

Registered number: 12897517

**CIRRUS CONNECTS GROUP LIMITED (FORMERLY KNOWN AS CIRRUS
RESPONSE GROUP LIMITED)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

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CIRRUS CONNECTS GROUP LIMITED (FORMERLY KNOWN AS CIRRUS RESPONSE GROUP LIMITED)

COMPANY INFORMATION

Directors	R Hoggarth J P Roos Z Kasmani
Registered number	12897517
Registered office	Kirkgate 19-31 Church Street Epsom KT17 4PF
Independent auditors	Barnes Roffe LLP Chartered Accountants & Statutory Auditors 3 Brook Business Centre Cowley Mill Road Uxbridge Middlesex UB8 2FX

CIRRUS CONNECTS GROUP LIMITED (FORMERLY KNOWN AS CIRRUS RESPONSE GROUP LIMITED)

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

Introduction

The directors present their Group strategic report for the year ended 31 March 2023.

Business review

Cirrus Connects Group Limited (formerly known as Cirrus Response Group Limited) is the holding company of Cirrus Response Limited ('Cirrus'), a market-leading UK provider of Omnichannel CCaaS software and solutions to mid-market contact centres. Using an agnostic approach to technology platforms allows Cirrus to provide one of the most flexible offerings on the market. The company has successfully continued to build its focus on the indirect channel to market, with high rates of growth expected over the next few years. The Indirect channel has seen an annual growth rate of over 35% in the year to 31 March 2023. A high percentage year-on-year revenue increase is the company's goal, this having been achieved in the year to 31 March 2023. This will be achieved whilst looking to continue to increase the company's gross margin and investing in new technologies to allow for continued expansion in future years.

The Group will be maintaining and developing long-term relationships with key channel partners whilst continuing to build on the 99.99% uptime which will remain at the forefront of the company's strategy to enable its goals to be delivered. The Group recently (July 2023) took out a new loan with National Westminster Bank, enabling it to close its old loans, the new loan is at preferential rates compared to the old loan. This will allow the company to bolster its team, execute on new technologies whilst fulfilling the large pipeline and help monetise the opportunities.

Principal risks and uncertainties

The group's main financial instrument is cash. The group has various other financial instruments such as trade debtors and trade creditors which arise directly from its operations. The group monitors its use of financial instruments and the risk that may arise on an ongoing basis.

The main risks arising from the financial instruments are detailed below. The group reviews and agrees policies for managing the risks detailed below to minimise exposure.

Credit risk

The group only trades with recognised, creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the group's exposure to bad debts is not significant.

Cash flow risk

The Board continually monitors the cash requirements of the group to ensure that the group has ready access to the funds that the board deems necessary at any time during the year. The monitoring and review of future projections by the board ensures that there are adequate facilities readily available from the group's finance providers to support the group's cash flow requirements.

Interest risk

The group is exposed to fair value interest rate risk on its variable rate borrowings. The group seeks to reduce this risk by keeping any borrowings to a minimum.

Liquidity risk

The group seeks to manage liquidity risk to ensure that sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The group deems there is sufficient liquidity for the foreseeable future.

CIRRUS CONNECTS GROUP LIMITED (FORMERLY KNOWN AS CIRRUS RESPONSE GROUP LIMITED)

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Change of name

On 2 August 2023 the company changed its name from Cirrus Response Group Limited to Cirrus Connects Group Limited.

Financial key performance indicators

The directors have monitored the progress of the group strategy by reference to certain financial key performance indicators.

The group's turnover was for the year £8,906,885 (2022 - £7,938,256).

The group's gross profit was for the year £5,068,626 (2022 - £4,362,395).

The group had net assets as at 31 March 2023 of £12,149,029 (2022 - £14,748,350).

This report was approved by the board on

28.11.2023

and signed on its behalf.

Jason Roos

J P Roos
Director

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

The directors present their report and the financial statements for the year ended 31 March 2023.

Directors' responsibilities statement

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 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 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.

Going concern

The financial statements have been prepared on a going concern basis.

