Company Registration No. 13216614 (England and Wales)

CLEARCOURSE PARTNERSHIP HOLDINGS LIMITED

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2021

CLEARCOURSE PARTNERSHIP HOLDINGS LIMITED

COMPANY INFORMATION

Directors	A R Blazye G J Gualtieri M Lawler J B Rowe N A Seibert J Tiverton-Brown S Wolff
Company secretary	Norose Company Secretarial Services Limited
Company number	13216614
Registered office	10-12 Eastcheap London EC3M 1AJ
Auditor	RSM UK Audit LLP Chartered Accountants 25 Farringdon Street London EC4A 4AB

The directors present their report for ClearCourse Partnership Holdings Limited ("the Company") and its subsidiary undertakings (together referred to as "the Group") for the year ended 31 December 2021.

Principal activities

The Company operates as a holding company with a mission to acquire primarily UK-based event and membership management software companies and drive increased growth and profitability through more efficient payments, capital investment and operational support. The principal activity of the Group is the provision of software solutions and services to clients in the membership, business services, events and leisure, retail, and payment solutions sectors.

The subsidiary undertakings of the Company are set out in the note 17 to the financial statements.

Review of the business

The results for the year and the financial position are set out in the financial statements on pages 12 to 46.

ClearCourse Partnership LLP ("the LLP") was formed in August 2018 by Aquiline Capital Partners LLC ('Aquiline') and management to pursue an acquisitive roll-up strategy in the UK's vertically integrated CRM and payment sectors.

Within these verticals, ClearCourse offers Customer Relationship Management (CRM) solutions, Content Management Systems (CMS) and other vertical-specific software solutions (e.g. event bookings) allowing its clients to manage their customer base and administer business workflows. Clients range from blue chip corporates through to government and not-for-profit entities across each of these major end markets.

The Company was incorporated on 22 February 2021. In June 2021, there was a corporate restructure with the LLP being replaced by the Company as the new parent company. The economic interests of the ClearCourse Group were transferred to the Company and the LLP ceased its operations as a parent. The Company has accounted for these transactions using merger accounting, please see note 2 for further information. As a result these consolidated financial statements present the Group financial information for this reporting period and for the comparative reporting period as if the Group has always been in existence. The Group's financial statements are therefore presented for the year ended 31 December 2021, whereas the Company's financial statements are presented for the period from 22 February 2021 to 31 December 2021.

The remainder of the Group continued to trade as a going concern and was unaffected by the transaction. As part of the re-organisation, all members, except Excelsior LLP, resigned from the LLP on 22 June 2021. Subsequently, all the former members became shareholders of CCPHL.

Also during 2021, a re-organisation took place whereby the trade and assets of 12 subsidiaries were transferred into either ClearCourse Business Services Limited or ClearCourse Membership Services Limited. There was no change in the ultimate control of the Group following the Group re-organisation.

In December 2020, the Group secured an external debt facility of £50m and then a further £20m facility was secured in November 2021. The Group used the initial facility to repay the £27m Aquiline loan (see note 22). The facility is available until November 2027 and incurs interest at 8.75% plus SONIA. As at 31 December 2021, £50.2m of the facility had been utilised. In addition, Aquiline have invested £27.2m (2020: £12.3m) of equity in the business during the year. The additional debt and equity funding has been used to acquire 7 (2020: 8) new businesses for a cash consideration of £39.7m (see note 15) (2020: £30.3m).

During 2021, ClearCourse continued to develop its integrated payments platform providing regulated services allowing the business to monetise the card payment flows and direct debit transactions across its existing portfolio.

Subsequent events

On 5 January 2022 the Group acquired the assets of 50 Charlotte Street, trading as Gift Voucher Solutions (GVS), a leading provider of gift voucher solutions for luxury hotels and restaurants, for an initial consideration of £2.2m.

Subsequent events (continued)
Aquiline continued to fund the Group via equity and debt. It invested £0.8m in equity to part fund the acquisition of GVS and a loan of £18.2m, largely to fund the Groups deferred consideration liabilities in the period to June 2022.

Apart from the deferred consideration liabilities related to acquisitions made and cash injections required to comply with existing debt covenants, the cash flows are not dependent on additional funding from Aquiline.

Following the various Group re-organisations in 2021, the Company undertook phase 2 of the re-organisation project in January 2022 by transferring the trade and assets of several subsidiaries into either ClearCourse Events and Leisure Services Limited, ClearCourse Retail Limited or ClearCourse Business Services Limited. There was no change in the ultimate control of the Group following this phase of the Group re-organisation.

Key performance indicators
Management uses a number of key performance indicators to measure the Group's financial and non-financial performance. These include, but are not limited to, growth in revenue per annum, recurring revenues as a percentage of all revenues and EBITDA margin.

Performance review
The Group recorded £60.9m (2020: £39.7m) of revenue, an increase of 53% year on year, and an EBITDA profit of £2.2m (2020: loss £0.6m) resulting from the inclusion of a full year's trading of 2020 acquisitions for the year ended 31 December 2021 as well as synergies arising from integrating businesses into focused business segments and developing a shared service centre to optimise effiency of transaction processing.

On an annualised proforma basis, including the results of the 2021 acquisitions, the total portfolio's revenue increased by 18% from £60.2m (2020) to £71.0m (2021) and adjusted EBITDA, after excluding one-off acquisition-related costs and normalisation of pre-acquisition directors salaries, increased by 38% from £11.8m (2020) to £16.3m (2021).

Actual recurring revenues, on an annualised proforma basis, whilst decreasing as a proportion of total revenue from 65% (2020) to 63% (2021), increased by £5.6m to £44.7m.

Principal risks and uncertainties

Funding risk
The Group is reliant on access to sufficient capital (equity or debt) to fund the Group's acquisition strategy. The Group secured a £70m debt facility, which was partially drawn down in January 2021 to repay the Aquline debt. Capital and short-term debt provided by Aquiline and debt from third party lenders has been used to fund 2021 acquisitions. Aquiline & debt holders receive regular detailed reports on the performance of the Group. The Group intends to continue its acquisitive roll up strategy, predomonately funded by utilising its debt facility, and is therefore in on-going negotiations with existing and potential new lenders to increase its overall debt capacity.

Innovation risk
The technology is subject to rapid, and often unpredictable change. As a result of inappropriate technology product and marketing choices or a failure to adopt and develop new technologies quickly enough, the Group's products and services might become unattractive to its customer base or new market opportunities may be missed. The Group actively monitors technology and market developments and invests to keep its existing products, services and sales methods up-to-date, as well as seeking out new opportunities.

Competitive risk
The Group operates in a number of diverse competitive markets and success in these markets depends on a variety of factors. To maintain its success the Group undertakes continuous development of its products and by acquiring similar companies in the two vertical markets and the not-for-profit and public sectors, the Group is able to leverage its breadth of capabilities and enhance cross-selling opportunities.

Transformation risk
Issues in implementing major programs such as the finance transformation project, could lead to business disruption and loss of intended economic benefits. Steering committees are established for all major programs with regular reporting and oversight. Specialists in transformation projects are engaged to ensure the Group's objectives for the projects are met. The directors are kept appraised of the current status of transformation projects on a regular and ongoing basis.

Principal risks and uncertainties (continued)

People (Operational risk)
The Group's business depends on highly skilled employees. Failing to recruit and retain such employees could impact on the Group's ability to deliver contractual commitments. The Group seeks to be an attractive employer and regularly monitors the engagement of its employees. The Group is looking to implement talent management and career planning programmes in the future.

Credit risk
The risk of financial loss to the Group if a customer fails to meet its contractual obligations and arises principally from the Group's receivables from customers. New customers are assessed for credit worthiness when they first trade with the Group. Customer receivables are monitored closely and reports are provided to management on a regular basis and there is continuous engagement with customers to ensure debts are paid promptly.

Future Outlook

Focus on continuous growth
ClearCourse plans to continue pursuing its acquisitive roll up strategy into 2022 and beyond. The management team have identified a strong pipeline of acquisition targets which are expected to close in the remainder of 2022. As at 30 June 2022, the only transaction completed was an asset purchase as a tuck in to our Gift Voucher business for a consideration of £2.2m completed in January 2022 which was funded through a mixture of third party debt and equity investment. It's expected that this acquisition will add annualised revenues of £0.6m and EBITDA of £0.3m to the results of the underlying Group.
Future acquisitions are expected to be funded predominantly through third party debt. Management is currently undertaking an exercise to secure debt in addition to its existing £70m debt facility

The Group will continue to drive organic growth opportunities. Across the Group, management was pleased with the overall robustness of our financial performance in 2021 with underlying organic revenue growth of 12% and adjusted EBITDA growth of 145%. In 2022 the business expects to continue to grow strongly and will continue to invest in projects to ensure the group is structured to scale for growth and also to identify opportunities to improve profit margins.

A core part of ClearCourse's value creation is to monetise the credit card payments and direct debit transactions that are facilitated by its software portfolio businesses. As of 31 May 2022, Clear Accept had onboarded in excess of 900 customers to its platform across 17 different ClearCourse Software Platforms, contracted new sales wins are accelerating rapidly which is forecast to continue.

