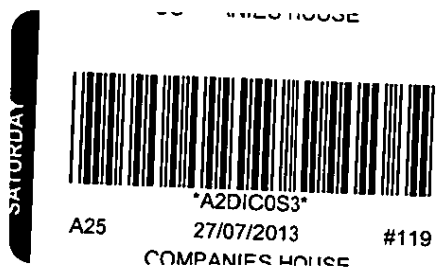


Company number. 03851074

CLEARSPRINGS (MANAGEMENT) LIMITED
DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2013



Clearsprings (Management) Limited

Company Information

Directors	G King J Vyvyan-Robinson MBE R Slatter
Secretary	R Slatter
Company Number	03851074
Registered Office	26 Brook Road Brook Road Business Park Rayleigh SS6 7XJ
Auditors	Grant Thornton UK LLP Crown House Crown Street Ipswich IP1 3HS
Bankers	Barclays Mortlock House Histon Cambridge CB24 9DE

Clearsprings (Management) Limited

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Clearsprings (Management) Limited

Directors' Report for the year ended 31 January 2013

Principal activities

The group is an established provider of outsourced services to the public and private sectors, offering a wide range of accommodation, support, cleaning, energy efficiency and IT services

Review of the business and future developments

Clearsprings Ready Homes Ltd successfully operated its new five year contracts with the Home Office to provide transport, accommodation and support to asylum seekers in Wales and the south of England

Softwerx Ltd closed its Sri Lanka operation during the year, and concentrated on its systems integration business, becoming a respected provider of cloud migration and hosting services to a wide range of business sectors

Clearsprings Support Services Ltd continued to build its reputation as a highly capable cleaning business offering a range of specialist services, with an enlightened approach to sustainability in all aspects of its operations

On 15 June 2012 the group acquired Downie Consulting Engineers Limited, an engineering consultancy providing thermal modelling and other services in relation to energy efficiency in building usage, design and retrofit On 14 December 2012 the group acquired GK Salter & Associates Limited, a mechanical and electrical engineering consultancy specialising in building design From 1 February 2013, these businesses combined to form Clearsprings Energy Solutions

Operating loss on sales was 0.8%, compared with 3.0% operating profit on sales in the previous year Return on capital employed was -3.6% in the year, compared with 13.0% in the previous year Liquidity ratio was little changed at 1.7 compared with 1.8 in 2012, reflecting the continuing underlying financial strength of the business

Principal risks and mitigation

The group manages its exposure to the normal credit risk and cash flow risk associated with credit sales through credit control procedures UK government departments account for a significant proportion of debtors The nature of the group's financial instruments and significant cash balances means that they are not currently subject to price or liquidity risk

The risk to the group of losing business is countered by an ongoing programme to reduce costs through use of technology and an operating model using home-based staff where possible, an approach which maintains the ability to win contracts on price without sacrificing quality All group operations are accredited to ISO 9001, ISO 14001, OHSAS 18001 and ISO 27001 standards

Clearsprings (Management) Limited

Directors' Report for the year ended 31 January 2013 (continued)

Dividends

No dividend was paid during the year (2012 £300,000)

Directors

The following directors have held office during the year

G King
J Vyvyan-Robinson MBE
R Slatter

Corporate social responsibility

The group operates a targeted programme to reduce carbon emissions, to minimise adverse impacts on the environment, and to promote good conditions for workers throughout its supply chain. The group takes part in the Home Office CAESER (Corporate Assessment of Environmental, Social and Economic Responsibility) programme. It maintained an 80% rating in the year.

Charitable donations

	2013 £	2012 £
During the year the company made the following charitable donations	305	3,151

Employee involvement

Employees are kept informed of the progress of, and issues affecting, the group through regular newsletters and briefing sessions which include the opportunity to ask questions and suggest ideas. Employees are encouraged to take an interest in all aspects of the group's financial and operational performance.

Payment of suppliers

The group aims to pay all suppliers within 30 days of invoice date.

Disabled employees

The company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses will be given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Auditors

The auditors, Grant Thornton UK LLP, Chartered Accountants, have indicated their willingness to continue in office.

Market value of land and buildings

Land and buildings are held in the financial statements at market value. As such, there is no difference between the net book value and market value of land and buildings. See note 9 for more details.

Clearsprings (Management) Limited

**Directors' Report
for the year ended 31 January 2013 (continued)**

Directors' responsibilities

The directors are responsible for preparing the 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 and profit or loss of the company and group for the period.

