

Registered number: 05643578

CLEARVISION (CM) 2005 LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**



CLEARVISION (CM) 2005 LIMITED

COMPANY INFORMATION

Directors	G L Tombs N Butler
Company secretary	K M Tombs
Registered number	05643578
Registered office	Laurel Farm Winters Hill Durley Southampton Hampshire SO32 2AH
Independent auditor	Nexia Smith & Williamson Chartered Accountants & Statutory Auditor 4th Floor Cumberland House 15-17 Cumberland Place Southampton Hampshire SO15 2BG

CLEARVISION (CM) 2005 LIMITED

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CLEARVISION (CM) 2005 LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Introduction

The directors present their Strategic Report together with the audited financial statements for the year ended 31 December 2020.

Business review

FY2020 in the wake of Covid-19 presented unique challenges, although the business continued to perform well and we are pleased to report revenue growth of 5% and operating profit growth of 6%.

In October 2020, Atlassian announced the End of Life of its Server platform. Clearvision understands the drive behind this change and, as leading Cloud experts within the Atlassian ecosystem, is extremely well placed to lead customers on their journey to the Cloud.

At the onset of the pandemic, we like all businesses became completely remote, whilst retaining our entire workforce rather than utilising furlough. As Cloud computing experts who have embraced collaborative software for many years, we found the transition seamless.

Our staff were constantly consulted to ensure the transition met the individual needs of every team member. We have since embraced a "Remote First" strategy, ensuring we always consider the needs of remote staff first, so as to retain our company culture in an increasingly remote world.

Our remote working expertise ensured the business continued to fire on all cylinders, but more importantly enabled us to continue delivering world-class service to our customers, who depend upon reliable Managed Services more than ever during trying times.

We are delighted to report that we have achieved a Top 100 Best Small Companies to work for certification in 2021 for the third consecutive year. This is a reflection of the tireless efforts of all Visionaries in the face of a historically challenging year for all.

CLEARVISION (CM) 2005 LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Principal risks and uncertainties

The Group monitors the following principal risk areas:

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

Ongoing COVID-19 Pandemic

Whilst we continue to closely monitor all developments, we are pleased that the ongoing pandemic has had a less significant impact on the software sector than the general economy, with the world's largest tech firms, including Atlassian, continuing to grow significantly.

Clearvision has sustained healthy levels of business and indeed Q1 2021 was the business's most profitable on record.

Future developments

We anticipate a drive of customers moving away from the Atlassian Server platform to Data Center and Cloud, with a comfortable majority choosing to migrate to Cloud, and are well positioned to support customers on their journey.

We continue to invest in our Managed Service offerings with a strategic view to increasing our recurring revenues.

Financial key performance indicators


The Group monitors the following financial key performance indicators:

- Turnover - has increased by 5%, from £35.66m to £37.41m
- Profit before tax - has increased by 6%, from £1.11m to £1.17m
- Cash - has increased by 70%, from £3.56m to £6.06m

Other key performance indicators

The Group also monitors non-financial key performance indicators such as staff turnover, client retention, business effectiveness and both customer and staff satisfaction.

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


Gerald Tombs (Jun 18, 2021 07:16 GMT+1)

G L Tombs
Director

Date: 18/06/2021

CLEARVISION (CM) 2005 LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

Results and dividends

The profit for the year, after taxation, amounted to £905,695 (2019: £888,842).

No dividends were paid or proposed in the year (2019: £Nil).

Directors

The directors who served during the year were:

G L Tombs
N Butler

Financial risk management

The Group's activities expose it to a variety of financial risks that include the effects of the changes in exchange rates, price risk, credit risk and interest rate risk.

Foreign currency risk

The Group is exposed to changes in currency exchange rates due to purchasing items from Australia and making sales in a number of foreign countries. No hedging arrangements existed at the year end.