Focus on structural & operational improvements
The management team has identified and is committed to continue to develop the Group's internal infrastructure including:

- Embed a divisional structure based upon market verticals which will simplify the group structure, reduce duplication and provide opportunities to rationalise costs.
- Continue to invest in product development to drive growth in existing and new verticals
- Invest in sales and marketing activities to unlock the potential of existing products and services
- The Group is rolling out standardised financial and management reporting across its portfolio, systemising processes, implementing Pipedrive to increase pipeline forecasting accuracy, driving overall accuracy and efficiency in reporting
- Standard master service agreements, contracts and insurance policies are being rolled out across the group, with central legal counsel available to manage the IP and trademark portfolio.
- Consolidating its banking activities into a single supplier, with the aim of improving security, control and reducing working capital requirements

Signed on behalf of the board of directors by:

G J Gualtieri
Director

30/6/22

The directors present their report and the financial statements of the Group for the year ended 31 December 2021.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:

A R Blazye	(appointed 10 May 2021)
G J Gualtieri	(appointed 10 May 2021)
M Lawler	(appointed 22 June 2021)
J B Rowe	(appointed 10 May 2021)
N A Seibert	(appointed 10 May 2021)
J Tiverton-Brown	(appointed 10 May 2021)
I L G Van Waesberghe	(appointed 10 May 2021 and resigned 8 February 2022)
T J Vince	(appointed 22 February 2021 and resigned 10 May 2021)
S Wolff	(appointed 22 June 2021)

Results and dividends
The Group's loss for the year after taxation was £24,736,000 (2020: £12,577,000).

No dividends were declared during the current or prior year.

Going concern
The Group has been equity funded by Aquiline and has used third party debt in order to finance its acquisitions.

The directors have prepared cash flow forecasts for a period of 12 months from the date of the approval of these financial statements, which indicate the Group will have sufficient funds to meet its liabilities as they fall due. Apart from the deferred consideration liabilities related to acquisitions made and cash injections required to comply with existing debt covenants (which Aquiline have provided confirmation they will fund if required), the cash flows are not dependent on additional funding from Aquiline and even under worst case scenarios, the directors are confident that sufficient mitigating action can be taken to ensure the solvency of the business.

Based on these forecasts and action plans, the directors consider that the trade carried on by the Group is a going concern.

Subsequent events
On 5 January 2022 the Group acquired the assets of 50 Charlotte Street, trading as Gift Voucher Solutions (GVS), a leading provider of gift voucher solutions for luxury hotels and restaurants, for an initial consideration of £2.2m.

Since the end of the year, Aquiline has continued to fund the Group via equity and debt. It invested £0.8m in equity to contribute to the acquisition of GVS and a loan of £18.2m, primarily to fund the Group's contingent consideration liabilities. The Group however is not predicting a requirement to raise further capital injections for working capital purposes

Following the various Group re-organisations in 2021, the Company undertook phase 2 of the re-organisation project in January 2022 by transferring the trade and assets of several subsidiaries into either ClearCourse Events and Leisure Services Limited, ClearCourse Retail Limited or ClearCourse Business Services Limited. There was no change in the ultimate control of the Group following the Group re-organisation.

Auditors
The auditor, RSM UK Audit LLP, Chartered Accountants, have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Statement of disclosure to auditors
So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditors are aware of that information.

Information contained within the strategic report
In accordance with section 414C(11) of the Companies Act 2006, information in relation to the fair review of the business, future developments, financial instruments and risk management policies of the Company, as required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, have been included in the separate Strategic Report.

Director's statement on Section 172
During the financial year, the directors have considered the needs of the Group's stakeholders as part of their decision-making process. Specifically, the directors consider the likely consequences of its decisions in the long-term and the need to act fairly between its stakeholders. The Group's key stakeholders, why they are important to the Company and how they have been considered and engaged and set out below:

Employees
The Group's employees are its most valuable asset. Employee engagement is very important to the Group, and we undertake a number of regular initiatives to increase and encourage employee engagement. Information on matters of concern to employees is provided through regular information bulletins and townhall sessions which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Group's performance. The worldwide COVID 19 pandemic has meant that the Group has taken a safety-first approach to our people returning to the office. With restrictions lifted, the directors have decided on a hybrid working environment whereby the benefits of collaboration and mental wellbeing by being in an office are balanced with the flexibility of working from home to suit individual circumstances.

Disabled persons
Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Customers
Customers are central to the business and the Group aims to deliver software in an efficient and continuously improving way to meet customer's needs. Engagement from the outset of a project allows the Group to add the most value and provide the customer with the best software solution.

Suppliers
Building good relationships with suppliers enables the Group to obtain value, high quality and good services. An important part of our culture is the promotion of high legal, ethical, environment and employee-related standards within our business and among our suppliers. Anti-Bribery policy must be adhered to by all the employees when dealing with suppliers.

Shareholders
Delivering for the Group's shareholders ensures that the business continues to be successful in the long terms and can therefore continue to deliver for all our stakeholders. Engagement between the management team of the Group and its shareholders occurs through regular business review meetings and ongoing reporting and feedback.

Environmental Green House Gas Emissions

The Group is continually looking to act in an energy efficient manner with due consideration given to options which minimise energy utilisation on an ongoing basis.

We report carbon dioxide emissions from our buildings and employees' fuel use for business travel. The methodology used for determining energy and carbon emissions comes from a number of sources of GHG emissions:

- Natural gas used for building space heating (Scope 1)
- Heating Oil used for building space heating (Scope 1)
- Electricity used for lighting, heating, ventilation and air conditioning (HVAC), and the operation of office equipment (Scope 2)
- The use of vehicles for business travel – company vehicles (Scope 1) and personal vehicles (grey fleet) (Scope 3)

The energy consumption has been calculated from floor area of the occupied office, warehouse and storage space. The type of energy supplied to those offices was determined from the Energy Performance Certificates (EPC) for those offices, where available. The relevant energy benchmarks published by the Department for Business Energy and Industrial Strategy were used to calculate the energy consumption.

The Group meets its transport requirements, by operating a mix of company cars and grey fleet vehicles. Mileage estimates were based on the type of business, the size of the sales and management staff and whether the business was involved hardware and software installation. The mileage figures were used to convert into carbon dioxide equivalent emissions and energy expressed in kWh.

Greenhouse gas emissions have been calculated using the UK Government approved and published conversion factors for company reporting, 2021.

	Units	Year ended 31 December 2021
Emissions from Combustion Gases (scope 1)	tCO2e	46.8
Emissions from combustion of Oil (scope 1)	tCO2e	5.4
Emissions from purchased Electricity (scope 2)	tCO2e	183.2
Emissions from combustion of fuel for transport purposes (scope 1 & 3)	tCO2e	31.5
Total gross emissions	tCO2e	266.9
Energy consumption used to calculate above emissions	kWh	1,267,904
Average number of employees		643
Intensity measurement ratio		0.42

Signed on behalf of the board of directors by:

G J Gualtieri
Director
30/6/22

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

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 Group and the Company and of the profit or loss of the Group for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Opinion

We have audited the financial statements of ClearCourse Partnership Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise Consolidated Statement of Comprehensive Income, Consolidated and Company Statement of Financial Position, Consolidated and Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and notes to the financial statements, including 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 2021 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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'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.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's 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.

Opinions 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 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 8, 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.

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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and assessing accounting policies for compliance with the reporting framework.

The most significant laws and regulations that have an indirect impact on the financial statements are General Data Protection Regulation (GDPR). We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with this regulation, reviewed legal expenditure for evidence of unrecorded disputes or breaches, and reviewed the policies and controls put in place by those charged with governant to mitigate the risk of non-compliance.

The group audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, sample testing sales to supporting documentation and testing a sample of transactions around the the year end to assess whether they were recognized in the correct accounting period.

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

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Mark Nisbett (Senior Statutory Auditor)
for and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

30 JUNE 2022
Date

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £'000	2020 £'000
Turnover	4	60,895	39,688
Cost of sales		(24,396)	(12,172)
Gross profit		36,499	27,516
Administrative expenses		(58,172)	(40,912)
Other operating income	5	106	274
Operating loss	9	(21,567)	(13,122)
Interest receivable and similar income	10	2	4
Interest payable and similar charges	11	(3,196)	(679)
Loss before taxation		(24,761)	(13,797)
Taxation	12	25	1,220
Loss for the year		(24,736)	(12,577)
Other comprehensive expense:			
Currency translation differences		15	(38)
Total comprehensive loss for the year		(24,721)	(12,615)
Loss for the year attributable to:			
Owners of the parent		(24,428)	(12,132)
Non-controlling interest		(308)	(445)
		(24,736)	(12,577)
Total comprehensive loss for the year attributable to:			
Owners of the parent		(24,413)	(12,170)
Non-controlling interest		(308)	(445)
		(24,721)	(12,615)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Notes	2021 £'000	2020 £'000
Fixed assets			
Goodwill	13	76,792	53,741
Other intangible assets	14	60,436	45,060
Tangible fixed assets	16	2,158	1,362
		139,386	100,163
Current assets			
Debtors due within one year	18	18,352	13,201
Debtors due after more than one year	18	-	27
Cash at bank and in hand	19	10,426	11,414
		28,778	24,642
Creditors: amounts falling due within one year	20	(42,386)	(53,002)
Net current liabilities		(13,608)	(28,360)
Total assets less current liabilities		125,778	71,803
Creditors: amounts falling due after one year	21	(53,278)	(10,483)
Provisions for liabilities	24	(13,629)	(7,813)
Net assets		58,871	53,507
Capital and reserves			
Share capital	26	1,707	1,707
Share premium	27	96,233	68,233
Profit and loss reserve	27	(45,910)	(21,982)
Total attributable to owners of the parent		52,030	47,958
Non-controlling interests		6,841	5,549
Total equity		58,871	53,507

The financial statements on pages 12 to 46 were approved by the board of directors and authorised for issue on 30/6/22 and are signed on its behalf by:

G J Gualtieri

G J Gualtieri
Director

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Notes	2021 £'000
Fixed assets		
Fixed asset investments	**17**	149,633
Current assets		
Debtors due within one year	**18**	2,381
Creditors: amounts falling due within one year	**20**	(2,402)
Net current liabilities		(21)
Total assets less current liabilities		149,612
Net assets		149,612
Capital and reserves		
Share capital	**26**	1,707
Share premium	**27**	96,233
Merger reserve	**27**	52,460
Profit and loss reserve	**27**	(788)
Total equity		149,612

As permitted by section 408 Companies Act 2006, the Company has not presented its own statement of comprehensive income. The Company's loss and total comprehensive expense for the financial period was £1,273,000.