In preparing those financial statements, the directors are required to

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

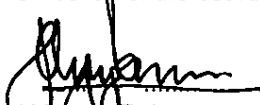
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the company and enable them to ensure that the financial statements 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.

Statement as to disclosure of information to auditors

The directors who are in office on the date of approval of the financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the directors has confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The directors are responsible for the maintenance and integrity of the corporate and financial information included in the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the board


J. V. Ryan Robinson
Director

17 July 2013

Clearsprings (Management) Limited

**Independent Auditors' Report to the members of Clearsprings (Management) Limited
for the year ended 31 January 2013**

We have audited the financial statements of Clearsprings (Management) Limited for the year ended 31 January 2013 which comprise the group profit and loss account, the group and the parent company balance sheets, the group cash flow statement, the group statement of total recognised gains and losses, the group note of historical cost profits and losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditors

As more fully explained in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

Opinion on the financial statements

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 January 2013 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

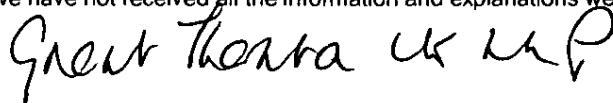
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



JAMES BROWN (Senior Statutory Auditor)
For and on behalf of GRANT THORNTON UK LLP, Statutory Auditor
Chartered Accountants
Ipswich

24 July 2013

Clearsprings (Management) Limited

**Consolidated Profit and Loss Account
for the year ended 31 January 2013**

		2013 £	2012 £
	Notes		
Turnover	Continuing operations	28,569,036	27,967,380
	Acquisitions	410,817	-
	2 Group turnover	<u>28,979,853</u>	<u>27,967,380</u>
Cost of sales		<u>(23,400,778)</u>	<u>(21,121,151)</u>
Gross profit		5,579,075	6,846,229
Administrative expenses		<u>(5,796,994)</u>	<u>(5,992,809)</u>
Operating (loss)/profit	Continuing operations	(140,608)	853,420
	Acquisitions	(77,311)	-
	3 Group operating (loss)/profit	<u>(217,919)</u>	<u>853,420</u>
Other interest receivable and similar income	4	3,914	8,038
Interest payable and similar charges	5	(1,465)	(29,208)
(Loss)/profit on ordinary activities before taxation		<u>(215,470)</u>	<u>832,250</u>
Taxation	7	<u>(354,920)</u>	<u>(669,865)</u>
(Loss)/profit on ordinary activities after taxation	17	<u>(570,390)</u>	<u>162,385</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES	2013 £	2012 £
(Loss)/Profit for the financial year	(570,390)	162,385
Movements on foreign exchange	-	36
Total gains and losses recognised since last annual report	<u>(570,390)</u>	<u>162,421</u>

CONSOLIDATED NOTE OF HISTORICAL COST PROFITS AND LOSSES	2013 £	2012 £
Reported (loss)/profit on ordinary activities before taxation	(215,470)	832,250
Realisation of property revaluation gains of prior years	18,375	150,915
Difference between actual and historical cost depreciation charge	2,354	2,334
Historical cost (loss)/profit on ordinary activities before taxation	<u>(194,741)</u>	<u>985,499</u>
Historical cost (loss)/profit for the financial year retained after taxation and dividends	<u>(549,661)</u>	<u>15,634</u>

The notes on pages 10 to 20 form part of these financial statements


Clearsprings (Management) Limited

Company number. 03851074

Consolidated Balance Sheet
as at 31 January 2013

	Notes	£	2013 £	£	2012 £
Fixed assets					
Intangible assets	8		1,306,263		1,472,254
Tangible assets	9		<u>1,876,807</u>		<u>2,249,120</u>
			<u>3,183,070</u>		<u>3,721,374</u>
Current assets					
Stock	11	32,415		40,359	
Debtors	12	3,935,985		4,194,397	
Cash at bank and in hand		3,113,757		2,015,020	
			<u>7,082,157</u>	<u>6,249,776</u>	
Creditors. amounts falling due within one year	13	(4,260,819)		(3,394,125)	
Net current assets			<u>2,821,338</u>	<u>2,855,651</u>	
Total assets less current liabilities			<u>6,004,408</u>	<u>6,577,025</u>	
Provisions for liabilities	14		-	(2,227)	
			<u>6,004,408</u>	<u>6,574,798</u>	
Capital and reserves					
Called up share capital	16		100		100
Revaluation reserve	17		112,974		133,703
Other reserves	17		1		1
Profit and loss account	17		<u>5,891,333</u>		<u>6,440,994</u>
Shareholders' funds (equity interests)	18		<u>6,004,408</u>		<u>6,574,798</u>

