trading to current projections for the foreseeable future and for a period of not less than twelve months from the date of approval of these financial statements.

Therefore, the use of the going concern assumption remains appropriate.

Directors

The directors who served during the year were:

R Hoggarth
J P Roos

CIRRUS RESPONSE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Post balance sheet events

The group is having ongoing discussions with parties to secure the longer-term funding for the company to continue to scale rapidly. This is expected to be finalised prior to 31 March 2023.

There are no other subsequent events that require disclosure or adjustments to the financial statements.

Disclosure of information to auditors

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's auditors are 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's auditors are aware of that information.

Auditors

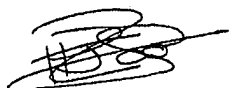
The auditors, Barnes Roffe LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on Dec 12 2022

and signed on its behalf.



.....
J P Roos
Director

CIRRUS RESPONSE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CIRRUS RESPONSE LIMITED

Opinion

We have audited the financial statements of Cirrus Response Limited (the 'Company') for the year ended 31 March 2022, which comprise the Statement of comprehensive income, the Statement of financial position and the related notes, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its loss 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

CIRRUS RESPONSE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CIRRUS RESPONSE LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. 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.

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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

CIRRUS RESPONSE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CIRRUS RESPONSE LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' 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 Auditors' 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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with law and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the company through discussion with directors and other management, and from our commercial knowledge and experience of the relevant sector;
- The specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, are as follows:
 - Companies Act 2006.
 - FRS102.
 - Employment legislation.
 - Tax legislation.
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of; and
- Laws and regulations were communicated within the audit team at the planning meeting, and during the audit as any further laws and regulation were identified. The audit team remained alert to instances of non-compliance throughout the audit.

CIRRUS RESPONSE LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CIRRUS RESPONSE LIMITED
(CONTINUED)**

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur by:

- Making enquires of management as to where they consider there was susceptibility to fraud and their knowledge of actual suspected and alleged fraud;
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;
- Reviewing the financial statements and testing the disclosures against supporting documentation;
- Performing analytical procedures to identify any unusual or unexpected trends or anomalies;
- Inspecting and testing journal entries to identify unusual or unexpected transactions;
- Assessing whether judgement and assumptions made in determining significant accounting estimates were indicative of management bias; and
- Investigating the rationale behind significant transactions, or transactions that are unusual or outside the company's usual course of business.

The areas that we identified as being susceptible to misstatement through fraud were:

- Management bias in the estimates and judgements made;
- Management override of controls; and
- Posting of unusual journals or transactions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation

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 Auditors' report.

CIRRUS RESPONSE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CIRRUS RESPONSE LIMITED
(CONTINUED)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Barnes Roffe LLP

Elliot S J Arwas (Senior statutory auditor)
for and on behalf of
Barnes Roffe LLP
Chartered Accountants & Statutory Auditors
3 Brook Business Centre
Cowley Mill Road
Uxbridge
Middlesex
UB8 2FX

Date: *13th December 2022*

CIRRUS RESPONSE LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	Year ended 31 March 2022 £	Period ended 31 March 2021 £
Turnover		7,823,653	8,589,903
Cost of sales		(3,596,736)	(4,372,406)
Gross profit		4,226,917	4,217,497
Administrative expenses		(5,096,506)	(6,624,450)
Exceptional administrative expenses	6	(1,295,953)	(2,245,564)
Other operating income		-	26,227
Operating loss		(2,165,542)	(4,626,290)
Interest receivable and similar income		68,071	898
Interest payable and similar expenses		(200,352)	(135,936)
Loss before tax		(2,297,823)	(4,761,328)
Tax on loss		285,931	344,718
Loss for the financial year/period		(2,011,892)	(4,416,610)
Total comprehensive income for the year/period		(2,011,892)	(4,416,610)

The notes on pages 11 to 24 form part of these financial statements.