Revenue since the reporting date continues to increase and is generating a healthy gross margin. Revenue projections for the remaining months of the financial year ending 31 March 2024 remain positive with a healthy pipeline to support continued growth with the aid of new product offerings. There is every reason to believe that such revenue increases will be ongoing after March 2024 and for the foreseeable future.

The business took renewed funding from National Westminster Bank in July 2023 to ensure its ability to fund continued rapid growth. This will enable the company to identify and execute accelerated growth in the current year and 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.

Results and dividends

The loss for the year, after taxation, amounted to £2,604,646 (2022 - £3,671,811).

During the current and prior year, no dividends were declared or paid.

CIRRUS CONNECTS GROUP LIMITED (FORMERLY KNOWN AS CIRRUS RESPONSE GROUP LIMITED)

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Directors

The directors who served during the year were:

R Hoggarth
J P Roos
R Satsangi (resigned 6 July 2023)

Z Kasmani was appointed as director on 14 July 2023.

Future developments

The Board continue to review investment opportunities and is confident that the group can build on its revenue growth and deliver profits.

Matters covered in the Group strategic report

The company has chosen, in accordance with section 414C of the Companies Act 2006, to set out the following information which would otherwise be required to be contained in the Directors' report within the Group strategic report: likely financial risk management objective and policies, and business review and future developments in the business of the group.

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 and the Group'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 and the Group's auditors are aware of that information.

Post balance sheet events

The group has taken a new loan from National Westminster Bank in July 2023, this loan enabled the company to pay off all other loans and is at a preferential rate compared to the previous loans.

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

Auditors

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

This report was approved by the board on 28.11.2023 and signed on its behalf.

Jason Roos

J P Roos
Director

CIRRUS CONNECTS GROUP LIMITED (FORMERLY KNOWN AS CIRRUS RESPONSE GROUP LIMITED)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CIRRUS CONNECTS GROUP LIMITED
(FORMERLY KNOWN AS CIRRUS RESPONSE GROUP LIMITED)**

Opinion

We have audited the financial statements of Cirrus Connects Group Limited (formerly known as Cirrus Response Group Limited) (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2023, which comprise the Group Statement of comprehensive income, the Group and Company Statements of financial position, the Group Statement of cash flows, the Group and Company Statement of changes in equity 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 Group's and of the parent Company's affairs as at 31 March 2023 and of the Group's 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 Group 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 Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

CIRRUS CONNECTS GROUP LIMITED (FORMERLY KNOWN AS CIRRUS RESPONSE GROUP LIMITED)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CIRRUS CONNECTS GROUP LIMITED
(FORMERLY KNOWN AS CIRRUS RESPONSE GROUP 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 Group 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 Group 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 its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
 - the parent Company financial statements are not in agreement with the accounting records and returns; or
 - certain disclosures of directors' remuneration specified by law are not made; or
 - we have not received all the information and explanations we require for our audit.
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CIRRUS CONNECTS GROUP LIMITED (FORMERLY KNOWN AS CIRRUS RESPONSE GROUP LIMITED)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CIRRUS CONNECTS GROUP LIMITED (FORMERLY KNOWN AS CIRRUS RESPONSE GROUP LIMITED) (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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 Group 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.
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- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and reviewing supporting evidence where applicable;
 - 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 noncompliance throughout the audit; and
 - As auditors of group companies, we were able to cover the above matters at a group and component level and thereby ensure the audit team were aware of the above matters across group companies.

CIRRUS CONNECTS GROUP LIMITED (FORMERLY KNOWN AS CIRRUS RESPONSE GROUP LIMITED)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CIRRUS CONNECTS GROUP LIMITED
(FORMERLY KNOWN AS CIRRUS RESPONSE GROUP 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 enquiries 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 CONNECTS GROUP LIMITED (FORMERLY KNOWN AS CIRRUS RESPONSE GROUP LIMITED)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CIRRUS CONNECTS GROUP LIMITED
(FORMERLY KNOWN AS CIRRUS RESPONSE GROUP 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: 29.11.2023

CIRRUS CONNECTS GROUP LIMITED (FORMERLY KNOWN AS CIRRUS RESPONSE GROUP LIMITED)