The financial statements on pages 12 to 46 were approved by the board of directors and authorised for issue on 30/6/22 and are signed on its behalf by:

G J Gualtieri
Director

CLEARCOURSE PARTNERSHIP HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital £000	Share premium £'000	Profit and loss reserve £'000	Total attributable to owners of the parent £'000	Non-controlling interest £'000	Total equity £'000
Balance at 1 January 2020	995	56,575	(8,064)	49,506	5,314	54,820
Loss for the year	-	-	(12,132)	(12,132)	(445)	(12,577)
Other comprehensive expense: Currency translation differences	-	-	(38)	(38)	-	(38)
Total comprehensive loss for the year	-	-	(12,170)	(12,170)	(445)	(12,615)
Transactions with owners: Distributions to owners	-	-	(1,748)	(1,748)	-	(1,748)
Capital contributions	194	12,176	-	12,370	680	13,050
Balance at 31 December 2020	1,189	68,751	(21,982)	47,958	5,549	53,507
Loss for the year	-	-	(24,428)	(24,428)	(308)	(24,736)
Other comprehensive expense: Currency translation differences	-	-	15	15	-	15
Total comprehensive loss for the year	-	-	(24,413)	(24,413)	(308)	(24,721)
Transactions with owners:						
Issue of ordinary shares	414	23,586	-	24,000	-	24,000
Capital contributions	104	3,896	-	4,000	1,600	5,600
Share-based payment expense	-	-	485	485	-	485
Balance at 31 December 2021	1,707	96,233	(45,910)	52,030	6,841	58,871

CLEARCOURSE PARTNERSHIP HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2021

	Share capital £000	Share premium £'000	Merger reserve £'000	Profit and loss reserve £'000	Total equity £'000
Balance at 22 February 2021	-	-	-	-	-
Loss for the period	-	-	-	(1,273)	(1,273)
Total comprehensive loss for the period	-	-	-	(1,273)	(1,273)
Transactions with owners:					
Issue of ordinary shares	1,707	96,233	-	-	97,940
Group reconstruction	-	-	52,460	-	52,460
Share-based payment expense	-	-	-	485	485
Balance at 31 December 2021	1,707	96,233	52,460	(788)	149,612

CLEARCOURSE PARTNERSHIP HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £'000	2020 £'000
Cash flows from operating activities:			
Cash used in operations	29	(6,174)	(4,147)
Income taxes (paid)/repaid		(328)	314
Net cash outflow from operating activities		(6,502)	(3,833)
Investing activities:			
Acquisition of subsidiaries (net of cash acquired)		(35,216)	(27,716)
Payment of contingent consideration		(4,045)	(3,494)
Purchase of intangible fixed assets	14	(1,385)	(2,632)
Proceeds on disposal of tangible fixed assets		214	12
Purchase of tangible fixed assets	16	(469)	(226)
Interest received		2	4
Net cash used in investing activities		(40,899)	(34,052)
Financing activities:			
Payment of finance lease obligations		(55)	-
Interest paid		(1,637)	(11)
Distributions to owners		-	(1,748)
Proceeds from issue of shares		28,000	12,370
Proceeds of loans from related parties	22	-	26,444
Repayment of loans from related parties	22	(27,112)	-
Proceeds of loans	22	50,217	-
Payment of borrowing fees	22	(3,015)	-
Net cash generated from financing activities		46,398	37,055
Net decrease in cash and cash equivalents		(1,003)	(830)
Cash and cash equivalents at beginning of the year		11,414	12,282
Effect of foreign exchange rates		15	(38)
Cash and cash equivalents at end of the year		10,426	11,414
Relating to:			
Cash at bank and in hand		10,426	11,414

Included within cash at bank and in hand is £3,719,000 (2020: £2,215,000) of restricted cash. Restricted cash is money received from third parties which is repayable, after deducting commission, to clients.

This year's payments of £4,045,000 relating to deferred consideration have now been included in investing activities, in the prior year they were included in operating activities (payments of £3,494,000).

1. Company information

ClearCourse Partnership Holdings Limited ("the Company") is a private limited company registered in England and Wales. The registered office and principal place of business is 10-12 Eastcheap, London, EC3M 1AJ. The Group consists of the Company and all of its subsidiaries as set out in note 17.

The Company operates as a holding company with a mission to acquire primarily UK-based event and membership management software companies and drive increased growth and profitability through more efficient payments, capital investment and operational support. The principal activity of the Group is the provision of software solutions and services to clients in the membership, business services, events and leisure, retail, and payment solutions sectors.

2. Accounting policies

Accounting convention

These financial statements have been prepared under historical cost convention in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

The financial statements are prepared in Sterling, which is the functional currency of the Company and of its Group. Monetary amounts in these financial statements are rounded to the nearest £1,000.

Reduced disclosures

ClearCourse Partnership Holdings Limited as an individual company has taken advantage of the exemption from disclosing the following information in its individual company accounts, as permitted by the reduced disclosure regime within FRS 102:

- Section 7 "Statement of Cash Flows" - Presentation of a Statement of Cash Flows and related notes and disclosures;
- Section 11 "Basic Financial Instruments" and Section 12 "Other Financial Instrument Issues" - Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income; and
- Section 33 "Related Party Disclosures" - Compensation for key management personnel

Reporting period

The Company was incorporated on 22 February 2021. The Company financial statements have been prepared from the date of incorporation to 31 December 2021.

The reporting period of all the subsidiary undertakings of the Group is for the year to 31 December 2021. The previous financial period was for the year to 31 December 2020.

As explained in note 2 on page 19, these financial statements have been prepared under merger accounting and the Group financial statements have been presented as if the Company and the subsidiary undertakings had always been combined.

Going concern

The Group has been equity and debt funded by Aquiline and has used third party debt in order to finance its acquisitions.

During 2021, the Group secured additional external debt facility of £20m (total facility £70m), giving it the bandwidth to continue its acquisitive growth strategy. Aquiline continued to fund the Group via equity and debt. It invested £0.8m in equity to part fund the acquisition of GVS and a loan of £18.2m, largely to fund the Groups deferred consideration liabilities in the period to June 2022. The Group however is not predicting a requirement to raise further capital injections for working capital purposes.

2. Accounting policies (continued)

Going concern (continued)
At the balance sheet date, the Group has net assets of £58,871,000 (2020: £53,507,000) and cash at bank and in hand of £10,426,000 (2020: £11,414,000). The directors have reviewed the current financial position of the Group, making reasonable assumptions about the future performance and cash flow. Apart from a requirement to drawdown more cash from Aquiline to meet contingent consideration liabilities, and its current covenant compliance (which Aquiline have provided confirmation that they will provide), the Group has sufficient reserves to meet all liabilities as they fall due, and therefore the directors have, at the time of approving the financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Basis of consolidation
The consolidated financial statements incorporate those of ClearCourse Partnership Hoildings Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Corporate reconstruction and merger accounting
When a corporate reconstruction has taken place, consolidated financial statements are prepared that combine the results and cash flows of all the combining entities as if they had been combined throughout the current and comparative accounting period. The carrying values of the assets and liabilities of the parties to the combination are not adjusted to fair value.

Where necessary, adjustments are made in order to achieve uniformity of accounting policies in the combining entities.

The application of merger accounting to the group reorganisation which replaced ClearCourse Partnership LLP with ClearCourse Partnership Holdings Limited in the year involved a significant judgement, which is explain in note 3 below.

Company statement of comprehensive income
As permitted by s408 Companies Act 2006, no separate profit and loss account of the Company is presented as it prepares group accounts and the Company's individual statement of financial position shows the Company's profit and loss for the financial period. The Company's loss and total comprehensive expense for the financial period was £1,273,000.

Turnover
In accordance with Section 23 of FRS 102, the Group measures revenue at the fair value of the consideration received or receivable. The fair value of the consideration received or receivable takes into account the amount of any trade discounts, prompt settlement discounts and volume rebates. The Group includes in revenue only the gross inflows of economic benefits received and receivable on its own account and exclude from revenue all amounts collected on behalf of third parties such as sales taxes, goods and services taxes and value added taxes.

In an agency relationship, the Group (as agent) includes in revenue only the amount of its commission. The amounts collected on behalf of the principal are not revenue of the Group.

The Group applies the revenue recognition criteria separately to each separately identifiable component of the transactions that it enters into when and as necessary to reflect the substance of the transaction.

2. Accounting policies (continued)

Recognition of revenue
The Group operates a number of diverse businesses and accordingly applies a variety of methods for revenue recognition, based on the principles set out in section 23 of FRS102.

a) Rendering of services
When the outcome of a transaction involving the rendering of services can be estimated reliably, the Group recognises revenue associated with the transaction by reference to the stage of completion of the transaction at the end of the year (sometimes referred to as the percentage of completion method). The outcome of a transaction can be estimated reliably when all the following conditions are satisfied: (a) the amount of revenue can be measured reliably; (b) it is probable that the economic benefits associated with the transaction will flow to the entity; (c) the stage of completion of the transaction at the end of the year can be measured reliably; and (d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

- **Licensing and hosting revenue –** Entities whose primary objective is the provision of cloud-based CRM software solutions under the SaaS model (Software as a Service) recognise revenue on a straight-line basis over the licensing period.