The financial statements on pages 5 to 20 were approved by the Board and authorised for issue on 17 July 2013 and signed on its behalf by


Vyvan Robinson
Director

The notes on pages 10 to 20 form part of these financial statements

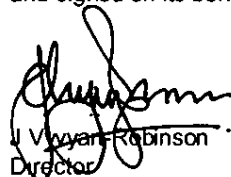
Clearsprings (Management) Limited

Company number: 03851074

Company Balance Sheet
as at 31 January 2013

	Notes	£	2013 £	£	2012 £
Fixed assets					
Intangible assets	8		466,658		689,188
Tangible assets	9		1,782,138		2,112,762
Investments	10		<u>1,058,525</u>		<u>965,086</u>
			3,307,321		3,767,036
Current assets					
Stock	11		-		40,359
Debtors	12	2,666,071		3,241,118	
Cash at bank and in hand		<u>425,011</u>		<u>1,738,168</u>	
		3,091,082		5,019,645	
Creditors: amounts falling due within one year	13		<u>(520,623)</u>		<u>(3,052,254)</u>
Net current assets			<u>2,570,459</u>		<u>1,967,391</u>
Total assets less current liabilities			<u>5,877,780</u>		<u>5,734,427</u>
			<u>5,877,780</u>		<u>5,734,427</u>
Capital and reserves					
Called up share capital	16		100		100
Revaluation reserve	17		112,974		133,703
Other reserves	17		1		1
Profit and loss account	17		5,764,705		5,600,623
Shareholders' funds (equity interests)	18		<u>5,877,780</u>		<u>5,734,427</u>

The financial statements on pages 5 to 20 were approved by the Board and authorised for issue on 17 July 2013 and signed on its behalf by


J. V. Robinson
Director

The notes on pages 10 to 20 form part of these financial statements

Clearsprings (Management) Limited

**Consolidated Cash Flow Statement
as at 31 January 2013**

	£	2013 £	£	2012 £
Net cash inflow from operating activities (note 1)		2,327,989		1,106,863
Returns on investments and servicing of finance				
Interest received	3,914		8,038	
Interest paid	(1,465)		(29,208)	
Net cash outflow for returns on investments and servicing of finance		2,449		(21,170)
Taxation		(827,673)		(487,208)
Capital expenditure and financial investment				
Payments to acquire tangible assets	(54,948)		(64,399)	
Receipts from sales of tangible assets	306,512		675,324	
	251,564		610,925	
Acquisitions				
Purchase of subsidiary undertakings for cash	(706,936)		(613,396)	
Cash acquired with subsidiary undertaking	51,344		303,456	
Purchase of trade and assets for cash	-		(526,500)	
	(655,592)		(836,440)	
Net cash outflow for capital expenditure and financial investment		(404,028)		(225,515)
Equity dividends paid		-		(300,000)
Net cash inflow before management of liquid resources and financing		1,098,737		72,970
Financing				
Decrease in short term loans	-		(700,000)	
Net cash outflow from financing		-		(700,000)
Increase/(decrease) in cash in the year (note 2)		1,098,737		(627,030)

The notes on pages 10 to 20 form part of these financial statements

Clearsprings (Management) Limited

**Notes to the Consolidated Cash Flow Statement
for the year ended 31 January 2013**

1	Reconciliation of operating profit to net cash inflow from operating activities	2013 £	2012 £		
	Operating (loss)/profit	(217,919)	853,420		
	Depreciation of tangible assets	117,774	160,315		
	Amortisation of intangible assets	798,498	672,712		
	Exchange differences	-	531		
	Loss on disposal of tangible assets	25,604	105,933		
	Decrease in stock	7,944	27,871		
	Decrease/(increase) in debtors	830,348	(636,082)		
	Increase/(decrease) in creditors within one year	<u>765,740</u>	<u>(77,837)</u>		
	Net cash inflow from operating activities	<u>2,327,989</u>	<u>1,106,863</u>		
2	Analysis of net funds	1 February 2012	Cash flow	Other non- cash changes	31 January 2013
		£	£	£	£
	Cash at bank and in hand	<u>2,015,020</u>	<u>1,098,737</u>	<u>-</u>	<u>3,113,757</u>
	Net funds	<u><u>2,015,020</u></u>	<u><u>1,098,737</u></u>	<u><u>-</u></u>	<u><u>3,113,757</u></u>
3	Reconciliation of net cash flow to movement in net funds	2013 £	2012 £		
	Increase/(decrease) in cash in the year	1,098,737	(627,030)		
	Cash outflow from decrease in debt	-	700,000		
	Movement in net funds in the year	<u>1,098,737</u>	<u>72,970</u>		
	Opening net funds	<u>2,015,020</u>	<u>1,942,050</u>		
	Closing net funds	<u>3,113,757</u>	<u>2,015,020</u>		