Price risk

The Group is exposed to price risk due to normal inflationary increases in the purchase prices of items as well as potential price increases introduced by its principle partner Atlassian. The Group has no exposure to equity securities price risk as it holds no listed or other equity investments.

Credit risk

Credit risk is managed through taking deposits and milestone billing.

Interest rate risk

The Group has interest bearing assets. Interest bearing assets comprise cash balances that earn interest at variable rates.

Matters covered in the strategic report

Where necessary, disclosures relating to future developments and results & dividends have been made in the Strategic Report and have not been repeated here in accordance with Section 414C of the Companies Act 2006.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.


CLEARVISION (CM) 2005 LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Auditor

The auditor, Nexia Smith & Williamson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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


Gerald Tombs (Jun 18, 2021 07:16 GMT+1)

G L Tombs
Director

Date: 18/06/2021

CLEARVISION (CM) 2005 LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLEARVISION (CM) 2005 LIMITED

Opinion

We have audited the financial statements of Clearvision (CM) 2005 Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2020 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Balance Sheets, the Consolidated and Parent Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Consolidated Analysis of Net Debt and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2020 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 and 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLEARVISION (CM) 2005 LIMITED
(CONTINUED)**

Other information

The other information comprises the information included in the Annual Report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

- adequate accounting records have not been kept 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLEARVISION (CM) 2005 LIMITED
(CONTINUED)**

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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:

We obtained a general understanding of the Group and Parent company's legal and regulatory framework through enquiry of management concerning: their understanding of relevant laws and regulations; the entity's policies and procedures regarding compliance; and how they identify, evaluate and account for litigation claims. We also drew on our existing understanding of the Group and Parent company's industry and regulation.

We understand that the Group and Parent company complies with the framework through:

- Outsourcing overseas payroll and tax compliance to external experts; and
- Subscribing to relevant updates from external experts, and making changes to internal procedures and controls as necessary.

In the context of the audit, we considered those laws and regulations: which determine the form and content of the financial statements; which are central to the Group and Parent company's ability to conduct its business; and where failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the company:

- The Companies Act 2006 and FRS 102 in respect of the preparation and presentation of the financial statements.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the Group and Parent company's financial statements to material misstatement, including how fraud might occur. The areas identified in this discussion were:

- Manipulation of the financial statements, especially revenue, via fraudulent journal entries or error affecting cut off around the year end, particularly as the size of the Group and Parent company means that there is limited opportunity for segregation of duties.
- Payment of bonuses based on profits, which creates an incentive for management to manipulate results.

The procedures we carried out to gain evidence in the above areas included:

- Challenging management regarding the assumptions used in the estimates identified above.
- Substantive work on material areas affecting profits.
- Testing journal entries, focusing particularly on postings to unexpected or unusual accounts and those posted at unusual times.
- Obtaining a detailed understanding of the purchase and payroll system and the controls in place, and ensuring that those controls actually operated as described during the period.

Overall, the senior statutory auditor was satisfied that the engagement team collectively had the appropriate competence and capabilities to identify or recognise irregularities.

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLEARVISION (CM) 2005 LIMITED
(CONTINUED)**

Use of our report

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

Nexia Smith & Williamson

Nexia Smith & Williamson (Jun 18, 2021 08:28 GMT+1)

Julie Mutton (Senior Statutory Auditor)

for and on behalf of

Nexia Smith & Williamson

Chartered Accountants

Statutory Auditor

4th Floor Cumberland House

15-17 Cumberland Place

Southampton

Hampshire

SO15 2BG

Date: 18/06/2021

CLEARVISION (CM) 2005 LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £	2019 £
Turnover	4	37,408,113	35,664,333
Cost of sales		(32,731,538)	(30,954,462)
Gross profit		4,676,575	4,709,871
Administrative expenses		(3,577,412)	(3,668,378)
Other operating income		72,130	64,921
Operating profit	5	1,171,293	1,106,414
Interest receivable and similar income		297	354
Interest payable and similar expenses	8	(5,859)	-
Profit before taxation		1,165,731	1,106,768
Tax on profit		(260,036)	(217,926)
Profit for the financial year		905,695	888,842
Other comprehensive income for the year			
Currency translation differences on translation of net assets of foreign subsidiaries		-	(697)
Total comprehensive income for the year		905,695	888,145


The notes on pages 18 to 37 form part of these financial statements.