CIRRUS RESPONSE LIMITED
REGISTERED NUMBER: 08700358

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	7	659,123	4,390,908
Tangible assets	8	28,436	80,490
Investments	9	39	39
		<u>687,598</u>	<u>4,471,437</u>
Current assets			
Debtors: amounts falling due within one year	10	1,505,544	1,355,546
Cash at bank and in hand	11	1,452,955	3,446,591
		<u>2,958,499</u>	<u>4,802,137</u>
Creditors: amounts falling due within one year	12	(8,539,750)	(11,285,050)
Net current liabilities		<u>(5,581,251)</u>	<u>(6,482,913)</u>
Total assets less current liabilities		<u>(4,893,653)</u>	<u>(2,011,476)</u>
Creditors: amounts falling due after more than one year	13	(1,095,838)	(1,966,123)
Net liabilities		<u><u>(5,989,491)</u></u>	<u><u>(3,977,599)</u></u>
Capital and reserves			
Called up share capital	15	1,257	1,257
Capital redemption reserve		1,310	1,310
Profit and loss account		(5,992,058)	(3,980,166)
		<u><u>(5,989,491)</u></u>	<u><u>(3,977,599)</u></u>

CIRRUS RESPONSE LIMITED
REGISTERED NUMBER: 08700358

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2022

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

12th December 2022



.....
J P Roos
Director

The notes on pages 11 to 24 form part of these financial statements.

CIRRUS RESPONSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. General information

Cirrus Response Limited is a company limited by shares, incorporated in England and Wales. The address of the registered office is Kirkgate, 19-31 Church Street, Epsom, Surrey, KT17 4PF.

The company specialises in providing cloud, contact centre and software solutions.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements present the year ended 31 March 2022. Comparative amounts present the eighteen month period to 31 March 2021.

The company is a parent undertaking of a small group and as such it is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis. Revenue since the reporting date continues to increase, is ahead of budget, and is generating an increased gross margin. Revenue projections for the remaining months of the financial year ending 31 March 2023 remain positive with a healthy pipeline to support continued growth. There is every reason to believe that such revenue increases will be ongoing after March 2023 and for the foreseeable future.

The business is looking for future investment to fund continued rapid growth and has been engaged with parties to secure such. This will enable the company to identify and execute accelerated growth in coming years. The directors have optional plans to protect the company's liquidity should market conditions require and remain confident that the cashflow is managed within the business to enable it to continue trading to current projections for the foreseeable future and for a period of not less than twelve months from the date of approval of these financial statements.

Therefore, the use of the going concern assumption remains appropriate.

CIRRUS RESPONSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

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 Company will receive the consideration due under the contract;
- the stage of completion of the contract at the reporting date can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised in equal installments over its estimated useful 10 year economic life.

Licenses

Licenses are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over the estimated useful lives of the assets.

Development costs

Development costs are valued at cost less accumulated amortisation. These costs are amortised on a straight line basis over five year from period of 5 years from the date that development is completed.

2.5 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.

CIRRUS RESPONSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.5 Tangible fixed assets (continued)

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 basis:

Fixtures and fittings	- Straight line over 7 years
Office equipment	- Straight line over 7 years
Computer equipment	- Reducing balance over 5 years

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 Statement of comprehensive income.

2.6 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans to and from related parties.

Financial assets that are measured at cost and amortised cost are assessed at each reporting date for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial

CIRRUS RESPONSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.8 Financial instruments (continued)

position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.9 Creditors

Creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 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 year 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 year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

2.11 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 the Statement of comprehensive income 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 Statement of comprehensive income in the same year as the related expenditure.

CIRRUS RESPONSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.12 Finance costs

Finance costs are charged to the Statement of comprehensive income 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.

2.13 Operating leases: the Company as lessee

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

2.14 Research and development

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

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

2.15 Taxation

Tax is recognised in the 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 reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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 reporting date.

CIRRUS RESPONSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.16 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.17 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

2.18 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.19 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.20 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.21 Dividends

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

3. Employees

The average monthly number of employees, including directors, during the year was 50 (*period ended 31 March 2021 - 45*).

