

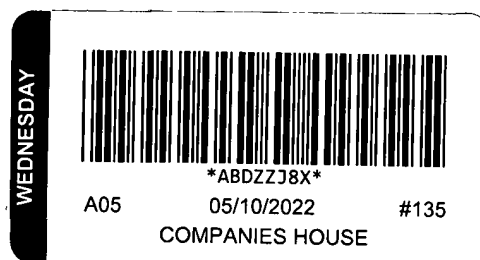
Registration number: 07049539

Data Cloud Limited

Consolidated Financial Statements

for the Year Ended 31 December 2021

Ballards LLP
Chartered Accountants
Oakmoore Court
11c Kingswood Road
Hampton Lovett
Droitwich
Worcestershire
WR9 0QH



Data Cloud Limited

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Data Cloud Limited

Company Information

Chairman G D Chapman

Directors M P Clothier
S P Corbett
C E S Green
G D Chapman
T Steel

Registered office PO Box 76590
83 Plough Lane
London
SW11 9PF

Auditors Ballards LLP
Chartered Accountants
Oakmoore Court
11c Kingswood Road
Hampton Lovett
Droitwich
Worcestershire
WR9 0QH

Data Cloud Limited**(Registration number: 07049539)****Consolidated Balance Sheet as at 31 December 2021**


	Note	2021 £	2020 £
Fixed assets			
Intangible assets	4	2,632,301	3,509,735
Tangible assets	5	<u>134,986</u>	<u>93,729</u>
		<u>2,767,287</u>	<u>3,603,464</u>
Current assets			
Debtors	7	2,553,563	1,890,845
Cash at bank and in hand		<u>6,720,199</u>	<u>6,816,247</u>
		9,273,762	8,707,092
Creditors: Amounts falling due within one year	8	<u>(5,696,160)</u>	<u>(6,728,152)</u>
Net current assets		<u>3,577,602</u>	<u>1,978,940</u>
Total assets less current liabilities		6,344,889	5,582,404
Creditors: Amounts falling due after more than one year	8	<u>(2,652,981)</u>	<u>(2,549,314)</u>
Net assets		<u>3,691,908</u>	<u>3,033,090</u>
Capital and reserves			
Called up share capital		315	315
Share premium reserve		18,434,980	18,434,980
Profit and loss account		<u>(14,743,387)</u>	<u>(15,402,205)</u>
Equity attributable to owners of the company		<u>3,691,908</u>	<u>3,033,090</u>
Total equity		<u>3,691,908</u>	<u>3,033,090</u>

These financial statements have been prepared in accordance with provisions applicable to the companies act subject to the small companies regime and in accordance with the provisions of FRS102 Section 1A - small entities.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

30-09-22

Approved and authorised by the Board on and signed on its behalf by:

DocuSigned by:

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G D Chapman
 Chairman

The notes on pages 4 to 14 form an integral part of these financial statements.

Data Cloud Limited**(Registration number: 07049539)
Balance Sheet as at 31 December 2021**


	Note	2021 £	2020 £
Fixed assets			
Investments	6	4,827	4,827
Current assets			
Debtors	7	10,950,705	11,733,404
Cash at bank and in hand		<u>5,447,612</u>	<u>4,750,530</u>
		16,398,317	16,483,934
Creditors: Amounts falling due within one year	8	<u>(26,751)</u>	<u>(37,470)</u>
Net current assets		<u>16,371,566</u>	<u>16,446,464</u>
Net assets		<u>16,376,393</u>	<u>16,451,291</u>
Capital and reserves			
Called up share capital		315	315
Share premium reserve		18,434,980	18,434,980
Profit and loss account		<u>(2,058,902)</u>	<u>(1,984,004)</u>
Total equity		<u>16,376,393</u>	<u>16,451,291</u>

These financial statements have been prepared in accordance with provisions applicable to the companies act subject to the small companies regime and in accordance with the provisions of FRS102 Section 1A - small entities.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

30-09-22

Approved and authorised by the Board on and signed on its behalf by:

DocuSigned by:

040627C74463489.....

G D Chapman
 Chairman

Data Cloud Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

1 General information

The company is a private company limited by share capital, incorporated in United Kingdom.

The address of its registered office is:

PO Box 76590
83 Plough Lane
London
SW11 9PF

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements have been rounded to the nearest £.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December 2021.

Data Cloud Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

Entities in which the group holds an interest on a long-term basis and are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the gross equity method.

Entities, other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence are treated as associates. In the group financial statements, associates are accounted for using the equity method.

Data Cloud Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

Going concern

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

The directors believe that the group will continue as a going concern having considered the financial prospects for the company over the next 12 months including reviewing the potential for securing sources of additional revenue.

The group's ability to continue on a going concern basis depends on the ability to support the operations of the subsidiary companies. The Directors have drawn up group forecasts under multiple scenarios in order to manage future cashflow.

The directors consider it appropriate to prepare the financial statements on a going concern basis.

The parent has indicated its willingness to continue its support for its subsidiaries going forward.

Audit report

The Independent Auditor's Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report on 30 September 2022 was Benjamin Powell MSci ACA, who signed for and on behalf of Ballards LLP.

The audit report also contained an other matter stating that the comparative figures are unaudited.

Judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Revenue recognition

Turnover is derived from four main sources:

Software as a service (SaaS) - the software is licensed on a subscription basis, and revenue is recognised straight-line over period of the subscription term.

Perpetual license - a license is purchased for a defined period of time, and the associated revenue is recognised in full at the date the license is granted.

Support and maintenance - a period of support and maintenance is defined by contract with the customer, and revenue is recognised straight-line over the period of the contract term.