- **Maintenance and support revenue –** Maintenance and support revenue is recognised on a straight-line basis over the period of the maintenance and support contract.

- **Professional services revenue (installation services and consulting) –** Professional services are distinguishable from licensing revenue, in part due to existence of a standalone selling prices, and revenue is recognised over the professional services project period*. When services are performed by an indeterminate number of acts over a specified period of time, the Group recognises revenue on a straight-line basis over the specified period unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other act, the entity postpones recognition of revenue until the significant act is executed.

  * The Group determines the stage of completion of a transaction or contract using the method that measures most reliably the work performed. When determining the stage of completion the Group considers the proportion of costs incurred for work performed to date over the estimated total costs, or the completion of a proportion of the service contract, as appropriate. Progress payments and advances received from customers often do not reflect the work performed.

- **Professional services revenue (event and subscription services) –** Revenue related to the provision to technology 'data gathering' services at an event is recognised over the event preparation period on the basis of the time and cost incurred up to and during the event itself, and revenue related to the provision subscription services is recognised over relevant subscription period.

- **Transactional services revenue –** For 'transactional arrangements' revenue is recognised in line with the number of processes transactions or clicks. Each transaction or click is assigned a value and revenue is recognised accordingly. For 'unlimited packs' and in circumstances where packs are not fully utilised revenue is recognised evenly over the service utilisation period, which is estimated based on historical transactions and clicks.

- **Managed services** - This is a fixed monthly fee for additional development and continuous improvements of systems as well as general support and revenue is recognised on a monthly basis in line with the period over which the service is provided.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, the Group recognises revenue only to the extent of the expenses recognised that it is probable will be recovered.

2. Accounting policies (continued)

b) Sale of goods
The Group recognises revenue from the sale of goods when all the following conditions are satisfied: (a) the entity has transferred to the buyer the significant risks and rewards of ownership of the goods; (b) the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; (c) the amount of revenue can be measured reliably; (d) it is probable that the economic benefits associated with the transaction will flow to the entity; and (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

c) Rental income
Rental income is recognised over the rental period on a straight-line basis.

Interest income
Interest income is accrued on a time-apportioned basis, by reference to the principal outstanding at the effective interest rate.

Taxation
The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the period. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income or expenses from subsidiaries that will be assessed to or allow for tax in a future period except where the Group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

Goodwill
Goodwill that arises on acquisitions represents the excess of the fair value of the consideration and associated costs over the fair value of the identifiable assets and liabilities acquired. Goodwill is capitalised and is then amortised on a straight line basis over its expected useful economic life, which is ten years. Provision is made for any impairment in value.

Other intangible assets
Intangible assets purchased other than in a business combination are recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets arising on a business combination are recognised separately from goodwill if the intangible is both separable and arises from legal or contractual rights. The Group has elected to recognise non-contractual customer relationships separately from goodwill. All other intangible assets that either arise from legal or contractual rights, or are separable, are presented within goodwill.

2. Accounting policies (continued)

Other intangible assets (continued)
Intangible assets are initially recognised at cost (which for intangible assets acquired in a business combination is the fair value at acquisition date) and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised to profit or loss on a straight-line basis over their useful lives, as follows:

Customer relations	over 3 to 10 years
Information technology	over 5 to 7 years
Order book	over 2 years
Other intangibles	over 3 to 10 years
Brands	over 10 years

Amortisation is revised prospectively for any significant change in useful life or residual value.

On disposal, the difference between the net disposal proceeds and the carrying amount of the intangible asset is recognised in profit or loss.

Tangible fixed assets
Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight-line basis over its expected useful life, as follows:

Freehold land	not depreciated
Feehold buildings	over 50 years
Leasehold property	over the period of the lease term
Computer equipment	over 1 to 4 years
Fixtures, fittings and office equipment	over 3 to 5 years
Motor vehicles	over 4 to 5 years

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

Revaluation of properties
Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the balance sheet date. The fair value of the land and buildings is usually considered to be their market value.

Impairment of fixed assets
An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Group estimates the recoverable amount of the asset or, for goodwill, the recoverable amount of the cash-generating unit to which the goodwill belongs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Excluding against goodwill, recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in profit or loss. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

2. Accounting policies (continued)

Fixed asset investments
In the separate financial statements of the Company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

Leases
An asset and corresponding liability are recognised for leasing agreements that transfer to the Group substantially all the risks and rewards incidental to ownership ("finance leases"). The amount capitalised is the fair value of the leased asset or, if lower, the present value of the minimum lease payments payable during the lease term, both determined at inception of the lease. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are expensed as incurred.

All other leases are operating leases and the annual rentals are charged to profit or loss on a straight-line basis over the lease term. Rent free periods or other incentives received for entering into an operating lease are accounted for as a reduction to the expense and are recognised, on a straight-line basis over the lease term.

Financial instruments
The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument, and are offset only when the Group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets
Debtors
Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Financial liabilities and equity
Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. 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
Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Creditors
Creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

2. Accounting policies (continued)

Borrowings
Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Derecognition of financial assets and liabilities
A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Provisions
Provisions are recognised when the Group has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Government grants
Government grants are recognised at the fair value of the asset received or receivable when there is a reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in other income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in other income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Share-based payments
The Group has issued incentive units in the period to certain employees.

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Monte Carlo model. The fair value determined at the grant date is expensed on a straight-line basis over the expected vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions (the "original fair value") and under the modified terms and conditions (the "modified fair value") are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

3. Critical accounting estimates and areas of judgement (continued)

Application of merger accounting
Merger accounting is only permissible for group reconstructions which meet the specific criteria set out in Company Law and in FRS 102 paragraph 19.27. These include the provision that the rights of each equity holder, relative to the others, should remain unchanged as a result of the reconstruction.

As set out in note 2 above, on 22 June 2021, ClearCourse Partnership LLP sold its business and assets to ClearCourse Partnership Holdings Limited, which replaced Clearcourse Partnership as the parent company in the group. The ownership interests in the LLP were exchanged by the Members for shares in ClearCourse Partnership AcquireCo Ltd. The transaction was part of a corporate reorganisation and no new ultimate owners were introduced as a result. Nonetheless, there were some very small, insignificant changes in the relative equity holdings as a result of the transaction, which, on the face of it, would mean that merger accounting under FRS 102 would not be permissable.

However, the substance of the transaction was that it was a group reconstruction, therefore the directors have determined that the application of acquisition accounting in compliance with the requirements of Company Law and FRS 102 would be inconsistent with the requirement to show a true and fair view.

Therefore, in order for the accounts to show a true and fair view, merger accounting has been applied to the change in ownership of the Group from ClearCourse Partnership LLP to ClearCourse Partnership Holdings Limited in accordance with the Group's Corporate Reconstruction accounting policy above.

Revenue recognition
Significant estimation and judgement is applied when determining the amounts of turnover and assets recognised based on contracted obligations and the progress through the contract. Each contract is analysed separately to identify the performance obligations and judgements made as to whether, for example, goods and services should be combined. Judgement is also required to allocate the transaction price to each performance obligation based on the standalone selling price. Revenue is then spread appropriately across the correct periods for different elements of the contract. Consideration is given to any potential additional costs and provisions made accordingly.

Contingent consideration
The valuations of contingent consideration in business combinations are particularly sensitive to changes in one or more unobservable inputs which are considered reasonably possible within the next financial year.

Goodwill and other intangible assets
The calculation of goodwill, split of intangible assets, and their useful economic life are inherently based on estimates and judgements at the date of acquisition. Goodwill and intangible assets are tested for impairment annually and whenever events or changes in circumstances indicate that the carrying amount of goodwill or intangible assets have been impaired. In order to determine if the value of goodwill or intangible assets have been impaired, the cash-generating unit to which goodwill or intangible assets have been allocated must be valued using present value techniques. Changes in the conditions for these judgments and estimates can significantly affect the assessed value of goodwill or intangible assets.

Deferred taxation
Deferred tax liabilities are assessed on the basis of assumptions regarding the future, the likelihood that assets will be realised and liabilities will be settled, and estimates as to the timing of those future events and as to the future tax rates that will be applicable.

Provision for doubtful debts
A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. The level of provision recognised is an area of judgement by management.

3. Critical accounting estimates and areas of judgement (continued)

Useful economic life of intangibles
The useful economic life of intangible assets is determined by the period over which the asset is expected to be available for use. Other intangibles have a life which is determined by the expected usage of the asset by the Group. Intangibles acquired at acquisition have useful lives which are assessed by reference to: the typical life cycle of the product; comparison with published information on useful lives of similar assets; technological obsolescence; the stability of the industry in which the asset operates; and expected action from competitors.

Recoverability of investments
Each year, the Group carries out tests to ensure that the carrying value of investments is recoverable. The tests involve calculations of the value in use of the investments using estimates of future cash flows including long-term revenue growth rates and an appropriate discount rate to be applied to future cash flows.

Dilapidations provision
The Group has provided for the expected liability existing with respect of land and buildings held under a lease by way of a dilapidations provision (see note 24). The liability represents the expected costs associated with bringing the relevant property into an acceptable state agreed by both parties at the conclusion of the lease. This is reviewed annually by the directors and will be adjusted annually should estimated costs materially change. The provision at 31 December was £204,000 (2020: £20,000).