Clearsprings (Management) Limited

Notes to the Consolidated Financial Statements for the year ended 31 January 2013

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings

1.2 Compliance with accounting standards

The financial statements have been prepared in accordance with applicable accounting standards

1.3 Turnover

Turnover represents amounts receivable for the provision of accommodation and other services. Income arises under the asylum and bail contracts on a daily basis, and is recognised in the financial statements for the period in which each day falls. Turnover also represents the invoiced value, net of Value Added Tax, of goods sold, work carried out and services provided to customers, recognised on an accruals basis.

1.4 Basis of consolidation

The group accounts consolidate the accounts of Clearsprings (Management) Limited and its subsidiaries using the acquisition method. Their results are incorporated from the date that control passes. The difference between the cost of acquisition of shares in subsidiaries and the fair value of the separable net assets acquired is capitalised as purchased goodwill and amortised through the profit and loss account over its estimated economic life. Provision is made for any impairment. All financial statements are made up to 31 January 2013. No profit and loss account is presented for Clearsprings (Management) Limited as provided by Section 408 of the Companies Act 2006. 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.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold properties	2% straight line
Leasehold improvements	20% straight line
Computer equipment	33% straight line
Fixtures, fittings & equipment	20%-50% straight line
Motor vehicles	25% straight line
Office equipment	25% straight line

Freehold properties are revalued in accordance with FRS15 with a full valuation carried out by professionally qualified Chartered Surveyors on an existing use open market value basis, in accordance with the Statement of Assets Valuation Practice No 4 and the guidance notes of the Royal Institute of Chartered Surveyors every five years and an interim valuation is carried out in year three.

The profit or loss on disposal of revalued properties is calculated by reference to net book value and any realised revaluation surplus is transferred to the profit and loss account through reserves.

1.6 Leasing commitments

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor. Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

1.7 Investments

Fixed asset investments are stated at cost. Provision is made for any impairment in the value of fixed asset investments and is assessed by comparison of the carrying value of the asset against the higher of realisable value and value in use.

Clearsprings (Management) Limited

Notes to the Consolidated Financial Statements for the year ended 31 January 2013 (continued)

1 8 Stock

Stock is valued at the lower of cost and net realisable value. Provision is made for obsolete items

1 9 Pensions

The group operates a defined contribution scheme for employees. Contributions are charged to the profit and loss account as they fall due. The assets of the scheme are held separately from those of the group. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

1 10 Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements. Deferred tax is measured at the average tax rates that are expected to apply in periods in which timing differences are expected to reverse based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non discounted basis.

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposals of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the asset concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

1 11 Housing furnishings and equipment

Housing furniture and equipment costs are written off when incurred as management information has shown that the average stay in a property by a service user is less than one year, and a prepayment is felt by the directors to be inappropriate.

1 12 Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

Assets and liabilities of overseas subsidiaries are translated at the rate ruling at the balance sheet date and the results of overseas subsidiaries are translated at the average rate for the year. Exchange differences arising are dealt with through reserves.

1.13 Goodwill

Goodwill representing the difference between the fair value of the consideration and the fair value of assets and liabilities acquired has been capitalised, and the balance amortised over the directors' estimate of the useful economic life of 5 years on a straight line basis. The directors deem it inappropriate to amortise the goodwill over 20 years as this would not fairly reflect its value to the group. Goodwill is reviewed for impairment at the end of the first full financial year following the acquisition, and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

1 14 Dividends

Equity dividends are recognised when paid.

