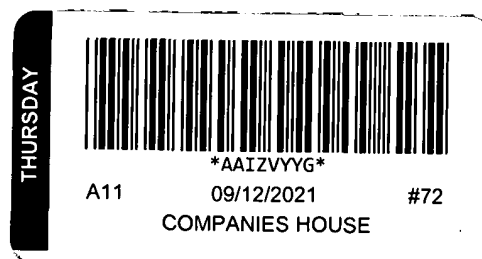

CIRRUS RESPONSE LIMITED

FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE PERIOD ENDED 31 MARCH 2021



CIRRUS RESPONSE LIMITED
REGISTERED NUMBER: 08700358

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

		31 March 2021 £	Unaudited 30 September 2019 £
	Note		
Fixed assets			
Intangible assets	4	4,390,908	568,668
Tangible assets	5	80,490	158,894
Investments	6	39	39
		<u>4,471,437</u>	<u>727,601</u>
Current assets			
Debtors: amounts falling due within one year	7	1,355,546	1,724,303
Cash at bank and in hand	8	3,446,591	121,999
		<u>4,802,137</u>	<u>1,846,302</u>
Creditors: amounts falling due within one year	9	(11,285,050)	(1,401,352)
Net current (liabilities)/assets		<u>(6,482,913)</u>	<u>444,950</u>
Total assets less current liabilities		<u>(2,011,476)</u>	<u>1,172,551</u>
Creditors: amounts falling due after more than one year	10	(1,966,123)	(709,540)
Net (liabilities)/assets		<u><u>(3,977,599)</u></u>	<u><u>463,011</u></u>
Capital and reserves			
Called up share capital	12	1,257	1,257
Capital redemption reserve		1,310	1,310
Profit and loss account		(3,980,166)	460,444
		<u><u>(3,977,599)</u></u>	<u><u>463,011</u></u>

CIRRUS RESPONSE LIMITED
REGISTERED NUMBER: 08700358

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2021

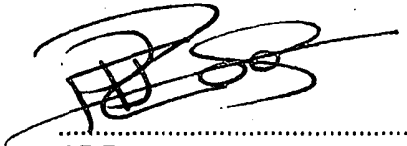
The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the Statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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

30 November 2021



.....
J P Roos
Director

The notes on pages 3 to 15 form part of these financial statements.

CIRRUS RESPONSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021

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 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 2022 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 2022 and for the foreseeable future.

In order to protect the company's cashflow, an updated plan was approved by the Board in July 2021. This reduced overheads in the business but protected key areas to allow revenue to continue to increase.

The business can continue to trade without further investment, however strong growth opportunities remain, and the directors are considering further investment options to allow the business to accelerate 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. Therefore, the use of the going concern assumption remains appropriate.

CIRRUS RESPONSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021

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 PERIOD ENDED 31 MARCH 2021

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 PERIOD ENDED 31 MARCH 2021

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 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 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 period as the related expenditure.

CIRRUS RESPONSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021

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 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 Statement of financial position 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.

2.15 Interest income

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

2.16 Borrowing costs

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

CIRRUS RESPONSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.17 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.

2.18 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.

2.19 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.20 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 period was 45 (*unaudited year ended 30 September 2019 - 35*).

CIRRUS RESPONSE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

4. Intangible assets

	Other intangible assets £	Development costs £	Goodwill £	Total £
Cost				
At 1 October 2019 (unaudited)	1,242	308,535	725,000	1,034,777
Additions	-	4,264,442	-	4,264,442
At 31 March 2021	<u>1,242</u>	<u>4,572,977</u>	<u>725,000</u>	<u>5,299,219</u>
Amortisation				
At 1 October 2019 (unaudited)	1,242	29,867	435,000	466,109
Charge for the period	-	152,202	108,750	260,952
Impairment	-	-	181,250	181,250
At 31 March 2021	<u>1,242</u>	<u>182,069</u>	<u>725,000</u>	<u>908,311</u>
Net book value				
At 31 March 2021	<u>-</u>	<u>4,390,908</u>	<u>-</u>	<u>4,390,908</u>
At 30 September 2019 (unaudited)	<u>-</u>	<u>278,668</u>	<u>290,000</u>	<u>568,668</u>

CIRRUS RESPONSE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

5. Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Total £
Cost			
At 1 October 2019 (unaudited)	700,726	78,372	779,098
Additions	2,902	40,543	43,445
Disposals	(355)	-	(355)
At 31 March 2021	<u>703,273</u>	<u>118,915</u>	<u>822,188</u>
Depreciation			
At 1 October 2019 (unaudited)	587,966	32,238	620,204
Charge for the period	101,441	20,176	121,617
Disposals	(123)	-	(123)
At 31 March 2021	<u>689,284</u>	<u>52,414</u>	<u>741,698</u>
Net book value			
At 31 March 2021	<u>13,989</u>	<u>66,501</u>	<u>80,490</u>
At 30 September 2019 (unaudited)	<u>112,760</u>	<u>46,134</u>	<u>158,894</u>