Treatment of debt as a basic financial instrument
Management have considered the recognition criteria of FRS 102 Section 11 in respect of the amounts drawn down against the loan facility and concluded that it is appropriate to be treated as a basic financial instrument

4. Turnover

The Group's turnover is wholly derived from its principal activities undertaken predominantly within the United Kingdom. Overseas turnover amounted to £739,000 (2020: £846,000).

An analysis of the Group's turnover by class of business is as follows:

	2021 £'000	2020 £'000
Class of business		
Professional services – installation services and consulting	18,076	13,145
Licensing	13,510	9,140
Maintenance and support	7,600	7,065
Managed services	4,157	3,354
Transactional services	7,732	2,246
Hosting	3,401	1,740
Professional services - events	1,473	897
Hardware sales	2,614	774
Other	2,332	1,327
	60,895	39,688

5. Other operating income

	2021 £'000	2020 £'000
Government grants	106	274

Government grants of £106,000 (2020: £274,000) were received during the year in relation to COVID-19 support.

6. Staff costs

The average monthly number of persons (excluding directors) employed by the Group during the year was:	2021 No.	2020 No.
Client service staff	452	322
Administration	191	144
	643	466

Staff costs for the above persons:	£'000	£'000
Wages and salaries	31,160	21,044
Social security costs	3,192	2,082
Pension costs	1,115	770
Share-based payment charge	485	-
	35,952	23,896

7. Directors' remuneration

Group	2021 £'000	2020 £'000
Remuneration for qualifying services	1,685	1,694
Company pension contributions to defined contribution schemes	30	54
	1,715	1,748

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2021 £'000	2020 £'000
Remuneration for qualifying services	544	414

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2020: 4).

8. Share-based payment transactions

Shares were issued to senior management on the restructure of the business from ClearCourse Partnership LLP to ClearCourse Partnership Holdings Limited. The vesting of the shares is subject to future employment and thus the shares are accounted for as a share-based payment, though some vested on issue at the date of the group reconstruction described in notes 2 and 3.

There are two vesting conditions for the shares, with two thirds vesting over time, and the remaining one third of shares vesting on the occurrence of an exit event (any such event would also accelerate the date the time vesting shares vest) if certain conditions are met, deemed for the purpose of this share-based payment calculation to be 31 December 2022. There is also a condition attached to the B2 shares where the value is restricted if certain exit value conditions are not met.

8. Share-based payment transactions (continued)

	B1 Shares	B2 Shares	B2 Designated
	£	£	£
Average fair value	0.882989	0.527959	0.627546
Less initial amount paid	(0.633332)	(0.378937)	(0.378937)
Average fair value per share	0.249657	0.149022	0.248609

Number of shares	**B1 Shares Number**	**B2 Shares Number**	**B2 Designated Number**	**Total Number**
Outstanding at 1 January 2021	-	-	-	-
Granted	962,497	7,086,091	419,675	8,468,263
Outstanding at 31 December 2021	962,497	7,086,091	419,675	8,468,263

Fair value of shares	**B1 Shares £'000**	**B2 Shares £'000**	**B2 Designated £'000**	**Total £'000**
Outstanding at 1 January 2021	-	-	-	-
Granted	240,294	1,055,983	104,335	1,400,612
Outstanding at 31 December 2021	240,294	1,055,983	104,335	1,400,612
Exercisable at 31 December 2021	-	-	-	-

Group

Shares were valued using the Monte Carlo option pricing model. The Monte Carlo model is considered to apply the most appropriate valuation method due to the varying vesting conditions and performance conditions for the B1 and B2 Shares (including the B2 Designated Shares).

Inputs were as follows:

	2021	**2020**
Grant value of B1 shares (pence)	63.33	-
Grant value of B2 shares (pence)	37.89	-
Risk-free rate (%)	2.06	-
Volatility (%)	51	-
Dividend yield (%)	-	-
Expected life (years)	1.53	-

	Group 2021 £'000	**2020 £'000**	**Company 2021 £'000**	**2020 £'000**
Expenses recognised in the year				
Arising from equity settled share based payment transactions	485	-	-	-

9. Operating loss

	2021 £'000	2020 £'000
Operating loss is stated after charging/(crediting):		
Amortisation of intangible fixed assets – goodwill (note 13)	6,917	4,239
Amortisation of other intangible fixed assets (note 14)	9,200	6,488
Amortistion of borrowing fees	521	-
Depreciation of tangible assets – owned assets (note 16)	554	354
Depreciation of tangible assets – assets held under finance lease (note 16)	33	6
Loss/(profit) on disposal of tangible fixed assets	12	(7)
Operating lease rentals – land and buildings	1,751	1,548
Operating lease rentals – plant and machinery	17	47
Operating lease rentals – motor vehicles	99	120
Other income – property rental income	(38)	(97)
Bad debt expense	324	299

Fees payable to RSM UK Audit LLP in respect of both audit and non-audit services are as follows:

	2021 £'000	2020 £'000
Auditor's remuneration:		
Statutory audit of Group and Company accounts	340	175
Statutory audit of subsidiaries	18	-
Other non-audit services	239	400
	597	575

10. Interest receivable and similar income

	2021 £'000	2020 £'000
Bank interest receivable	2	4

11. Interest payable and similar charges

	2021 £'000	2020 £'000
Interest on bank overdrafts and loans	3,191	1
Interest on related party loans	-	668
Interest on finance leases and hire purchase contracts	5	9
Other interest payable	-	1
	3,196	679

12. Taxation

The taxation arising in relation to the consolidated statement of comprehensive income relates only the Company's subsidiary undertakings, as follows:

	2021 £'000	2020 £'000
Current tax		
UK corporation tax	25	-
Adjustments in respect of prior periods – pre-acquisition tax charge	-	219
Adjustments in respect of prior periods	(66)	(20)
Foreign taxation	21	2
Total current tax charge	(20)	201
Deferred tax		
Origination and reversal of timing differences	(1,661)	(1,421)
Changes in tax rates	1,656	-
Total deferred tax credit	(5)	(1,421)
Total tax charge/(credit)	(25)	(1,220)

The tax assessed for the year is higher (2020: higher) than the standard rate of corporation tax in the UK 19%. The differences are explained below:

	2021 £'000	2020 £'000
Group loss before tax	(24,761)	(13,797)
Group loss multiplied by the standard rate of corporation tax in the UK of 19% (2020: 19%)	(4,705)	(2,621)
Effects of:		
Fixed asset differences	729	41
Expenses not deductible for tax purposes	1,251	749
Income not taxable for tax purposes	-	(311)
Tax losses utilised	(434)	-
Adjustments in respect of prior periods – pre-acquisition tax	-	219
Adjustments in respect of prior periods	(116)	(46)
Notional R&D tax credits written off re prior periods	-	26
Adjustments in respect of prior periods – deferred tax	-	(149)
Effect of changes in tax rate	1,570	-
Deferred tax not recognised	1,679	882
Foreign timing differences	1	(10)
Tax charge/(credit)	(25)	(1,220)

Deferred tax losses of £1,770,000 (2020: £882,000) have not been recognised during the year due to the uncertainty of when the losses will be utilised.

Changes to UK corporation tax rates were substantively enacted by the Finance Bill 2021 on 24 May 2021. These included an increase of the corporation tax rate to 25% from 1 April 2023. As this change was substantively enacted at the year end date, where deferred tax is recognised, it is at a rate of 25% in the current year (2020: 19%).

13. Intangible fixed assets - Goodwill

Group	Goodwill £'000
Cost:	
At 1 January 2021	59,903
Adjustments arising from change in contingent consideration	4,118
Additions through business combinations (see note 15)	25,850
At 31 December 2021	89,871
Amortisation:	
At 1 January 2021	6,162
Charge for the year	6,917
At 31 December 2021	13,079
Net book value:	
At 31 December 2021	76,792
At 31 December 2020	53,741

The amortisation of goodwill is included within administrative expenses.

The Company does not have any goodwill.

14. Other intangible fixed assets

		Acquired intangibles				
Group	Other intangibles £'000	Customer relations £'000	Information technology £'000	Order book £'000	Brands £'000	Total £'000
Cost:						
At 1 January 2021	4,615	30,477	18,908	299	-	54,299
Additions through business combinations (see note 15)	-	11,012	9,722	-	2,457	23,191
Additions	1,385	-	-	-	-	1,385
At 31 December 2021	6,000	41,489	28,630	299	2,457	78,875
Amortisation:						
At 1 January 2021	579	4,909	3,627	124	-	9,239
Charge for the year	932	4,542	3,514	150	62	9,200
At 31 December 2021	1,511	9,451	7,141	274	62	18,439
Net book value:						
At 31 December 2021	4,489	32,038	21,489	25	2,395	60,436
At 31 December 2020	4,036	25,568	15,281	175	-	45,060

The amortisation and amounts recognised in profit or loss for the year in respect of intangible fixed assets are included within administrative expenses.

15. Acquisitions

During the year, the subsidiary undertaking, ClearCourse Partnership Acquireco Finance Ltd, acquired a number of new subsidiaries. The subsidiaries have been accounted for using the acquisition method of accounting. At the acquisition dates, the total assets and liabilities acquired from the new subsidiaries were consolidated at their fair values as set out below:

	Book value £'000	Fair value adjustments £'000		Total £'000
Tangible fixed assets (note 16)	1,140	-		1,140
Debtors	1,967	-		1,967
Cash at bank and in hand	6,012	-		6,012
Creditors	(2,644)	-		(2,644)
Customer relations (note 14)	-	11,012		11,012
Information technology (note 14)	-	9,722		9,722
Brand (note 14)	-	2,457		2,457
Net deferred tax liabilities (note 25)	(160)	(5,477)		(5,637)
Total identifiable net assets	6,315	17,714		24,029
Cash consideration			39,667	
Contingent cash consideration			7,562	
Equity instruments (3,794,929 A2 Ordinary shares)			1,500	
Acquisition costs			1,150	
Total consideration				49,879
Goodwill arising				25,850

All equity instruments issued are A2 ordinary shares in ClearCourse Partnership Acquireco Limited.