Clearsprings (Management) Limited

**Notes to the Consolidated Financial Statements
for the year ended 31 January 2013 (continued)**

1 15 Share based payments

The group operates a reward scheme for the senior management team which gives employees the right to acquire shares in the group which are immediately reacquired by the group for their cash value less amounts for tax. This arrangement is treated as a cash-settled share-based payment scheme. For cash-settled share-based payment transactions, the fair value of the amount payable to the employee is recognised as an expense with a corresponding increase in liabilities. The fair value, measured based on historic EBITDA and price earnings ratios that are publicly available for companies in similar industries, is initially measured at the grant date and spread over the vesting period, the conditions for which are disclosed in note 26. The liability is remeasured at each balance sheet date and at the settlement date with any changes to fair value being recognised in the profit and loss account.

2 Turnover

In the year to 31 January 2013 0% (2012: 0%) of the group's turnover was to markets outside the United Kingdom.

The analysis of turnover and profit before taxation by class of business and the geographical analysis of turnover has not been given as in the opinion of the directors such disclosures would be seriously prejudicial to the interests of the group.

3 Operating (loss)/profit

Operating (loss)/profit is stated after charging/(crediting)

Group	2013	2012
	£	£
Depreciation of tangible assets	117,774	160,315
Loss on disposal of tangible assets	25,604	105,933
Amortisation of goodwill	798,498	672,712
Operating lease rentals		
- Land and buildings	7,315,599	7,202,611
Auditors' remuneration - audit services	33,000	24,000
Auditors' remuneration - taxation services	6,500	4,000
Directors' remuneration (see note 20)	490,430	480,446
Foreign exchange gain	-	(36)
Defined contribution pension cost	113,356	95,266
	<u>113,356</u>	<u>95,266</u>

4 Investment income

	2013	2012
	£	£
Bank interest	<u>3,914</u>	<u>8,038</u>

5 Interest payable

	2013	2012
	£	£
On bank loans and overdrafts	1,465	21,204
On overdue taxation	-	8,004
	<u>1,465</u>	<u>29,208</u>

6 Dividends

	2013	2012
	£	£
Ordinary		
Paid - £nil (2012: £0.30) per share	<u>-</u>	<u>300,000</u>

Clearsprings (Management) Limited

**Notes to the Consolidated Financial Statements
for the year ended 31 January 2013 (continued)**

7	Taxation	2013	2012
		£	£
	Domestic current year tax		
	UK corporation tax	249,347	519,520
	Adjustment for prior periods	680	(4,165)
	Provision for tax under s 455 Corporation Tax Act 2010	<u>104,140</u>	<u>133,277</u>
	Current tax charge	354,167	648,632
	Deferred tax		
	Deferred tax charge current year	753	21,233
		<u>354,920</u>	<u>669,865</u>
	Factors affecting the tax charge for the year		
	(Loss)/profit on ordinary activities before taxation	<u>(215,470)</u>	<u>832,250</u>
	(Loss)/profit on ordinary activities before taxation multiplied by the standard rate of UK corporation tax of 24.3% (2012: 26.3%)	(52,359)	219,076
	Effects of		
	Non deductible expenses/non taxable income	286,473	279,630
	Difference between capital allowances and depreciation	(753)	(5,550)
	Capital gain on disposal of property	1,271	49,369
	Indexation allowance	(1,271)	(23,902)
	Difference between UK tax rate and overseas tax rate	-	(141)
	Lower rate of UK corporation tax	15,986	1,038
	Adjustments to tax charge in respect of previous periods	680	(4,165)
		<u>302,386</u>	<u>296,279</u>
	Provision for tax under s 455 Corporation Tax Act 2010	104,140	133,277
	Current tax charge	<u>354,167</u>	<u>648,632</u>
8	Intangible fixed assets - Goodwill		
		Group	Company
		£	£
	Cost		
	At 1 February 2012	3,363,558	973,148
	Additions	632,507	-
	At 31 January 2013	<u>3,996,065</u>	<u>973,148</u>
	Amortisation		
	At 1 February 2012	1,891,304	283,960
	Charge for the year	798,498	222,530
	At 31 January 2013	<u>2,689,802</u>	<u>506,490</u>
	Net book value		
	At 31 January 2013	<u>1,306,263</u>	<u>466,658</u>
	At 31 January 2012	<u>1,472,254</u>	<u>689,188</u>

Clearsprings (Management) Limited

Notes to the Consolidated Financial Statements
for the year ended 31 January 2013 (continued)