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	2023 £	2022 £
Turnover	4	8,906,885	7,938,256
Cost of sales		(3,838,259)	(3,575,861)
Gross profit		5,068,626	4,362,395
Administrative expenses		(6,837,112)	(7,111,292)
Exceptional administrative expenses	12	(579,709)	(1,007,885)
Operating loss	5	(2,348,195)	(3,756,782)
Interest receivable and similar income	9	3,099	68,075
Interest payable and similar expenses	10	(339,508)	(268,208)
Loss before taxation		(2,684,604)	(3,956,915)
Tax on loss	11	79,958	285,104
Loss for the financial year		(2,604,646)	(3,671,811)
Foreign exchange on consolidation		5,325	(59,135)
Other comprehensive income for the year		5,325	(59,135)
Total comprehensive income for the year		(2,599,321)	(3,730,946)

The notes on pages 18 to 34 form part of these financial statements.

CIRRUS CONNECTS GROUP LIMITED (FORMERLY KNOWN AS CIRRUS RESPONSE GROUP LIMITED)
REGISTERED NUMBER: 12897517

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	13	14,087,232	15,946,177
Tangible assets	14	21,429	28,436
		<u>14,108,661</u>	<u>15,974,613</u>
Current assets			
Debtors: amounts falling due within one year	16	1,912,651	1,519,735
Cash at bank and in hand	17	932,581	1,466,084
		<u>2,845,232</u>	<u>2,985,819</u>
Creditors: amounts falling due within one year	18	(3,804,864)	(3,116,244)
Net current liabilities		<u>(959,632)</u>	<u>(130,425)</u>
Total assets less current liabilities		<u>13,149,029</u>	<u>15,844,188</u>
Creditors: amounts falling due after more than one year	19	(1,000,000)	(1,095,838)
Net assets		<u><u>12,149,029</u></u>	<u><u>14,748,350</u></u>
Capital and reserves			
Called up share capital	21	19,129,388	19,130,453
Capital redemption reserve	22	1,065	-
Foreign exchange reserve	22	(53,810)	(59,135)
Profit and loss account	22	(6,927,614)	(4,322,968)
		<u><u>12,149,029</u></u>	<u><u>14,748,350</u></u>

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

Jason Roos

28.11.2023

J P Roos
Director

The notes on pages 18 to 34 form part of these financial statements.

CIRRUS CONNECTS GROUP LIMITED (FORMERLY KNOWN AS CIRRUS RESPONSE GROUP LIMITED)
REGISTERED NUMBER: 12897517

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Investments	15	13,676,483	13,676,483
Current assets			
Debtors: amounts falling due within one year	16	5,282,829	5,452,212
		<u>5,282,829</u>	<u>5,452,212</u>
Creditors: amounts falling due within one year	18	(19,202)	(16,900)
Net current assets		<u>5,263,627</u>	<u>5,435,312</u>
Net assets		<u><u>18,940,110</u></u>	<u><u>19,111,795</u></u>
Capital and reserves			
Called up share capital	21	19,129,388	19,130,453
Capital redemption reserve	22	1,065	-
Profit and loss account brought forward		(18,658)	(1,079)
Loss for the year		(171,685)	(17,579)
Profit and loss account carried forward	22	(190,343)	(18,658)
		<u><u>18,940,110</u></u>	<u><u>19,111,795</u></u>

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

Jason Roos

28.11.2023

J P Roos
Director

The notes on pages 18 to 34 form part of these financial statements.

**CIRRUS CONNECTS GROUP LIMITED (FORMERLY KNOWN AS CIRRUS
RESPONSE GROUP LIMITED)**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023**

	Called up share capital £	Capital redemption reserve £	Foreign exchange reserve £	Profit and loss account £	Total equity £
At 1 April 2021	19,117,660	-	-	(651,157)	18,466,503
Comprehensive income for the year					
Loss for the year	-	-	-	(3,671,811)	(3,671,811)
Foreign exchange	-	-	(59,135)	-	(59,135)
Total comprehensive income for the year	-	-	(59,135)	(3,671,811)	(3,730,946)
Shares issued during the year	12,793	-	-	-	12,793
At 1 April 2022	19,130,453	-	(59,135)	(4,322,968)	14,748,350
Comprehensive income for the year					
Loss for the year	-	-	-	(2,604,646)	(2,604,646)
Foreign exchange	-	-	5,325	-	5,325
Total comprehensive income for the year	-	-	5,325	(2,604,646)	(2,599,321)
Purchase of own shares	-	1,065	-	-	1,065
Shares cancelled during the year	(1,065)	-	-	-	(1,065)
At 31 March 2023	19,129,388	1,065	(53,810)	(6,927,614)	12,149,029

The notes on pages 18 to 34 form part of these financial statements.