	Sub-note	Book value £'000	Fair value adjustments £'000	Total value £'000	Consideration £'000	Goodwill £'000
PPM Software Limited	(i)	-	1,374	1,374	1,800	426
The EPOS Bureau Limited	(ii)	1,195	707	1,902	2,681	779
Cymba Integrated Solutions Ltd	(iii)	65	1,299	1,364	3,482	2,118
EKM Systems Holdco Limited	(iv)	3,549	9,928	13,477	27,623	14,146
KCell Services Limited	(v)	276	1,653	1,929	2,524	595
Eworks Manager Limited	(vi)	338	1,766	2,104	7,974	5,870
Secure Collections Limited	(vii)	893	986	1,879	3,795	1,916
		6,316	17,713	24,029	49,879	25,850

The goodwill arising on the acquisitions of £25,850,000 is considered to have a useful life of 10 years.

15. Acquisitions (continued)

Consolidated turnover and consolidated profit after tax contributed by the acquired subsidiaries between the dates of acquisition and the 31 December 2021 is as follows:

	Turnover £'000	Profit/(loss) after tax £'000
PPM Software Limited	631	87
The EPOS Bureau Limited	565	32
Cymba Integrated Solutions Ltd	302	71
EKM Systems Holdco Limited	1,566	545
KCell Services Limited	482	(114)
Eworks Manager Limited	133	23
Secure Collections Limited	55	7
	3,734	651

The acquisitions are listed below in date order.

(i) PPM Software Limited

On 12 January 2021, the Group acquired the trade of PPM Software Limited, a provider of health practice management software Details of assets and liabilities acquired are set out below:

	Book value £'000	Fair value adjustments £'000	Total £'000
Customer relations	-	1,800	1,800
Net deferred tax liabilities	-	(426)	(426)
Total identifiable net assets	-	1,374	1,374
Cash consideration			1,800
Goodwill arising			426

(ii) The EPOS Bureau Limited

On 3 August 2021, the Group acquired 100 per cent of the issued share capital of The EPOS Bureau Limited. The EPOS Bureau Limited is incorporated in England and Wales and provides EPOS and stock control solutions to food retailers. Details of assets and liabilities acquired are set out below:

	Book value £'000	Fair value adjustments £'000		Total £'000
Tangible fixed assets	26	-		26
Debtors	238	-		238
Cash at bank and in hand	1,205	-		1,205
Creditors	(273)	-		(273)
Customer relations	-	458		458
Information technology	-	468		468
Net deferred tax liabilities	(1)	(219)		(220)
Total identifiable net assets	1,195	707		1,902
Cash consideration			2,589	
Acquisition costs			92	
Total consideration				2,681
Goodwill arising				779

15. Acquisitions (continued)

(iii) Cymba Integrated Solutions Ltd

On 30 September 2021, the Group acquired 100 per cent of the issued share capital of Cymba Integrated Solutions Ltd. Cymba Integrated Solutions Ltd is incorporated in England and Wales and is a mobile marketing business which focuses on charity customers. Details of assets and liabilities acquired are set out below:

	Book value £'000	Fair value adjustments £'000		Total £'000
Tangible fixed assets	12	-		12
Debtors	64	-		64
Cash at bank and in hand	194	-		194
Creditors	(203)	-		(203)
Customer relations	-	1,250		1,250
Information technology	-	451		451
Net deferred tax liabilities	(2)	(402)		(404)
Total identifiable net assets	65	1,299		1,364
Cash consideration			3,353	
Acquisition costs			129	
Total consideration				3,482
Goodwill arising				2,118

(iv) EKM Systems Holdco Limited

On 30 September 2021, the Group acquired 100 per cent of the issued share capital of EKM Systems Holdco Limited. EKM Systems Holdco Limited is incorporated in England and Wales and sells e-commerce platform solutions and services to SME online retailers. Details of assets and liabilities acquired are set out below:

	Book value £'000	Fair value adjustments £'000		Total £'000
Tangible fixed assets	931	-		931
Debtors	325	-		325
Cash at bank and in hand	3,895	-		3,895
Creditors	(1,412)	-		(1,412)
Customer relations	-	4,348		4,348
Information technology	-	6,193		6,193
Brand	-	2,457		2,457
Net deferred tax liabilities	(190)	(3,070)		(3,260)
Total identifiable net assets	3,549	9,928		13,477
Cash consideration			27,167	
Acquisition costs			456	
Total consideration				27,623
Goodwill arising				14,146

15. Acquisitions (continued)

(v) KCell Services Limited

On 30 September 2021, the Group acquired 100 per cent of the issued share capital of KCell Services Limited. KCell Services Limited is incorporated in England and Wales and provides POS solutions to restaurants. Details of assets and liabilities acquired are set out below:

	Book value £'000	Fair value adjustments £'000		Total £'000
Tangible fixed assets	44	-		44
Debtors	495	-		495
Cash at bank and in hand	180	-		180
Creditors	(476)	-		(476)
Customer relations	-	806		806
Information technology	-	1,358		1,358
Net deferred tax assets/(liabilities)	33	(511)		(478)
Total identifiable net assets	276	1,653		1,929
Cash consideration			2,400	
Acquisition costs			124	
Total consideration				2,524
Goodwill arising				595

(vi) Eworks Manager Limited

On 30 November 2021, the Group acquired 100 per cent of the issued share capital of Eworks Manager Limited. Eworks Manager Limited is incorporated in England and Wales and provides job management software. Details of assets and liabilities acquired are set out below:

	Book value £'000	Fair value adjustments £'000		Total £'000
Tangible fixed assets	122	-		122
Debtors	146	-		146
Cash at bank and in hand	209	-		209
Creditors	(139)	-		(139)
Customer relations	-	1,279		1,279
Information technology	-	1,032		1,032
Net deferred tax liabilities	-	(545)		(545)
Total identifiable net assets	338	1,766		2,104
Cash consideration			7,754	
Acquisition costs			220	
Total consideration				7,974
Goodwill arising				5,870

15. Acquisitions (continued)

(vii) Secure Collections Limited

On 30 September 2021, the Group acquired 100 per cent of the issued share capital of Secure Collections Limited. Secure Collections Limited is incorporated in England and Wales and provides provides direct debit bureau services. Details of assets and liabilities acquired are set out below:

	Book value £'000	Fair value adjustments £'000		Total £'000
Tangible fixed assets	5	-		5
Debtors	700	-		700
Cash at bank and in hand	329	-		329
Creditors	(141)	-		(141)
Customer relations	-	1,071		1,071
Information technology	-	220		220
Net deferred tax liabilities	-	(305)		(305)
Total identifiable net assets	893	986		1,879
Cash consideration			3,666	
Acquisition costs			129	
Total consideration				3,795
Goodwill arising				1,916

16. Tangible fixed assets

Group	Freehold land & buildings £'000	Leasehold property £'000	Computer equipment £'000	Fixtures, fittings and equipment £'000	Motor vehicles £'000	Total £'000
Cost:						
At 1 January 2021	220	217	929	574	26	1,966
Additions through business combinations (see note 15)	-	786	97	240	17	1,140
Additions	-	-	455	14	-	469
Disposals	(220)	-	(6)	-	-	(226)
At 31 December 2021	-	1,003	1,475	828	43	3,349
Depreciation:						
At 1 January 2021	-	115	294	186	9	604
Charge for the year	-	49	429	103	6	587
At 31 December 2021	-	164	723	289	15	1,191
Net book value:						
At 31 December 2021	-	839	752	539	28	2,158
At 31 December 2020	220	102	635	388	17	1,362

The depreciation charge for the year is included within administrative expenses.

Leased plant and machinery

The net book value of computer equipment includes £11,000 (2020: £50,000) in respect of assets held under finance leases. Depreciation charged in the year was £33,000 (2020: £6,000).