CLEARVISION (CM) 2005 LIMITED
REGISTERED NUMBER:05643578

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	10	-	5,918
Tangible assets	11	62,295	54,285
		<u>62,295</u>	<u>60,203</u>
Current assets			
Debtors: amounts falling due within one year	13	4,933,997	7,897,076
Cash at bank and in hand	14	6,055,452	3,561,984
		<u>10,989,449</u>	<u>11,459,060</u>
Creditors: amounts falling due within one year	15	(7,162,511)	(9,487,739)
Net current assets		3,826,938	1,971,321
Creditors: amounts falling due after more than one year	16	(949,060)	-
Deferred taxation	18	(6,019)	(3,065)
		<u>(6,019)</u>	<u>(3,065)</u>
Net assets		<u>2,934,154</u>	<u>2,028,459</u>
Capital and reserves			
Called up share capital	19	2	2
Profit and loss account	20	2,934,152	2,028,457
Shareholders' funds		<u>2,934,154</u>	<u>2,028,459</u>

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


 Gerald Tombs (Jun 18, 2021 07:16 GMT+1)

G L Tombs
 Director

Date: 18/06/2021

The notes on pages 18 to 37 form part of these financial statements.

CLEARVISION (CM) 2005 LIMITED
REGISTERED NUMBER:05643578

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2020


	Note	2020 £	2019 £
Fixed assets			
Intangible assets	10	-	5,918
Tangible assets	11	58,198	47,583
		<u>58,198</u>	<u>53,501</u>
Current assets			
Debtors: amounts falling due within one year	13	3,687,734	8,358,727
Cash at bank and in hand	14	5,531,641	2,246,039
		<u>9,219,375</u>	<u>10,604,766</u>
Creditors: amounts falling due within one year	15	(6,206,106)	(9,006,261)
Net current assets		<u>3,013,269</u>	<u>1,598,505</u>
Total assets less current liabilities		<u>3,071,467</u>	<u>1,652,006</u>
Creditors: amounts falling due after more than one year	16	(949,060)	-
Provisions for liabilities			
Deferred taxation	18	(6,019)	(2,981)
		<u>(6,019)</u>	<u>(2,981)</u>
Net assets		<u><u>2,116,388</u></u>	<u><u>1,649,025</u></u>
Capital and reserves			
Called up share capital	19	2	2
Profit and loss account carried forward	20	2,116,386	1,649,023
Shareholders' funds		<u><u>2,116,388</u></u>	<u><u>1,649,025</u></u>

CLEARVISION (CM) 2005 LIMITED
REGISTERED NUMBER:05643578

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2020

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 profit after tax of the Company for the year was £467,363 (2019: £622,814).

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


G L Tombs (Jun 18, 2021 07:16 GMT+1)

G L Tombs
Director

Date: 18/06/2021

The notes on pages 18 to 37 form part of these financial statements.

CLEARVISION (CM) 2005 LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2019	2	1,140,312	1,140,314
Comprehensive income for the year			
Profit for the year	-	888,842	888,842
Currency translation differences on translation of net assets of foreign subsidiaries	-	(697)	(697)
Total comprehensive income for the year	-	888,145	888,145
At 31 December 2019	2	2,028,457	2,028,459
Comprehensive income for the year			
Profit for the year	-	905,695	905,695
Total comprehensive income for the year	-	905,695	905,695
At 31 December 2020	2	2,934,152	2,934,154