CIRRUS RESPONSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

4. Directors' remuneration

	Year ended 31 March 2022 £	Period ended 31 March 2021 £
Directors' emoluments	305,989	314,913
Company contributions to defined contribution pension schemes	3,455	3,311
	<u>309,444</u>	<u>318,224</u>

During the year, retirement benefits were accruing to 2 directors (*period ended 31 March 2021 - 2*) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £215,989 (*period ended 31 March 2021 - £288,275*).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £2,135 (*period ended 31 March 2021 - £3,202*).

5. Dividends

	Year ended 31 March 2022 £	Period ended 31 March 2021 £
Dividend paid	-	24,000
	<u>-</u>	<u>24,000</u>

During the year, the directors and their close family members had an interest in dividends of £Nil (*period ended 31 March 2021 - £24,000*)

CIRRUS RESPONSE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

6. Exceptional items

	Year ended 31 March 2022 £	<i>As restated</i> <i>Period ended</i> 31 March 2021 £
Redundancy costs	41,803	-
Professional fees in relation to group restructure	65,958	826,004
Provision against irrecoverable debtor	288,068	1,228,384
Impairment of intangible fixed assets	900,124	-
Amounts written off investments	-	191,176
	<u>1,295,953</u>	<u>2,245,564</u>

7. Intangible assets

	Other intangible assets £	Development costs £	Goodwill £	Total £
Cost				
At 1 April 2021	1,242	4,572,977	725,000	5,299,219
Additions	-	911,410	-	911,410
Disposals	-	(3,601,101)	-	(3,601,101)
Impairment	-	(900,124)	-	(900,124)
At 31 March 2022	<u>1,242</u>	<u>983,162</u>	<u>725,000</u>	<u>1,709,404</u>
Amortisation				
At 1 April 2021	1,242	182,069	725,000	908,311
Charge for the year	-	143,070	-	143,070
On disposals	-	(1,100)	-	(1,100)
At 31 March 2022	<u>1,242</u>	<u>324,039</u>	<u>725,000</u>	<u>1,050,281</u>
Net book value				
At 31 March 2022	<u>-</u>	<u>659,123</u>	<u>-</u>	<u>659,123</u>
At 31 March 2021	<u>-</u>	<u>4,390,908</u>	<u>-</u>	<u>4,390,908</u>

CIRRUS RESPONSE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

7. Intangible assets (continued)

8. Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Total £
Cost			
At 1 April 2021	703,273	118,915	822,188
Additions	-	12,719	12,719
Disposals	-	(1,087)	(1,087)
At 31 March 2022	<u>703,273</u>	<u>130,547</u>	<u>833,820</u>
Depreciation			
At 1 April 2021	689,284	52,414	741,698
Charge for the year	13,238	50,756	63,994
Disposals	-	(308)	(308)
At 31 March 2022	<u>702,522</u>	<u>102,862</u>	<u>805,384</u>
Net book value			
At 31 March 2022	<u>751</u>	<u>27,685</u>	<u>28,436</u>
At 31 March 2021	<u>13,989</u>	<u>66,501</u>	<u>80,490</u>

CIRRUS RESPONSE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

9. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 April 2021 (as restated)	191,215
At 31 March 2022	<u>191,215</u>
Impairment	
At 1 April 2021 (as restated)	191,176
At 31 March 2022	<u>191,176</u>
Net book value	
At 31 March 2022	<u>39</u>
At 31 March 2021	<u>39</u>

Subsidiary undertakings

The following was a subsidiary undertaking of the company:

Name	Registered office	Class of shares	Holdings
Cirrus Response Inc.	USA	Ordinary	100%

10. Debtors

	2022 £	2021 £
Trade debtors	1,033,474	780,830
Other debtors	286,197	411,694
Prepayments and accrued income	185,873	163,022
	<u>1,505,544</u>	<u>1,355,546</u>

CIRRUS RESPONSE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

11. Cash and cash equivalents

	2022	2021
	£	£
Cash at bank and in hand	1,452,955	3,446,591
Less: bank overdrafts	-	(36,393)
	<u>1,452,955</u>	<u>3,410,198</u>

12. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Bank overdrafts	-	36,393
Bank loans	839,348	209,837
Trade creditors	934,128	4,883,546
Amounts owed to group undertakings	5,452,212	5,440,098
Other taxation and social security	493,122	317,174
Other creditors	66,270	39,074
Accruals and deferred income	754,670	358,928
	<u>8,539,750</u>	<u>11,285,050</u>

The bank loan is secured over the property and undertakings of the company. The other loans are secured against the customers and billing of the Cirrus business run by Cirrus Response Limited or any successor to which the assets of Cirrus Response Limited are transferred.