17. Fixed asset investments

Company	Subsidiary undertakings £'000
Cost:	
At 22 February 2021	
Additions	149,633
At 31 December 2021	149,633
Provisions for impairment:	
At 22 February 2021 and 31 December 2021	
Carrying amount:	
At 31 December 2021	149,633

The Company's subsidiary undertakings as at 31 December 2021 are set out below:

Name of undertaking and registered office	Country of incorporation	Nature of business	Class of shareholding	% held
ClearCourse Partnership AcquireCo Ltd** *10-12 Eastcheap, First Floor, London, England, EC3M 1AJ*	United Kingdom	Holding company	Ordinary	92.60%
ClearCourse Partnership AcquireCo Holdings Limited** *10-12 Eastcheap, First Floor, London, England, EC3M 1AJ*	United Kingdom	Holding Company	Ordinary	92.60%*
ClearCourse Partnership AcquireCo Finance Limited** *10-12 Eastcheap, First Floor, London, England, EC3M 1AJ*	United Kingdom	Holding Company	Ordinary	92.60%*
ClearCourse Retail Limited (formerly GiftPro Limited)** *10-12 Eastcheap, First Floor, London, England, EC3M 1AJ*	United Kingdom	Software provider	Ordinary	92.60%*
ClearCourse Membership Services Limited** *10-12 Eastcheap, First Floor, London, England, EC3M 1AJ*	United Kingdom	Software provider	Ordinary	92.60%*
Ariadne Computer Systems Limited** *10-12 Eastcheap, First Floor, London, England, EC3M 1AJ*	United Kingdom	Software provider	Ordinary	92.60%*
NFP Services Co. Limited** *340 Gray's Inn Road, London, England, WC1X 8BG*	United Kingdom	Software provider	Ordinary	92.60%*
Mantra IT Systems Private Limited *Baani, The Address, 1 Golf Course Road, 207, 2nd Floor, Sector 56, Gurgaon, Haryana 122011, India*	India	Software provider	Ordinary	92.60%*
Silverbear Limited** *1 Faraday Road, Guildford, Surrey, England, GU1 1EA*	United Kingdom	Software provider	Ordinary	92.60%*
E-Dataware Limited** *10-12 Eastcheap, First Floor, London, England, EC3M 1AJ*	United Kingdom	Software provider	Ordinary	92.60%*
Cleara Consulting Limited** *10-12 Eastcheap, First Floor, London, England, EC3M 1AJ*	United Kingdom	Consultancy	Ordinary	92.60%*
ClearCourse Business Services Limited** *10-12 Eastcheap, First Floor, London, England, EC3M 1AJ*	United Kingdom	Software provider	Ordinary	92.60%*
Shepherdland Limited** *Stratum House, Stafford Park 10, Telford, Shropshire, England, TF3 3AB*	United Kingdom	Software provider	Ordinary	92.60%*

17. Fixed asset investments (continued)

Name of undertaking and registered office	Country of incorporation	Nature of business	Class of shareholding	% held
Stratum Holdings Limited** *Stratum House, Stafford Park 10, Telford, Shropshire, England, TF3 3AB*	United Kingdom	Software provider	Ordinary	92.60%*
APT Solutions Limited** *Stratum House, Stafford Park 10, Telford, Shropshire, England, TF3 3AB*	United Kingdom	Software provider	Ordinary	92.60%*
Memnet Limited** *10-12 Eastcheap, First Floor, London, England, EC3M 1AJ*	United Kingdom	Software provider	Ordinary	92.60%*
APT Software Limited** *Stratum House, Stafford Park 10, Telford, Shropshire, England, TF3 3AB*	United Kingdom	Software provider	Ordinary	92.60%*
APT Solutions (Australasia) Pty Ltd *Suite 14.03, Level 14, 14 Martin Place, Sydney, NSW 2000, Australia*	Australia	Software provider	Ordinary	92.60%*
CircData Limited** *Unit K, Venture House, Bone Lane, Newbury, Berkshire, England, RG14 5SH*	United Kingdom	Software provider	Ordinary	92.60%*
Circdata Polska sp. z o.o. *Ul. Królewska 57, 30-081 Kraków, Poland*	Poland	Software provider	Ordinary	92.60%*
Crafty Clicks Limited** *10-12 Eastcheap, First Floor, London, England, EC3M 1AJ*	United Kingdom	Software provider	Ordinary	92.60%*
Cymba Integrated Solutions Ltd** *10-12 Eastcheap, First Floor, London, England, EC3M 1AJ*	United Kingdom	Software provider	Ordinary	92.60%*
EKM Systems Holdco Limited** *10-12 Eastcheap, First Floor, London, England, EC3M 1AJ*	United Kingdom	Software provider	Ordinary	92.60%*
EKM Systems Limited *10-12 Eastcheap, First Floor, London, England, EC3M 1AJ*	United Kingdom	Software provider	Ordinary	92.60%*
Eworks Manager Limited** *10-12 Eastcheap, First Floor, London, England, EC3M 1AJ*	United Kingdom	Software provider	Ordinary	92.60%*
NetXtra Limited** *Linden Square, 146 Kings Road, Bury St. Edmunds, Suffolk, England, IP33 3DJ*	United Kingdom	Consultancy	Ordinary	92.60%*
Clearcourse Events & Leisure Ltd** *10-12 Eastcheap, First Floor, London, England, EC3M 1AJ*	United Kingdom	Software provider	Ordinary	92.60%*
Instagiv Limited** *Number One, Lanyon Quay, Belfast, Northern Ireland, BT1 3LG*	United Kingdom	Software provider	Ordinary	92.60%*
KCell Services Limited** *10-12 Eastcheap, First Floor, London, England, EC3M 1AJ*	United Kingdom	Software provider	Ordinary	92.60%*
The EPOS Bureau Limited** *Eureka House Tullynagarn, Lisnarick Road, Irvinestown, Fermanagh, Northern Ireland, BT94 1EY*	United Kingdom	Software provider	Ordinary	92.60%*
Trillium Systems Limited** *Solo House The Courtyard, London Road, Horsham, West Sussex, England, RH12 1AT*	United Kingdom	Software provider	Ordinary	92.60%*
Portrilio Solutions, Unipessoal, Lda *Rua Julio Dinis, 561 4 Sala 402 - Centro Empresarial, 4050-325 Porto, Portugal*	Portugal	Software provider	Ordinary	92.60%*
Protech Computer Systems Limited** *Protech House, Wharf Approach, Anchor Brook Industrial Park, Aldridge, Walsall, West Midlands, England, WS9 8BX*	United Kingdom	Software provider	Ordinary	92.60%*

17. Fixed asset investments (continued)

Name of undertaking and registered office	Country of incorporation	Nature of business	Class of shareholding	% held
Secure Collections Limited *10-12 Eastcheap, First Floor, London, England, EC3M 1AJ*	United Kingdom	Software provider	Ordinary	92.60%*
ClearCourse Payments Holdco Limited** *10-12 Eastcheap, First Floor, London, England, EC3M 1AJ*	United Kingdom	Holding company	Ordinary	92.60%*
ClearAccept Limited** *10-12 Eastcheap, First Floor, London, England, EC3M 1AJ*	United Kingdom	Software provider	Ordinary	92.60%*
ClearAccept Operations Limited** *10-12 Eastcheap, First Floor, London, England, EC3M 1AJ*	United Kingdom	Software provider	Ordinary	92.60%*
ClearAccept Technology Limited** *10-12 Eastcheap, First Floor, London, England, EC3M 1AJ*	United Kingdom	Software provider	Ordinary	92.60%*
Hart Square Limited** *10-12 Eastcheap, First Floor, London, England, EC3M 1AJ*	United Kingdom	Consultancy	Ordinary	92.60%*
Garage Data Systems Limited** *Armstrong House, Flemingate, Beverley, East Yorkshire, England, HU17 0NW*	United Kingdom	Software provider	Ordinary	92.60%*
Practice Point Limited** *10-12 Eastcheap, First Floor, London, England, EC3M 1AJ*	United Kingdom	Software provider	Ordinary	92.60%*
E-Novations (London) Limited** *10-12 Eastcheap, First Floor, London, England, EC3M 1AJ*	United Kingdom	Software provider	Ordinary	92.60%*
Adelante Software Ltd** *Unit 3 The Switchback, Gardner Road, Maidenhead, Berkshire, SL6 7RJ*	United Kingdom	Software provider	Ordinary	92.60%*
Bevy of Swans Ltd** *10-12 Eastcheap, First Floor, London, EC3M 1AJ*	United Kingdom	Software provider	Ordinary	92.60%*
Swan Retail Systems Ltd** *10-12 Eastcheap, First Floor, London, EC3M 1AJ*	United Kingdom	Software provider	Ordinary	92.60%*
Touchretail Holdings Limited** *10-12 Eastcheap, First Floor, London, EC3M 1AJ*	United Kingdom	Holding company	Ordinary	92.60%*
Touchretail Limited** *10-12 Eastcheap, First Floor, London, EC3M 1AJ*	United Kingdom	Software provider	Ordinary	92.60%*
Swan Origination Ltd** *10-12 Eastcheap, First Floor, London, EC3M 1AJ*	United Kingdom	Software provider	Ordinary	92.60%*
Swan Retail Ltd** *10-12 Eastcheap, First Floor, London, EC3M 1AJ*	United Kingdom	Software provider	Ordinary	92.60%*
Mosaic Software Ltd** *8 Brunel Building, Scottish Enterprise Technology Park, East Kilbride, Glasgow, G75 0QD*	United Kingdom	Software provider	Ordinary	92.60%*
Felinesoft Limited** *Whitefriars Sixth Floor, Suite D, Lewins Mead, Bristol, BS1 2NT*	United Kingdom	Software provider	Ordinary	92.60%*
Eworks Manager Proprietary Limited *166 Cape Road, Mill Park, Port Elizabeth, 6001*	South Africa	Software provider	Ordinary	92.60%*

17. *Fixed asset investments (continued)*

Name of undertaking and registered office	Country of incorporation	Nature of business	Class of shareholding	% held
T.I.S.S.L Limited** *10-12 Eastcheap, First Floor, London, England, EC3M 1AJ*	United Kingdom	Software provider	Ordinary	92.60%*
FLG Business Technology Limited** *Ribble Court, 1 Mead Way, Padiham, Lancashire, England, BB12 7NG*	United Kingdom	Software provider	Ordinary	92.60%*

* represents an indirect holding

** represents subsidiaries that are exempt from the requirements of the Companies Act 2006 relating to the audit of the individual accounts under section 479A of the Companies Act 2006. The Company has provided a guarantee in respect of the liabilities arising in those subsidiaries so those companies can take the s479A exemption from audit for the period ended 31 December 2021.