CLEARVISION (CM) 2005 LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2019	2	1,026,209	1,026,211
Comprehensive income for the year			
Profit for the year	-	622,814	622,814
Total comprehensive income for the year	-	622,814	622,814
At 31 December 2019	2	1,649,023	1,649,025
Comprehensive income for the year			
Profit for the year	-	467,363	467,363
Total comprehensive income for the year	-	467,363	467,363
At 31 December 2020	2	2,116,386	2,116,388

CLEARVISION (CM) 2005 LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020 £	2019 £
Cash flows from operating activities		
Profit for the financial year	905,695	888,842
Adjustments for:		
Amortisation of intangible assets	5,918	18,672
Depreciation of tangible assets	18,048	18,413
Loss on disposal of tangible assets	3,461	4,768
Interest paid	5,859	-
Interest received	297	(354)
Taxation charge	260,036	217,926
Decrease/(increase) in debtors	2,963,079	(3,809,658)
(Decrease)/increase in creditors	(2,524,583)	2,622,831
Corporation tax paid	(108,667)	(49,968)
Foreign exchange movements	-	979
Net cash generated from operating activities	1,529,143	(87,549)
Cash flows from investing activities		
Purchase of tangible fixed assets	(30,100)	(18,333)
Sale of tangible fixed assets	581	-
Interest received	(297)	354
Net cash from investing activities	(29,816)	(17,979)
New secured loans	1,000,000	-
Interest paid	(5,859)	-
Net cash used in financing activities	994,141	-
Net increase/(decrease) in cash and cash equivalents	2,493,468	(105,528)
Cash and cash equivalents at beginning of the year	3,561,984	3,667,512
Cash and cash equivalents at the end of the year	6,055,452	3,561,984
Cash and cash equivalents at the end of the year comprise:		
Cash at bank and in hand	6,055,452	3,561,984
	6,055,452	3,561,984

CLEARVISION (CM) 2005 LIMITED

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2020

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	3,561,984	2,493,468	6,055,452
Debt due after 1 year	-	(950,000)	(950,000)
Debt due within 1 year	-	(50,000)	(50,000)
	<u>3,561,984</u>	<u>1,493,468</u>	<u>5,055,452</u>

CLEARVISION (CM) 2005 LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

Clearvision (CM) 2005 Limited is a private company, limited by shares, domiciled and incorporated in England and Wales (registered number: 05643578). The registered office address is Laurel Farm, Winters Hill, Durley, Southampton, Hampshire, SO32 2AH.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

Parent Company disclosure exemptions

In preparing the separate financial statements of the Parent Company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the year has been presented as the reconciliation for the Group and the Parent Company would be identical;
- No Statement of Cash Flows has been presented for the Parent Company;
- No disclosures have been given for the aggregate remuneration of the key management personnel of the Parent Company as their remuneration is included in the totals for the Group as a whole.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the profit or loss from the date on which control is obtained. They are deconsolidated from the date control ceases.

CLEARVISION (CM) 2005 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.3 Going concern

The directors have made an assessment in preparing these financial statements as to whether the Group is a going concern. Cash flow projections have been prepared, including the potential impact of Covid-19. Having considered the projections, the directors have concluded that they have reasonable expectation that the Group will have adequate cash resources to meet their financial obligations as they fall due for at least one year from signing the accounts and for this reason they continue to adopt the going concern basis in preparing the financial statements of the Group.

2.4 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 profit or loss.

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.

CLEARVISION (CM) 2005 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.5 Revenue recognition

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover 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 turnover is recognised:

Rendering of services

Turnover 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 turnover can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Software Licenses

Turnover from the sale of software licenses is recognised when all the following conditions have been satisfied:

- The Group has transferred to the buyer the significant risks and rewards of ownership of the license;
- The Group retains neither continuing managerial involvement to the degree usually associated with the ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

CLEARVISION (CM) 2005 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.7 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following basis:

Development expenditure	-	33 % straight-line
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2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Short-term leasehold property	-	20% straight-line
Fixtures and fittings	-	25% reducing balance
Computer equipment	-	25% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

CLEARVISION (CM) 2005 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.9 Financial instruments

Financial assets and financial liabilities are recognised in the Balance Sheet when the Group becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Group will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Group's cash management.