9 Tangible fixed assets - Group

	Freehold land and buildings £	Computer equipment and software £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost/Valuation					
At 1 February 2012	2,345,709	454,820	239,139	67,944	3,107,612
Additions	-	44,449	5,450	5,049	54,948
Assets acquired	-	22,631	-	-	22,631
Disposals	(321,000)	(289,167)	(22,517)	(31,827)	(664,511)
At 31 January 2013	<u>2,024,709</u>	<u>232,733</u>	<u>222,072</u>	<u>41,166</u>	<u>2,520,680</u>
Depreciation					
At 1 February 2012	256,459	390,030	184,994	27,009	858,492
On disposals	(39,340)	(271,563)	(11,669)	(9,821)	(332,393)
Charge for the year	40,494	41,254	23,708	12,318	117,774
At 31 January 2013	<u>257,613</u>	<u>159,721</u>	<u>197,033</u>	<u>29,506</u>	<u>643,873</u>
Net book value					
At 31 January 2013	<u>1,767,096</u>	<u>73,012</u>	<u>25,039</u>	<u>11,660</u>	<u>1,876,807</u>
At 31 January 2012	<u>2,089,250</u>	<u>64,790</u>	<u>54,145</u>	<u>40,935</u>	<u>2,249,120</u>

The freehold land and buildings used for the company's business activities were valued by David Moor Chartered Surveyors and Roger Roberts Surveys Limited on an open market basis in accordance with FRS 15 as at 31 January 2011. Following this professional valuation, which the directors considered to be in excess of market value, the directors valued the freehold land and buildings at net book value which they considered to be consistent with market value.

The historical cost of land and buildings as at the year end was £1,526,784 (2012 £1,776,608).
All other tangible assets are stated at historical cost.

Tangible fixed assets - Company

	Freehold land and buildings £	Computer equipment and software £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost/Valuation					
At 1 February 2012	2,345,709	322,412	143,314	16,104	2,827,539
Additions	-	2,501	-	-	2,501
Disposals	(321,000)	(234,952)	-	-	(555,952)
At 31 January 2013	<u>2,024,709</u>	<u>89,961</u>	<u>143,314</u>	<u>16,104</u>	<u>2,274,088</u>
Depreciation					
At 1 February 2012	256,459	312,784	129,430	16,104	714,777
On disposals	(39,340)	(234,952)	-	-	(274,292)
Charge for the year	40,494	7,500	3,471	-	51,465
At 31 January 2013	<u>257,613</u>	<u>85,332</u>	<u>132,901</u>	<u>16,104</u>	<u>491,950</u>
Net book value					
At 31 January 2013	<u>1,767,096</u>	<u>4,629</u>	<u>10,413</u>	<u>-</u>	<u>1,782,138</u>
At 31 January 2012	<u>2,089,250</u>	<u>9,628</u>	<u>13,884</u>	<u>-</u>	<u>2,112,762</u>

The freehold land and buildings used for the company's business activities were valued by David Moor Chartered Surveyors and Roger Roberts Surveys Limited on an open market basis in accordance with FRS 15 as at 31 January 2011. Following this professional valuation, which the directors considered to be in excess of market value, the directors valued the freehold land and buildings at net book value which they considered to be consistent with market value.

The historical cost of land and buildings as at the year end was £1,526,784 (2012 £1,776,608).
All other tangible assets are stated at historical cost.

Clearsprings (Management) Limited

**Notes to the Consolidated Financial Statements
for the year ended 31 January 2013 (continued)**

10 Fixed asset investments - Company

	£
Balance at 1 February 2012	965,086
Additions (note 24)	706,936
Impairment of investment in Crusader Cleaners Limited (dissolved)	(613,497)
Balance at 31 January 2013	<u>1,058,525</u>

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or Incorporation	Class	Shares held %
Subsidiary undertaking			
Clearsprings Ready Homes Ltd	England	Ordinary	100
Softwerx Ltd	England	Ordinary	100
Softwerx (Private) Limited	Sri Lanka	Ordinary	99.9
Clearsprings Support Services Ltd	England	Ordinary	100
Clearsprings Energy Solutions Ltd	England	Ordinary	100
CES Downie Ltd	England	Ordinary	100
Downie Consulting Engineers Limited	England	Ordinary	100
GKSA Ltd	England	Ordinary	100

The principal activities of the undertakings for the last relevant financial period are as follows

Clearsprings Ready Homes Ltd	Accommodation and support
Softwerx Ltd	IT services
Softwerx (Private) Limited	Software development
Clearsprings Support Services Ltd	Cleaning
Clearsprings Energy Solutions Ltd	Energy consultancy
CES Downie Ltd	Energy consultancy
Downie Consulting Engineers Limited	Energy consultancy
GKSA Ltd	Dormant