18. Debtors

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000
Amounts falling due within one year:			
Trade debtors	10,649	6,627	-
Other debtors	4,663	2,674	792
Amounts due from group undertakings	-	-	1,589
Prepayments and accrued income	3,040	3,900	-
	18,352	13,201	2,381
Amounts falling due after more than one year:			
Other debtors	-	27	-
	18,352	13,228	2,381

The amounts due from group undertakings are unsecured, interest free and repayable on demand.

19. Cash at bank and in hand

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000
Cash at bank	10,426	11,414	-

Included within cash at bank and in hand for the Group is £3,719,000 (2020: £2,215,000) of restricted cash. Restricted cash is money received from third parties which is repayable, after deducting commission, to clients.

20. Creditors: Amounts falling due within one year

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000
Borrowings (note 22)	-	27,112	-
Obligations under finance leases	12	55	-
Trade creditors	1,388	2,195	145
Amounts due to group undertakings	-	-	2,257
Other taxation and social security	3,625	4,139	-
Corporation tax payable	778	759	-
Other creditors	3,646	4,391	-
Accruals and deferred income	15,560	10,389	-
Contingent consideration	17,377	3,962	-
	42,386	53,002	2,402

The amounts due to group undertakings are unsecured, interest free and repayable on demand.

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

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000
Borrowings (note 22)	49,282	-	-
Obligations under finance leases	-	12	-
Other creditors	-	184	-
Contingent consideration	3,996	10,287	-
	53,278	10,483	-

22. Borrowings

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000
Loans from third parties	51,776	-	-
Capitalised fees	(2,494)	-	-
Loans from related parties	-	27,112	-
	49,282	27,112	-
Payable within one year	-	27,112	-
Payable after one year	49,282	-	-
	49,282	27,112	-

22. Borrowings (continued)

Movement in borrowings:	Loans from third parties	Capitalised fees £'000	Loans from related parties £'000	Total £'000
At 1 January 2020	-	-	-	-
Proceeds	-	-	26,444	26,444
Capitalisation of interest	-	-	668	668
At 31 December 2020	-	-	27,112	27,112
Payments		(3,015)	(27,112)	(30,127)
Proceeds	50,217	-	-	50,217
Capitalisation of interest	1,559	-	-	1,559
Amortisation of fees	-	521	-	521
At 31 December 2021	51,776	(2,494)	-	49,282

On 24 December 2020, the Group agreed a facility agreement, as drawn down as above, for £50,000,000 but this was superseded by a facilities agreement for £70,000,000 on 26 November 2021. The loan is repayable by 26 November 2027 and incurs quarterly interest of 8.75% plus SONIA (part of which the group has exercised an option to capitalise, and part of which is paid quarterly). Total accrued interest as at 31 December 2021 is £1,559,000 (2020: £Nil). The loan is collectively guaranteed by the subsidiaries of the company.

A fixed and floating charge over the assets of the Group was given as security for the loan received in 2020 and 2021. The Group used the initial facility mentioned above to repay the previous related party loan in full. The related party loan accrued interest at 8% per annum and at the year end, interest of £Nil (2020: £668,000) had been accrued which is included in the amount above.

23. Finance lease obligations

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000
The total future minimum lease payments fall due as follows:			
Less than one year	12	55	-
Between one and five years	-	12	-
	12	67	-

Obligations under finance leases represent rentals payable by the Group for certain items of computer equipment. All leases are on a fixed repayment basis and no arrangements have been made for contingent rental payments.

The Group's obligations under finance leases bear interest at 4.8% are secured by the lessor's charge over the leased assets. The net book value of the secured assets is disclosed in note 16.

24. Provisions for liabilities

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000
Deferred tax liabilities (see note 25)	13,425	7,793	-
Dilapidations provisions	204	20	-
	13,629	7,813	-

24. Provisions for liabilities (continued)

Movements on provisions apart from deferred tax liabilities:

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000
At 1 January	20	-	-
Reclassification from creditors	184	20	-
At 31 December	204	20	-

25. Deferred tax

Group	Deferred tax liability £'000
At 1 January 2021	7,793
Acquired as a result of business combinations (note 15)	5,637
Credited to profit or loss (note 12)	(5)
At 31 December 2021	13,425

The Company does not have any deferred tax liabilities.

The major deferred tax liabilities and assets recognised by the Group are:

	Liabilities 2021 £'000	Liabilities 2020 £'000	Assets 2021 £'000	Assets 2020 £'000
Fixed asset timing differences	53	7,944	-	-
Short term timing differences	2	-	-	-
Losses and other deductions	-	-	-	151
Business combinations	13,370	-	-	-
	13,425	7,944	-	151

26. Share capital

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000
1,874,585 A1 non-voting ordinary shares of £0.01 each	19	7	19
62,451,295 A1 voting ordinary shares of £0.01 each	624	462	625
962,497 B1 ordinary shares of £0.01 each	10	10	9
7,086,091 B2 ordinary shares of £0.01 each	71	71	71
419,675 B2 designated ordinary shares of £0.01 each	4	4	4
97,940,573 preference shares of £0.01 each	979	739	979
	1,707	1,293	1,707

26. Share capital (continued)

At incoporation, the company issued 55,397,808 ordinary shares and 73,940,095 preference shares for £72,905,371 at a par of £0.01 each, with the remaining balance included in share premium.

During the year, the company issued a further 17,396,335 ordinary shares and 24,000,478 preference shares for £25,025,202 at a par of £0.01 each, with the remaining balance included in share premium.

Ordinary share rights
The Company's A ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the Company.

The Company's B ordinary shares, which carry no right to fixed income, do not carry the right vote at general meetings of the Company.

Preference share rights
The company's preference shares do not carry the right to vote at any general meeting of the company and confer the right to receive a preferred return.

27. Reserves

Share premium
Consideration received for shares issued above their nominal value, net of transaction costs.

Capital contribution reserve
Capital contributions received from parent company.

Merger reserve
The merger reserve represents the difference between the cost of the investment in a subsidiary undertaking and the equity of that subsidiary acquired, on consolidation.

Profit and loss reserve
Cumulative profit and loss net of distributions to owners.

28. Retirement benefit schemes

	2021 £'000	2020 £'000
Charge to profit or loss in respect of defined contribution schemes	1,115	721

The Group operates several defined contribution pension schemes for all qualifying employees. The assets of the scheme are held separately from those of the Company in an independently administered fund. There were contributions of £58,000 outstanding at the year end (2020: £133,000).

29. Cash used in operations

	2021 £'000	2020 £'000
Group loss for the financial year	(24,736)	(12,577)
Adjustments for:		
Finance income	(2)	(4)
Finance cost	3,196	679
Taxation	(25)	(1,220)
Depreciation of tangible fixed assets	587	360
Amortisation of goodwill	6,917	4,239
Amortisation of other intangible fixed assets	9,200	6,488
Amortisation of borrowing fees	522	-
Loss/(profit) on disposal of tangible fixed assets	12	(7)
Share-based payment expense	485	-
Provision movement	184	20
	(3,660)	(2,022)
Movements in working capital:		
Increase in debtors	(3,157)	(2,659)
Increase in creditors	643	534
Cash used in operations	(6,174)	(4,147)

30. Analysis of changes in net debt

Group	1 January 2021 £'000	Cashflow £'000	Non-cash movements £'000	31 December 2021 £'000
Cash at bank and in hand	(11,414)	1,003	(15)	(10,426)
Borrowings excluding overdrafts	27,112	20,090	2,080	49,282
Obligations under finance lease	67	(55)	-	12
Total net debt	15,765	21,038	2,065	38,868

31. Related party transactions

The Group and the Company have taken advantage of the exemption in FRS 102 Section 33 from the requirement to disclose transactions entered into between two or more members of a group provided that any subsidiary which is party to the transaction is wholly owned by such a member.

At 31 December 2021, the comapny owes £2,257,000 to its subsidiaries which are included within amounts due to group undertakings, and are owed £1,589,000 which are included within amounts due from group undertakings. These amounts are interest free and repayable on demand.

During the prior year, the Group received a loan from its ultimate holding company, Aquiline Holdings GP (Offshore) Limited, of £26,444,000 and accrued interest during the year of £Nil on the loan (2020: £668,000). *The loan was repaid in January 2021 (see note 22). During the year, the Group incurred expenses in relation* to professional services of £882 (2020: £Nil) from Aquiline Holdings GP (Offshore) Limited.

32. Operating lease commitments

Lessee

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000
Within one year	1,675	999	-
Between two and five years	2,617	1,765	-
More than five years	69	124	-
	4,361	2,888	-

33. Capital commitments

At 31 December 2021, there were capital commitments of £1,495,000 (2020: £885,000) in relation to a payments platform project.

34. Control

The Group and the Company is controlled by Aquiline Holdings GP (Offshore) Limited located at 535 Madison Avenue, 24th Floor, New York, NY 10022.

35. Post balance sheet events

On 5 January 2022 the Group acquired the assets of 50 Charlotte Street, trading as Gift Voucher Solutions (GVS), a leading provider of gift voucher solutions for luxury hotels and restaurants, for an initial consideration of £2.2m.

Since the end of the year, Aquiline has continued to fund the Group via equity and debt. It invested £0.8m in equity to contribute to the acquisition of GVS and a loan of £18.2m, primarily to fund the Group's contingent consideration liabilities. The Group however is not predicting a requirement to raise further capital injections for working capital purposes.

Following the various Group re-organisations in 2021, the Company undertook phase 2 of this re-organisation in January 2022 by transferring the trade and assets of several subsidiaries into either ClearCourse Events and Leisure Services Limited, ClearCourse Retail Limited or ClearCourse Business Services Limited. There is no change in the ultimate control of the Group following the Group re-organisation.