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

	2022	2021
	£	£
Bank loans	1,095,838	1,935,186
Other taxation and social security	-	30,937
	<u>1,095,838</u>	<u>1,966,123</u>

The bank loan is secured over the property and undertakings of the company. The other loans are secured against the customers and billing of the Cirrus business run by Cirrus Response Limited or any successor to which the assets of Cirrus Response Limited are transferred.

CIRRUS RESPONSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

14. Loans

Analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year		
Bank loans	839,348	209,837
	<u>839,348</u>	<u>209,837</u>
Amounts falling due 1-2 years		
Bank loans	1,095,838	839,348
	<u>1,095,838</u>	<u>839,348</u>
Amounts falling due 2-5 years		
Bank loans	-	1,095,838
	<u>-</u>	<u>1,095,838</u>
	<u>1,935,186</u>	<u>2,145,023</u>

CIRRUS RESPONSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

15. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
12,574 Ordinary shares of £0.10 each	<u>1,257</u>	<u>1,257</u>

16. Prior year adjustment

Prior year investment, other debtors, exceptional items and the amounts written off investments have been restated in order to correctly reflect transactions related to the group restructure. The impact of the restatement has no impact on the previously reported net liabilities and previously reported losses.

17. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £46,112 (*period ended 31 March 2021 - £59,327*). Contributions totalling £8,664 (*2021 - £5,269*) were payable to the fund at the reporting date and are included in creditors.

18. Commitments under operating leases

At 31 March 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	113,158	88,158
Later than 1 year and not later than 5 years	387,146	320,305
Later than 5 years	120,000	300,000
	<u>620,304</u>	<u>708,463</u>

CIRRUS RESPONSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

19. Related party transactions

During the year, the company made purchases of £1,130,827 (*period ended 31 March 2021 - £3,641,001*) and sales of £Nil (*period ended 31 March 2021 - £19,854*) from a former shareholder. At the reporting date, an amount of £496,872 (*2021 - £540,627*) was due to the former shareholder.

Included within creditors falling due within one year is a loan from a former shareholder of £Nil (*2021 - £Nil*). Included within creditors falling due after one year is a loan from a former shareholder of £Nil (*2021 - £Nil*). Loan interest of £Nil (*period ended 31 March 2021 - £19,363*) was payable during the year.

During the year, the company made purchases of £30,900 (*period ended 31 March 2021 - £Nil*) from an entity under common control. At the reporting date, an amount of £15,504 (*period ended 31 March 2021 - £Nil*) was due to the entity under common control.

Included within other debtors is an amount due from the subsidiary undertaking of £1,521,581 (*2021 - £1,228,384 as restated*). A provision of £1,521,581 (*period ended 31 March 2021 - £1,228,384 as restated*) has been recorded against this amount.

20. Post balance sheet events

The group is having ongoing discussions with parties to secure the longer-term funding for the company to continue to scale rapidly. This is expected to be finalised prior to 31 March 2023.

There are no other subsequent events that require disclosure or adjustments to the financial statements.

21. Ultimate parent undertaking and controlling party

The immediate and ultimate parent undertaking is Cirrus Response Group Limited, a company incorporated in England and Wales. The registered office of the parent undertaking is Kirkgate, 19-31 Church Street, Espom, Surrey, KT17 4PF.

The smallest and largest group in which the results of the company are consolidated is Cirrus Response Group Limited. Consolidated accounts can be obtained from Companies House, Crown Way, Cardiff CF14 3UZ.

In the opinion of directors, there is no ultimate controlling party.