Softwerx (Private) Limited is in the process of dissolution, and has not been included in the consolidation on the basis that it is not considered to be material to the group. The aggregate amount of capital and reserves and the results of this undertaking for the last relevant financial period were as follows

Capital and reserves	Loss for the year
2013	2013
£	£
10,453	103,743

11 Stock

	Group 2013 £	Company 2013 £	Group 2012 £	Company 2012 £
Finished goods and goods for resale	<u>32,415</u>	<u>-</u>	<u>40,359</u>	<u>40,359</u>

12 Debtors

	Group 2013 £	Company 2013 £	Group 2012 £	Company 2012 £
Trade debtors	1,520,071	46,374	1,235,522	109,294
Amounts owed by subsidiary undertakings	-	2,390,785	-	353,734
Other debtors	123,128	96,520	147,239	103,978
Other taxes and social security costs	-	8,027	-	-
Prepayments and accrued income	2,227,619	62,713	2,746,392	2,602,891
Deferred tax asset (see Note 14)	65,167	61,652	60,120	71,221
Foreign corporation tax debtor	-	-	5,124	-
	<u>3,935,985</u>	<u>2,666,071</u>	<u>4,194,397</u>	<u>3,241,118</u>

All amounts fall due for payment within one year

Clearsprings (Management) Limited

**Notes to the Consolidated Financial Statements
for the year ended 31 January 2013 (continued)**

13 Creditors amounts falling due within one year

	Group 2013 £	Company 2013 £	Group 2012 £	Company 2012 £
Trade creditors	1,556,654	148,118	890,435	751,460
Amounts owed to subsidiary undertakings	-	-	-	352,707
Corporation tax	170,413	140,881	630,283	634,898
Other taxes and social security costs	489,454	-	403,982	64,183
Other creditors	20,022	7,581	44,547	6,360
Share options liability	-	-	61,878	61,878
Accruals and deferred income	2,024,276	224,043	1,363,000	1,180,768
	<u>4,260,819</u>	<u>520,623</u>	<u>3,394,125</u>	<u>3,052,254</u>

14 Provisions for liabilities

Group	Deferred tax asset £	Deferred tax liability £	Total provision £
Balance at 1 February 2012	60,120	(2,227)	(2,227)
Profit and loss account	<u>5,047</u>	<u>2,227</u>	<u>2,227</u>
Balance at 31 January 2013	<u>65,167</u>	<u>-</u>	<u>-</u>
Company			
	Deferred tax asset £		
Balance at 1 February 2012	71,221		
Profit and loss account	<u>(9,569)</u>		
Balance at 31 January 2013	<u>61,652</u>		

Deferred Tax

The deferred tax asset is based on decelerated capital allowances

The deferred tax liability is based on accelerated capital allowances and other timing differences

Clearsprings (Management) Limited

Notes to the Consolidated Financial Statements
for the year ended 31 January 2013 (continued)

15 Pension costs

	Group 2013 £	Company 2013 £	Group 2012 £	Company 2012 £
Contributions payable for the year	<u>113,356</u>	<u>74,301</u>	<u>95,266</u>	<u>79,009</u>

At the balance sheet date there were outstanding contributions of £8,663 (2012 £6,360)

16 Share capital

Allotted, called up and fully paid	2013 £	2012 £
1,000,000 ordinary A shares of £0 0001 each	<u>100</u>	<u>100</u>

17 Statement of movements on reserves

Group

	Revaluation reserve £	Capital redemption reserve £	Profit and loss account £
Balance at 1 February 2012	133,703	1	6,440,994
Retained loss for the year	-	-	(570,390)
Excess depreciation transferred on revalued properties	(2,354)	-	2,354
Revaluation realised on disposal	(18,375)	-	18,375
Balance at 31 January 2013	<u>112,974</u>	<u>1</u>	<u>5,891,333</u>

Company

	Revaluation reserve £	Capital redemption reserve £	Profit and loss account £
Balance at 1 February 2012	133,703	1	5,600,623
Retained profit for the year	-	-	143,353
Excess depreciation transferred on revalued properties	(2,354)	-	2,354
Revaluation realised on disposal	(18,375)	-	18,375
Balance at 31 January 2013	<u>112,974</u>	<u>1</u>	<u>5,764,705</u>

The company has not presented its own profit and loss account as permitted by Section 408 of the Companies Act 2006