**CIRRUS CONNECTS GROUP LIMITED (FORMERLY KNOWN AS CIRRUS
RESPONSE GROUP LIMITED)**

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023**

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 April 2021	19,117,660	-	(1,079)	19,116,581
Comprehensive income for the year				
Loss for the year	-	-	(17,579)	(17,579)
Shares issued during the year	12,793	-	-	12,793
At 1 April 2022	19,130,453	-	(18,658)	19,111,795
Loss for the year	-	-	(171,685)	(171,685)
Purchase of own shares	-	1,065	-	1,065
Shares cancelled during the year	(1,065)	-	-	(1,065)
At 31 March 2023	<u>19,129,388</u>	<u>1,065</u>	<u>(190,343)</u>	<u>18,940,110</u>

The notes on pages 18 to 34 form part of these financial statements.

CIRRUS CONNECTS GROUP LIMITED (FORMERLY KNOWN AS CIRRUS RESPONSE GROUP LIMITED)

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023**

	2023 £	2022 £
Cash flows from operating activities		
Loss for the financial year	(2,604,646)	(3,671,811)
Adjustments for:		
Amortisation of intangible assets	1,896,969	1,890,162
Depreciation of tangible assets	17,250	68,032
Loss on disposal of tangible assets	-	21,710
Interest paid	339,508	268,208
Interest received	(3,099)	(68,075)
Taxation charge	(79,958)	(285,104)
(Increase) in debtors	(392,916)	(97,618)
Increase/(decrease) in creditors	351,312	(2,960,476)
Corporation tax received/(paid)	85,283	(286,176)
Net cash generated from operating activities	(390,297)	(5,121,148)
Cash flows from investing activities		
Purchase of intangible fixed assets	(38,024)	(911,410)
Sale of intangible assets	-	4,500,125
Purchase of tangible fixed assets	(10,243)	(12,719)
Sale of tangible fixed assets	-	3,430
Interest received	3,099	68,075
Net cash from investing activities	(45,168)	3,647,501

CIRRUS CONNECTS GROUP LIMITED (FORMERLY KNOWN AS CIRRUS RESPONSE GROUP LIMITED)

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

	2023 £	2022 £
Cash flows from financing activities		
Issue of ordinary shares	-	12,793
Repayment of loans	(758,530)	(297,577)
Other new loans	1,000,000	-
Interest paid	(339,508)	(268,208)
Net cash used in financing activities	(98,038)	(552,992)
Net (decrease) in cash and cash equivalents	(533,503)	(2,026,639)
Cash and cash equivalents at beginning of year	1,466,084	3,492,723
Cash and cash equivalents at the end of year	932,581	1,466,084
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	932,581	1,466,084
	932,581	1,466,084

The notes on pages 18 to 34 form part of these financial statements.

CIRRUS CONNECTS GROUP LIMITED (FORMERLY KNOWN AS CIRRUS RESPONSE GROUP LIMITED)

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2023**

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	1,466,084	(533,503)	932,581
Debt due after 1 year	(1,095,838)	95,838	(1,000,000)
Debt due within 1 year	(845,565)	(337,308)	(1,182,873)
	<u>(475,319)</u>	<u>(774,973)</u>	<u>(1,250,292)</u>

The notes on pages 18 to 34 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. General information

Cirrus Connects Group Limited (formerly known as Cirrus Response Group 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, England, KT17 4PF.

The Company is a holding company. The group 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 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 judgment 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.

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 Statement of financial position, 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 MARCH 2023**

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on a going concern basis.