Financial liabilities and equity instruments issued by the Group are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

2.10 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 profit or loss 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 Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

2.11 Finance costs

Finance costs are charged to profit or loss 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.

2.12 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 profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

CLEARVISION (CM) 2005 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax 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 balance sheet date.

CLEARVISION (CM) 2005 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The directors consider the following key judgements and sources of estimation uncertainty to have had the most significant effect on the amounts recognised in the financial statements.

Revenue recognition

License revenue billed in advance of delivery is recognised on the date of supply. At the year end, all licenses invoiced but not yet supplied are deferred.

Revenue is accrued for unbilled consultancy services provided. In calculating the accrued income, management considers all the unbilled work performed and the likelihood of recoverability.

Support revenue billed in advance is recognised as the service is provided, with the balance being deferred. In determining the amount of revenue to be recognised, management will review the number of hours delivered against total hours sold and the contract value.

Bad debt provision

The trade debtors balance of £4,516,602 (2019: £7,528,907) in the Group's Balance Sheet comprises a number of balances, including some large items. A full line by line review of trade debtors is carried out on a regular basis. In the event that a balance is no longer deemed collectable, a specific provision is raised.

CLEARVISION (CM) 2005 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

4. Turnover

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

	2020 £	2019 £
Professional services	4,418,360	4,363,288
Licenses	32,989,753	31,301,045
	<u>37,408,113</u>	<u>35,664,333</u>

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	17,743,125	17,831,351
Rest of the world	19,664,988	17,832,982
	<u>37,408,113</u>	<u>35,664,333</u>

5. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	17,647	18,413
Amortisation of intangible assets	5,918	18,672
Fees payable to the Group's auditor and its associates for the audit of the Company's annual financial statements	15,500	15,500
Exchange differences	(113,468)	182,730
Other operating lease rentals	48,010	36,559
	<u>48,010</u>	<u>36,559</u>

CLEARVISION (CM) 2005 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

6. Employees

Staff costs were as follows:

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Wages and salaries	2,926,457	2,822,765	2,123,372	1,866,527
Social security costs	293,721	339,461	293,721	301,382
Cost of defined contribution scheme	62,794	54,963	62,794	54,963
	<u>3,282,972</u>	<u>3,217,189</u>	<u>2,479,887</u>	<u>2,222,872</u>

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

	Group 2020 No.	<i>Group 2019 No.</i>	Company 2020 No.	<i>Company 2019 No.</i>
Sales	22	21	19	17
Administration	38	41	36	39
	<u>60</u>	<u>62</u>	<u>55</u>	<u>56</u>

7. Directors' remuneration

The highest paid director received remuneration of £243,950 (2019 - £NIL).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2019 - £NIL).

The value of the company's contributions paid to a defined benefit pension scheme in respect of the highest paid director amounted to £NIL (2019 - £NIL).

The total accrued pension provision of the highest paid director at 31 December 2020 amounted to £NIL (2019 - £NIL).

The amount of the accrued lump sum in respect of the highest paid director at 31 December 2020 amounted to £NIL (2019 - £NIL).

CLEARVISION (CM) 2005 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

8. Interest payable and similar expenses

	2020 £	2019 £
Bank interest payable	5,859	-
	<u>5,859</u>	<u>-</u>

9. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profit for the year	257,082	103,911
Total current tax	<u>257,082</u>	<u>103,911</u>
Deferred tax		
Origination and reversal of timing differences	2,954	114,015
Total deferred tax	<u>2,954</u>	<u>114,015</u>
Taxation on profit on ordinary activities	<u>260,036</u>	<u>217,926</u>

CLEARVISION (CM) 2005 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019: *higher than*) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	<u>1,165,731</u>	<u>1,106,768</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	221,489	210,286
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	178	1,800
Fixed asset differences	14	283
Rate change adjustment	11,637	(13,426)
Other differences leading to an increase in the tax charge	26,718	18,983
Total tax charge for the year	<u>260,036</u>	<u>217,926</u>

The Group has tax losses of £Nil (2019: £Nil) available for carry forward to future periods.