The group loss includes a profit of £143,353 (2012 loss of £1,242,354) which is dealt with in the financial results of the parent company

Clearsprings (Management) Limited

Notes to the Consolidated Financial Statements
for the year ended 31 January 2013 (continued)

18 Reconciliation of movements in shareholders' funds

	Group 2013 £	Company 2013 £	Group 2012 £	Company 2012 £
(Loss)/profit for the financial year	(570,390)	143,353	162,385	(1,242,854)
Dividend	-	-	(300,000)	(300,000)
Movement in foreign exchange	-	-	36	-
Net (reduction)/increase to shareholders' funds	<u>(570,390)</u>	<u>143,353</u>	<u>(137,579)</u>	<u>(1,542,854)</u>
Opening shareholders' funds	6,574,798	5,734,427	6,712,377	7,277,281
Closing shareholders' funds	<u>6,004,408</u>	<u>5,877,780</u>	<u>6,574,798</u>	<u>5,734,427</u>

19 Financial commitments

At 31 January 2013 the group and company had annual commitments under non-cancellable operating leases as follows

Expiry date	Land & buildings 2013 £	Land & buildings 2012 £
Within one year	645,318	549,214
Between one and two years	73,949	-
Between two and five years	190,297	138,746
Greater than five years	16,300	-
	<u>925,864</u>	<u>687,960</u>

20 Directors' emoluments

	2013 £	2012 £
Emoluments for qualifying services	447,987	459,098
Pension payment for directors	42,443	21,348
	<u>490,430</u>	<u>480,446</u>

The number of directors for whom benefits are accruing under defined contribution schemes was 2 (2012: 2). The highest paid director received aggregate remuneration during the year of £178,524 (2012: £193,597). No director received a dividend in the current year. Pension payments made during the year in respect of the highest paid director were £34,539 (2012: £13,635).

Clearsprings (Management) Limited

**Notes to the Consolidated Financial Statements
for the year ended 31 January 2013 (continued)**

21 Employees

Number of employees
The average monthly number of employees (including directors)
during the year was

	2013 Number	2012 Number
Accommodation and support	44	53
Logistics	11	5
IT services	27	51
Cleaning	489	482
Energy consulting	6	-
Shared services	16	18
	593	609
Employment costs	£	£
Wages and salaries	6,604,256	7,074,239
Social security costs	447,991	435,188
Other pension costs	113,356	95,266
	7,165,603	7,604,693

22 Control

The company is controlled by G King and J King, who each own 40% of the issued share capital

23 Related party disclosures

The company is exempt from disclosing transactions with group entities under the provisions of FRS8, as they are wholly owned subsidiaries

During the year the company incurred expenditure on behalf of G King amounting to £416,558 (2012 £553,109) This amount has been fully provided at year end

During the year the company paid property rental to G King amounting to £11,400 (2012 £22,800)

24 Purchase of subsidiary undertakings

On 15 June 2012, the group purchased 100% of the share capital of Downie Consulting Engineers Limited for the consideration of £696,179 plus £10,756 of acquisition costs

The fair value and book value of the assets and liabilities of the company acquired as at 15 June 2012 were

	£
Tangible fixed assets	818
Debtors	329,753
Cash	51,344
Creditors	(110,736)
	271,179
Consideration paid	706,935
Goodwill arising	435,756

Clearsprings (Management) Limited

**Notes to the Consolidated Financial Statements
for the year ended 31 January 2013 (continued)**

24 Purchase of subsidiary undertakings (continued)

On 14 December 2012, the group purchased 100% of the share capital of G K Salter & Associates Limited for the consideration of £1

The fair value and book value of the assets and liabilities of the company acquired as at 14 December 2012 were

	£
Tangible fixed assets	21,814
Debtors	242,260
Cash	-
Creditors	(450,088)
	<u>(186,014)</u>
Consideration paid	1
Goodwill arising	186,015

25 Share options

On 20 December 2010, the company granted two directors a total of 81,081 options over 81,081 B Ordinary shares. There is no limited contractual life and there are various vesting conditions relating to profit targets for the group. The estimated fair value of each share option at the balance sheet date was £nil.

Further details of the option plan are as follows

	2013 Number	2012 Number
Outstanding at start of period	81,081	81,081
Granted	<u>-</u>	<u>-</u>
Outstanding at end of period	<u>81,081</u>	<u>81,081</u>

The exercise price for the scheme is £0.01