Revenue since the reporting date continues to increase and is generating a healthy gross margin. Revenue projections for the remaining months of the financial year ending 31 March 2024 remain positive with a healthy pipeline to support continued growth with the aid of new product offerings. There is every reason to believe that such revenue increases will be ongoing after March 2024 and for the foreseeable future.

The business took renewed funding from National Westminster Bank in July 2023 to ensure its ability to fund continued rapid growth. This will enable the company to identify and execute accelerated growth in the current year and 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.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each 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'.

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 MARCH 2023

2. Accounting policies (continued)

2.5 Revenue

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.

2.6 Operating leases: the Group as lessee

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

2.7 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.

2.8 Interest income

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

2.9 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.10 Borrowing costs

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

2.11 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 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 Group in independently administered funds.

2.12 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 and the Group operate and generate income.

2.13 Exceptional items

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

2.14 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 the Group's share 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 on a straight-line basis to the Statement of comprehensive income over its useful economic life.

Other 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.15 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 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.

2.16 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.17 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.18 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.19 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.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.20 Creditors

Short-term 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.

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

In preparing these financial statements, the directors have had to make the following judgments in applying the above accounting policies that have had the most significant effect on the amounts recognised in the financial statements:

1. Determine whether there are indicators of impairment of the group's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Other key sources of estimation uncertainty:

1. Tangible fixed assets, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing the asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

CIRRUS CONNECTS GROUP LIMITED (FORMERLY KNOWN AS CIRRUS RESPONSE GROUP LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

4. Turnover

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

	2023 £	2022 £
Sales	8,906,885	7,938,256
	<u>8,906,885</u>	<u>7,938,256</u>

Analysis of turnover by country of destination:

	2023 £	2022 £
United Kingdom	8,720,201	7,823,653
Rest of the world	186,684	114,603
	<u>8,906,885</u>	<u>7,938,256</u>

5. Operating loss

The operating loss is stated after charging/(crediting):

	2023 £	2022 £
Amortisation of intangible assets	1,899,469	1,890,162
Depreciation of tangible fixed assets	17,250	68,032
Exchange differences	(92,915)	(57,100)
Other operating lease rentals	76,098	130,235
Loss on sale of tangible fixed assets	-	21,710
	<u>-</u>	<u>21,710</u>

6. Auditors' remuneration

	2023 £	2022 £
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	<u>8,700</u>	<u>8,200</u>

CIRRUS CONNECTS GROUP LIMITED (FORMERLY KNOWN AS CIRRUS RESPONSE GROUP LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

7. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2023 £	Group 2022 £
Wages and salaries	3,257,153	3,451,090
Social security costs	389,415	401,062
Cost of defined contribution scheme	52,596	45,763
	<u>3,699,164</u>	<u>3,897,915</u>

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

	2023 No.	2022 No.
Sales	9	10
Operations	14	17
Marketing	2	3
IT	1	1
HR	1	2
Finance	6	5
Business operations	13	11
Product and development	-	3
	<u>46</u>	<u>52</u>

CIRRUS CONNECTS GROUP LIMITED (FORMERLY KNOWN AS CIRRUS RESPONSE GROUP LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

8. Directors' remuneration

	2023 £	2022 £
Directors' emoluments	303,315	305,989
Group contributions to defined contribution pension schemes	6,354	3,455
	<u>309,669</u>	<u>309,444</u>

During the year, retirement benefits were accruing to 2 directors (2022 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £213,315 (2022 - £215,989).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £5,034 (2022 - £2,135).

9. Interest receivable

	2023 £	2022 £
Other interest receivable	3,099	68,075
	<u>3,099</u>	<u>68,075</u>

10. Interest payable and similar expenses

	2023 £	2022 £
Bank interest payable	339,508	267,855
Other loan interest payable	-	353
	<u>339,508</u>	<u>268,208</u>

CIRRUS CONNECTS GROUP LIMITED (FORMERLY KNOWN AS CIRRUS RESPONSE GROUP LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

11. Taxation

	2023 £	2022 £
Corporation tax		
Current tax on losses for the year	-	827
	<u>-</u>	<u>827</u>
R&D tax credit	(79,958)	(285,931)
Total current tax	<u>(79,958)</u>	<u>(285,104)</u>
Tax on loss	<u>(79,958)</u>	<u>(285,104)</u>