Professional services - initial feasibility work and one off project revenue is recognised as income when the costs are incurred in delivering the project.

Data Cloud Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

Foreign currency transactions and balances

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

The functional currency is Pound Sterling (£)

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant and machinery	25% on cost
Fixtures and fittings	25% on cost
Computer equipment	25% on cost
Motor vehicles	25% on reducing balance

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Data Cloud Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Intangible assets

Separately acquired trademarks and licences are shown at historical cost.

Trademarks, licences (including software) and customer-related intangible assets acquired in a business combination are recognised at fair value at the acquisition date.

Trademarks, licences and customer-related intangible assets have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Customer list	5 years straight line

Investments

Investments in subsidiaries are stated at cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Data Cloud Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

Leases

Assets obtained under hire purchase contracts or finance lease are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their useful lives or the lease term, whichever is the shorter.

The interest element of those obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Staff numbers

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2021 No.	2020 No.
Administration and support	<u>42</u>	<u>33</u>

Data Cloud Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

4 Intangible assets

Group

	Customer list £	Total £
Cost or valuation		
At 1 January 2021	<u>4,387,169</u>	<u>4,387,169</u>
At 31 December 2021	<u>4,387,169</u>	<u>4,387,169</u>
Amortisation		
At 1 January 2021	877,434	877,434
Amortisation charge	<u>877,434</u>	<u>877,434</u>
At 31 December 2021	<u>1,754,868</u>	<u>1,754,868</u>
Carrying amount		
At 31 December 2021	<u>2,632,301</u>	<u>2,632,301</u>
At 31 December 2020	<u>3,509,735</u>	<u>3,509,735</u>

The customer list was purchased in 2020 at a cost of £4,387,169. As part of the transaction, the company also acquired support contracts which were novated to the company. The company has acquired the right to this income and hence has recognised the provision of the support contract services in revenue over the life of the contracts.

Data Cloud Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

5 Tangible assets

Group

	Furniture, fittings and equipment £	Total £
Cost or valuation		
At 1 January 2021	205,598	205,598
Additions	98,707	98,707
Disposals	(3,488)	(3,488)
At 31 December 2021	<u>300,817</u>	<u>300,817</u>
Depreciation		
At 1 January 2021	111,869	111,869
Charge for the year	54,107	54,107
Eliminated on disposal	(145)	(145)
At 31 December 2021	<u>165,831</u>	<u>165,831</u>
Carrying amount		
At 31 December 2021	<u>134,986</u>	<u>134,986</u>
At 31 December 2020	<u>93,729</u>	<u>93,729</u>

6 Investments

Company

	2021 £	2020 £
Investments in subsidiaries	<u>4,827</u>	<u>4,827</u>
Subsidiaries		£
Cost or valuation		
At 1 January 2021		<u>4,827</u>
Carrying amount		
At 31 December 2021		<u>4,827</u>
At 31 December 2020		<u>4,827</u>

Data Cloud Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2021	2020
Subsidiary undertakings				
Cloudhouse Technologies Limited	PO Box 76590 83 Plough Road London SW11 9PF	Ordinary	100%	100%
Data Accelerator Limited	PO Box 76590 83 Plough Road London SW11 9PF	Ordinary	100%	100%
Cloudhouse Technology LLC	United States of America	Ordinary	100%	100%

The principal activity of Cloudhouse Technologies Limited is that of the sale of cloud enabling software.

The principal activity of Data Accelerator Limited is that of the development of cloud enabling software.

The principal activity of Cloudhouse Technology LLC is that of the delivery of cloud based services.

7 Debtors

	Group		Company	
	2021 £	2020 £	2021 £	2020 £
Trade debtors	1,088,025	821,811	-	-
Amounts owed by related parties	-	-	10,944,517	11,732,510
Other debtors	197,718	55,908	6,188	894
Income tax asset	1,267,820	1,013,126	-	-
	<u>2,553,563</u>	<u>1,890,845</u>	<u>10,950,705</u>	<u>11,733,404</u>

Data Cloud Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

8 Creditors

	Group (As restated)		Company	
Note	2021 £	2020 £	2021 £	2020 £
Due within one year				
Trade creditors	104,926	157,089	6,767	27,036
Social security and other taxes	595,814	341,792	-	-
Other payables	6,872	6,414	-	-
Accruals	<u>4,988,548</u>	<u>6,222,857</u>	<u>19,984</u>	<u>10,434</u>
	<u>5,696,160</u>	<u>6,728,152</u>	<u>26,751</u>	<u>37,470</u>
Due after one year				
Deferred income	<u>2,652,981</u>	<u>2,549,314</u>	<u>-</u>	<u>-</u>

9 Commitments

Group

Other financial commitments

The total amount of other financial commitments not provided in the financial statements was £760,000 (2020 - £Nil). This relates to leasehold property with a lease of 2 years.

10 Related party transactions

Group

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the Financial statements.

Data Cloud Limited

Notes to the Financial Statements for the Year Ended 31 December 2021

11 Share options

The company operates a share option scheme for certain employees of group companies. The options only vest in the event of a sale of the business. At the year end, there were 2,831,267 share options in the company in existence (2020: 3,056,776) for employees of Data Accelerator Limited with exercise prices ranging from £0.20 and £0.31 per share for all but 60,000 options which have an exercise price of £0.925 per share. Based on the directors' assessment of the valuation of the company's shares and the probability of a vesting event occurring, the directors have concluded that the charge both in the current year and cumulatively to date is immaterial and no entries are included in these financial statements in relation to the share option schemes. The directors will reassess the assumptions at each financial year end.

Since the year end, the company has issued a further 646,886 share options.