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

CLEARVISION (CM) 2005 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

10. Intangible assets

Group and Company

	Development expenditure £
Cost	
At 1 January 2020	56,015
At 31 December 2020	<u>56,015</u>
Amortisation	
At 1 January 2020	50,097
Charge for the year	5,918
At 31 December 2020	<u>56,015</u>
Net book value	
At 31 December 2020	<u>-</u>
At 31 December 2019	<u>5,918</u>

CLEARVISION (CM) 2005 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

11. Tangible fixed assets

Group

	Short-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 January 2020	49,512	37,656	71,351	158,519
Additions	6,080	5,542	18,478	30,100
Disposals	-	(10,813)	(9,262)	(20,075)
Exchange adjustments	-	(77)	(753)	(830)
At 31 December 2020	<u>55,592</u>	<u>32,308</u>	<u>79,814</u>	<u>167,714</u>
Depreciation				
At 1 January 2020	38,613	23,454	42,167	104,234
Charge for the year	4,371	4,020	9,256	17,647
Disposals	-	(9,404)	(6,629)	(16,033)
Exchange adjustments	-	(49)	(380)	(429)
At 31 December 2020	<u>42,984</u>	<u>18,021</u>	<u>44,414</u>	<u>105,419</u>
Net book value				
At 31 December 2020	<u>12,608</u>	<u>14,287</u>	<u>35,400</u>	<u>62,295</u>
At 31 December 2019	<u>10,899</u>	<u>14,202</u>	<u>29,184</u>	<u>54,285</u>

CLEARVISION (CM) 2005 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

11. Tangible fixed assets (continued)

Company

	Short-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 January 2020	49,512	36,494	56,238	142,244
Additions	6,080	5,542	18,478	30,100
Disposals	-	(10,813)	(6,872)	(17,685)
At 31 December 2020	<u>55,592</u>	<u>31,223</u>	<u>67,844</u>	<u>154,659</u>
Depreciation				
At 1 January 2020	38,613	22,749	33,299	94,661
Charge for the year	4,371	3,909	7,745	16,025
Disposals	-	(9,404)	(4,821)	(14,225)
At 31 December 2020	<u>42,984</u>	<u>17,254</u>	<u>36,223</u>	<u>96,461</u>
Net book value				
At 31 December 2020	<u>12,608</u>	<u>13,969</u>	<u>31,621</u>	<u>58,198</u>
At 31 December 2019	<u>10,899</u>	<u>13,745</u>	<u>22,939</u>	<u>47,583</u>

CLEARVISION (CM) 2005 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

12. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Clearvision USA Inc.	Software consultancy	Ordinary	100%
Clearvision Central Europe s.r.o	Dormant	Ordinary	51%
Clearvision (CM) 2005 Ireland Limited	Dormant	Ordinary	100%

The registered office address of Clearvision USA Inc. is 2401 Walnut Street, Suite 102, Philadelphia, PA 19103-4341.

The registered office address of Clearvision Central Europe s.r.o is Štúrova 44, Košice 040 01, Slovakia.