Factors affecting tax credit for the year

The tax assessed for the year is higher than (2022 - *higher than*) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Loss on ordinary activities before tax	(2,684,604)	(3,956,915)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	(510,075)	(751,814)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	156,709	16,961
Depreciation for year differing to capital allowances	(1,827)	5,694
Research and development credit	(161,068)	(475,600)
Unrelieved tax losses carried forward	3,969	929,350
Other timing differences leading to an increase/(decrease) in the tax charge	336,498	(9,695)
Surrender of tax relief	95,836	-
Total tax credit for the year	<u>(79,958)</u>	<u>(285,104)</u>

Factors that may affect future tax charges

In the March 2021 Budget, it was announced that the UK corporation tax rate would increase to 25% from 1 April 2023 for profits over £250,000. There are no other significant factors that may affect future tax charges.

CIRRUS CONNECTS GROUP LIMITED (FORMERLY KNOWN AS CIRRUS RESPONSE GROUP LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

12. Exceptional items

	2023 £	2022 £
Redundancy costs	-	41,803
Professional fees in relation to group restructure	-	65,958
Loss on disposal of intangible fixed assets	-	900,124
Fees in relation to M&A activity	579,709	-
	<u>579,709</u>	<u>1,007,885</u>

13. Intangible assets

Group

	Development expenditure £	Goodwill £	Total £
Cost			
At 1 April 2022	984,404	18,195,918	19,180,322
Additions	38,024	-	38,024
At 31 March 2023	<u>1,022,428</u>	<u>18,195,918</u>	<u>19,218,346</u>
Amortisation			
At 1 April 2022	325,281	2,908,864	3,234,145
Charge for the year	149,877	1,747,092	1,896,969
At 31 March 2023	<u>475,158</u>	<u>4,655,956</u>	<u>5,131,114</u>
Net book value			
At 31 March 2023	<u>547,270</u>	<u>13,539,962</u>	<u>14,087,232</u>
At 31 March 2022	<u>659,123</u>	<u>15,287,054</u>	<u>15,946,177</u>

CIRRUS CONNECTS GROUP LIMITED (FORMERLY KNOWN AS CIRRUS RESPONSE GROUP LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

14. Tangible fixed assets

Group

	Fixtures and fittings £	Office equipment £	Total £
Cost			
At 1 April 2022	703,273	130,547	833,820
Additions	-	10,243	10,243
At 31 March 2023	<u>703,273</u>	<u>140,790</u>	<u>844,063</u>
Depreciation			
At 1 April 2022	702,522	102,862	805,384
Charge for the year	751	16,499	17,250
At 31 March 2023	<u>703,273</u>	<u>119,361</u>	<u>822,634</u>
Net book value			
At 31 March 2023	<u>-</u>	<u>21,429</u>	<u>21,429</u>
At 31 March 2022	<u>751</u>	<u>27,685</u>	<u>28,436</u>

CIRRUS CONNECTS GROUP LIMITED (FORMERLY KNOWN AS CIRRUS RESPONSE GROUP LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

15. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost	
At 1 April 2022	13,676,483
At 31 March 2023	<u>13,676,483</u>
Net book value	
At 31 March 2023	<u>13,676,483</u>
At 31 March 2022	<u>13,676,483</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Cirrus Response Limited	Kirkgate, 19-31 Church Street, Epsom, Surrey, England, KT17 4PF	Cloud, contract centre and software solutions	Ordinary	100%
Cirrus Response Inc. (owned directly by Cirrus Response Limited)	515 Marin Str, Suite 316, Thousand Oaks, CA 91360	Dormant	Ordinary	100%

16. Debtors

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Trade debtors	1,522,580	1,028,368	-	-
Amounts owed by group undertakings	-	-	5,282,127	5,452,212
Other debtors	235,804	304,016	-	-
Prepayments and accrued income	154,267	187,351	702	-
	<u>1,912,651</u>	<u>1,519,735</u>	<u>5,282,829</u>	<u>5,452,212</u>

CIRRUS CONNECTS GROUP LIMITED (FORMERLY KNOWN AS CIRRUS RESPONSE GROUP LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