CIRRUS RESPONSE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

6. Fixed asset investments

	Investments in subsidiary companies £
Cost and net book value	
At 1 October 2019 (unaudited)	39
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%

7. Debtors

	31 March 2021 £	Unaudited 30 September 2019 £
Trade debtors	780,830	933,893
Other debtors	411,694	725,210
Prepayments and accrued income	163,022	65,200
	<u>1,355,546</u>	<u>1,724,303</u>

8. Cash and cash equivalents

	31 March 2021 £	Unaudited 30 September 2019 £
Cash at bank and in hand	3,446,591	121,999
Less: bank overdrafts	(36,393)	-
	<u>3,410,198</u>	<u>121,999</u>

CIRRUS RESPONSE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

9. Creditors: Amounts falling due within one year

	31 March 2021 £	<i>Unaudited</i> 30 September 2019 £
Bank overdrafts	36,393	-
Bank loans	209,837	-
Other loans	-	175,813
Trade creditors	4,883,546	881,052
Amounts owed to group undertakings	5,440,098	-
Other taxation and social security	317,174	206,275
Other creditors	39,074	63,466
Accruals and deferred income	358,928	74,746
	11,285,050	1,401,352

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.

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

	31 March 2021 £	<i>Unaudited</i> 30 September 2019 £
Bank loans	1,935,186	-
Other loans	-	652,680
Other taxation and social security	30,937	-
Accruals and deferred income	-	56,860
	1,966,123	709,540

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 PERIOD ENDED 31 MARCH 2021

11. Loans

Analysis of the maturity of loans is given below:

	31 March 2021 £	Unaudited 30 September 2019 £
Amounts falling due within one year		
Bank loans	209,837	-
Other loans	-	175,813
	<u>209,837</u>	<u>175,813</u>
Amounts falling due 1-2 years		
Bank loans	839,348	-
Other loans	-	218,925
	<u>839,348</u>	<u>218,925</u>
Amounts falling due 2-5 years		
Bank loans	1,095,838	-
Other loans	-	433,755
	<u>1,095,838</u>	<u>433,755</u>
	<u>2,145,023</u>	<u>828,493</u>

CIRRUS RESPONSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021

12. Share capital

	31 March 2021 £	Unaudited 30 September 2019 £
Allotted, called up and fully paid		
Nil (2019 - 629) Ordinary A shares of £0.10 each	-	63
Nil (2019 - 5,533) Ordinary B shares of £0.10 each	-	553
Nil (2019 - 6,413) Ordinary D shares of £0.10 each	-	641
12,574 (2019 - Nil) Ordinary shares of £0.10 each	1,257	-
	<u>1,257</u>	<u>1,257</u>

All share classes rank pari passu in every respect except that dividends may be declared at different rates on different classes of shares.

During the period, all Ordinary A, Ordinary B, and Ordinary D shares were redesignated to Ordinary shares.

13. 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 £59,327 (*unaudited year ended 30 September 2019 - £21,234*). Contributions totalling £5,269 (*unaudited 30 September 2019 - £2,704*) were payable to the fund at the reporting date and are included in creditors.

14. Related party transactions

During the period, the company made purchases of £3,641,001 (*unaudited year ended 30 September 2019 - £1,790,214*) and sales of £19,854 (*unaudited year ended 30 September 2019 - £57,565*) from a former shareholder. At the reporting date, an amount of £540,627 (*unaudited 30 September 2019 - £686,720*) was due to the former shareholder.

Included within creditors falling due within one year is a loan from a former shareholder of £Nil (*unaudited 30 September 2019 - £109,417*). Included within creditors falling due after one year is a loan from a former shareholder of £Nil (*unaudited 30 September 2019 - £457,115*). Loan interest of £19,363 (*unaudited year ended 30 September 2019 - £4,075*) was payable during the period.

Included within creditors falling due within one year is a loan from a former shareholder of £Nil (*unaudited 30 September 2019 - £19,091*). Included within creditors falling due after one year is a loan from a former shareholder of £Nil (*unaudited 30 September 2019 - £82,351*).

Included within other creditors is an amount of £Nil (*unaudited 30 September 2019 - £33,044*) due to directors.

Included within other debtors is an amount due from the subsidiary undertaking of £1,419,560 (*unaudited 30 September 2019 - £595,809*). A provision of £1,419,560 (*unaudited 30 September 2019 - £Nil*) has been recorded against this amount.

CIRRUS RESPONSE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021**

15. Post balance sheet events

At the date of approval of these accounts, the COVID-19 pandemic remains prevalent in the UK. It is not possible to accurately predict the duration or magnitude of any potential consequences as a result of the pandemic at this time.

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

16. 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.

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

17. Auditors' information

The auditors' report was unqualified and made reference to the following matter to which the auditor drew attention.

The period ended 31 March 2021 was the first period which the financial statements were audited. The comparative figures in these financial statements are therefore unaudited.

The Senior statutory auditor was Elliot S J Arwas, for and on behalf of Barnes Roffe LLP.