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

13. Debtors

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade debtors	4,516,602	7,528,907	3,172,175	6,657,717
Amounts owed by group undertakings	-	-	105,700	1,398,475
Other debtors	15,403	10,192	15,403	10,192
Prepayments and accrued income	401,992	357,977	394,456	292,343
	<u>4,933,997</u>	<u>7,897,076</u>	<u>3,687,734</u>	<u>8,358,727</u>

14. Cash and cash equivalents

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Cash at bank and in hand	6,055,452	3,561,984	5,531,641	2,246,039

CLEARVISION (CM) 2005 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

15. Creditors: Amounts falling due within one year

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Bank loans	50,940	-	50,940	-
Trade creditors	2,613,349	5,973,833	2,606,953	5,939,285
Corporation tax	235,780	87,365	107,261	18,014
Other taxation and social security	1,416,309	1,089,063	1,386,134	1,074,394
Other creditors	102,237	283,231	80,172	252,248
Accruals and deferred income	2,743,896	2,054,247	1,974,646	1,722,320
	<u>7,162,511</u>	<u>9,487,739</u>	<u>6,206,106</u>	<u>9,006,261</u>

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

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Bank loans	949,060	-	949,060	-

The Company secured a CBILS loan for £1,000,000 over a term of 72 months. The loan has a capital repayment holiday of 12 months. The loan has interest charged at fixed rate of 2.35% for 5 years, after which the interest charged is a variable rate of the Bank of England base rate + 2%.

The loan is secured by a charge on the assets of the Company.

CLEARVISION (CM) 2005 LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

17. Loans

Analysis of the maturity of loans is given below:

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Amounts falling due within one year				
Bank loans	50,940	-	50,940	-
Amounts falling due 1-2 years				
Bank loans	200,518	-	200,518	-
Amounts falling due 2-5 years				
Bank loans	599,960	-	599,960	-
Amounts falling due after more than 5 years				
Bank loans	148,582	-	148,582	-
	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>	<u>-</u>

18. Deferred taxation

Group

	2020 £	<i>2019 £</i>
At beginning of year	3,065	(109,241)
Charged to profit or loss	2,954	112,306
At end of year	<u>6,019</u>	<u>3,065</u>

CLEARVISION (CM) 2005 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

18. Deferred taxation (continued)

Company

	2020 £	2019 £
At beginning of year	2,981	(111,328)
Charged to profit or loss	3,038	114,309
At end of year	6,019	2,981

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Accelerated capital allowances	6,019	3,065	7,119	3,790
Short-term timing differences	-	-	(1,100)	(809)
	6,019	3,065	6,019	2,981

19. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
21,965,472 Ordinary shares of £0.000001 each	2	2

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

20. Reserves

Profit and loss account

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

CLEARVISION (CM) 2005 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

21. Share based payments

At the year end 3,876,264 (2019: 3,876,264) share options were outstanding with an exercise price of £0.01. During the year 0 (2019: 0) options lapsed because the option holder left the employment of the group and no options (2019: no options) were exercised or granted. The scheme conditions state that the options can only be exercised on an exit event. No share based payment charge has been recognised because at the reporting date it was not considered probable that the vesting conditions would be met.

	2020 £	2019 £
	-	-

22. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £62,794 (2019: £54,963). Contributions totalling £13,805 (2019: £11,787) were payable to the fund at the balance sheet date and are included in creditors.

23. Commitments under operating leases

At 31 December 2020 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Not later than 1 year	48,000	48,000	48,000	48,000
Later than 1 year and not later than 5 years	124,000	176,088	124,000	176,088

CLEARVISION (CM) 2005 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

24. Related party transactions

A director (together with his spouse) controls Clearvision (CM) Solutions Limited. During the year, management charges of £59,866 (2019: £48,400) and consultancy fees of £243,950 (2019: £247,250) were charged by Clearvision (CM) Solutions Limited.

A spouse of a director had an amount owed to them by the Group of £165 (2019: £Nil) at the balance sheet date.

During the year transactions were made to a director's son by the Group totalling £410 (2019: £Nil) during the the year.

Key management personnel

	2020 £	2019 £
Key management personnel remuneration	<u>919,568</u>	<u>883,909</u>

25. Controlling party

Throughout the year, the Parent Company was under the joint control of The Software Delivery Company Limited, a company controlled by N Butler (a director) and Clearvision (CM) Solutions Limited, a company controlled by G L Tombs (a director).