17. Cash and cash equivalents

	Group 2023 £	Group 2022 £
Cash at bank and in hand	932,581	1,466,084
	932,581	1,466,084

18. Creditors: Amounts falling due within one year

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Bank loans	1,182,873	845,565	-	-
Trade creditors	1,084,186	937,987	702	3,600
Other taxation and social security	538,035	493,122	-	-
Other creditors	55,982	66,270	-	-
Accruals and deferred income	943,788	773,300	18,500	13,300
	3,804,864	3,116,244	19,202	16,900

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

	Group 2023 £	Group 2022 £
Bank loans	-	1,095,838
Other loans	1,000,000	-
	1,000,000	1,095,838

CIRRUS CONNECTS GROUP LIMITED (FORMERLY KNOWN AS CIRRUS RESPONSE GROUP LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

20. Loans

Analysis of the maturity of loans is given below:

	Group 2023 £	Group 2022 £
Amounts falling due within one year		
Bank loans	1,182,873	845,565
Amounts falling due 1-2 years		
Bank loans	-	1,095,838
Other loans	1,000,000	-
	<u>2,182,873</u>	<u>1,941,403</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.

21. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
12,617,659 Ordinary shares of £1.00 each	12,617,659	12,617,659
6,500,000 Ordinary A shares of £1.00 each	6,500,000	6,500,000
1 Preference share of £1.00	1	1
962,692 (2022 - 1,069,207) Ordinary B shares of £0.01 each	9,627	10,692
210,084 Ordinary C shares of £0.01 each	2,101	2,101
	<u>19,129,388</u>	<u>19,130,453</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

21. Share capital (continued)

On 7 October 2022, 36,160 Ordinary B shares of £0.01 each were purchased and then cancelled.

On 11 October 2022, 44,468 Ordinary B shares of £0.01 each were purchased and then cancelled.

On 12 October 2022, 16,907 Ordinary B shares of £0.01 each were purchased and then cancelled.

On 18 January 2023, 8,980 Ordinary B shares of £0.01 each were purchased and then cancelled.

The Ordinary shares have full voting rights attached to them and has equal rights to dividends.

The Ordinary A shares are entitled to 51% of the voting rights attached to all shares and are entitled to dividends.

The Preference shares have no voting rights and are not entitled to dividends. In the event of an exit, capital will be distributed to Preference shareholders in accordance with the company's Articles of Association.

The Ordinary B and C shares have no voting rights and are not entitled to dividends.

22. Reserves

Profit and loss account

Profit and loss account includes all current and prior year retained profits and losses.

Foreign exchange reserve

Foreign exchange reserve includes retranslation differences relating to Cirrus US Inc. on consolidation.

23. Pension commitments

The group operates a defined contributions 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 £52,596 (2022 - £46,112). Contributions totalling £9,455 (2022 - £8,664) were payable to the fund at the reporting date and are included in creditors.

CIRRUS CONNECTS GROUP LIMITED (FORMERLY KNOWN AS CIRRUS RESPONSE GROUP LIMITED)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

24. Commitments under operating leases

At 31 March 2023 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2023 £	Group 2022 £
Not later than 1 year	113,158	113,158
Later than 1 year and not later than 5 years	363,988	387,146
Later than 5 years	120,575	120,000
	<u>597,721</u>	<u>620,304</u>

25. Transactions with directors

Included within other debtors, there is an amount of £125,000 (2022 - £Nil) due from a director of the company.

26. Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard 102 not to disclose any transactions with other wholly owned members of the group.

During the year, the group made purchases of £Nil (2022 - £30,900) from an entity under common control. At the reporting date, an amount of £19,096 (2022 - £15,504) was due to the entity under common control.

Included within long term creditors, there is an amount of £1,000,000 (2022 - £Nil) due to a director of the group in respect of a loan note instrument issued in the year. The loan is due for repayment in December 2024 and attracts fixed interest charge of 12.5% per annum.

The remuneration of key management is as disclosed for directors.

27. Post balance sheet events

The group has taken a new loan from National Westminster Bank in July 2023, this loan enabled the company to pay off all other loans and is at a preferential rate compared to the previous loans.

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

28. Controlling party

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