

Company number: 07921508

**CLEARSPRINGS READY HOMES LTD
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2017**



Clearsprings Ready Homes Ltd

Company Information

Directors	J Vyvyan-Robinson MBE R Slatter S Lakey
Company Number	07921508
Registered Office	26 Brook Road Brook Road Business Park Rayleigh SS6 7XJ
Auditors	Grant Thornton UK LLP Priory Place New London Road Chelmsford CM2 0PP
Bankers	Barclays Priory Place New London Road Chelmsford CM2 0PP

Clearsprings Ready Homes Ltd

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Clearsprings Ready Homes Ltd

Directors' Report for the year ended 31 January 2017

The directors submit their report and the financial statements of Clearsprings Ready Homes Ltd for the year ended 31 January 2017.

Directors

The following directors have held office during the period:

J Vyvyan-Robinson MBE
R Slatter
S Lakey

Auditors

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

Directors' Responsibilities Statement

The directors are responsible for preparing the Directors' Report, the strategic 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 laws, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland").

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these 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 company's transactions and disclose with reasonable accuracy at any time the financial position of 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Clearsprings Ready Homes Ltd

**Directors' Report
for the year ended 31 January 2017**

Statement as to disclosure of information to auditors

The directors confirm that:

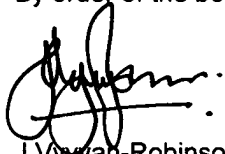
- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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

Matters covered in the Strategic Report

Future developments and financial risk management policies and objectives are discussed in the Strategic Report.

By order of the board



J Vyvyan-Robinson
Director

19th October 2017

Clearsprings Ready Homes Ltd
Strategic Report
for the year ended 31 January 2017

Principal activities

The company operates five year contracts with the Home Office for the provision of asylum accommodation, support and transport services in London and the South of England, and in Wales.

Review of the business and future developments

The company continues to operate its contracts with the Home Office for the provision of transport, accommodation and support to asylum seekers in Wales and the south of England. These contracts have been extended to September 2019.

Principal risks and mitigation

The company 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 company's financial instruments and significant cash balances means that they are not currently subject to price or liquidity risk.

The risk to the company 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. Operations are accredited to ISO 9001, ISO 14001, OHSAS 18001 and ISO 27001 standards.

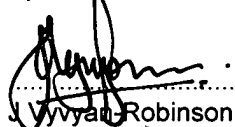
Key performance indicators

Turnover per employee in the year was £503,556 (2016: £400,924).

Operating profit per employee in the year was £7,334 (2016: £13,094).

The company achieved a rating of 82% in the Home Office housing inspection survey.

By order of the board


.....
J. Vyvan Robinson
Director

19th October 2017

Clearsprings Ready Homes Ltd

Independent auditor's report to the members of Clearsprings Ready Homes Ltd for the year ended 31 January 2017

We have audited the financial statements of Clearsprings Ready Homes Ltd for the year ended 31 January 2017 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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 and express our opinion on 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 of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2017 and its 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, based on the work undertaken during 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.

Matter on which we are required to report under the Companies Act 2006

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

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.



PAUL DEARSLEY ACA FCCA
Senior Statutory Auditor
For and on behalf of GRANT THORNTON UK LLP
Statutory Auditor
Chartered Accountants
Chelmsford

20 October 2017

Clearsprings Ready Homes Ltd

**Company Profit and Loss Account
for the year ended 31 January 2017**

	Notes	2017 £	2016 £
Turnover	5	41,291,632	30,871,118
Cost of sales		(38,552,764)	(27,629,826)
Gross profit		2,738,868	3,241,292
Administrative expenses		(2,137,449)	(2,233,090)
Operating profit		601,419	1,008,202
Interest receivable and similar income		72,056	53,261
Interest payable and similar charges		-	-
Profit on ordinary activities before taxation	6	673,475	1,061,463
Tax on profit on ordinary activities	7	(14,458)	(3,158)
Profit for the financial year		659,017	1,058,305

**Statement of Comprehensive Income
for the year ended 31 January 2017**

	2017 £	2016 £
Profit for the financial year	659,017	1,058,305
Total comprehensive income for the financial year	659,017	1,058,305

The notes on pages 8 to 13, including those on accounting policies, form part of these financial statements.

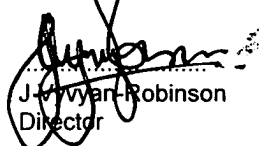
Clearsprings Ready Homes Ltd

Company Balance Sheet
as at 31 January 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	8		28,325		38,362
Current assets					
Stock		37,117		32,030	
Debtors	9	10,469,007		6,666,184	
Cash at bank and in hand		18,056		4,808	
		<u>10,524,180</u>		<u>6,703,022</u>	
Creditors: amounts falling due within one year	10	(7,508,966)		(4,376,751)	
Net current assets			<u>3,015,214</u>		<u>2,326,271</u>
Total assets less current liabilities			<u>3,043,539</u>		<u>2,364,633</u>
Provisions for liabilities	11		(29,809)		(9,920)
Net assets			<u><u>3,013,730</u></u>		<u><u>2,354,713</u></u>
Capital and reserves					
Called up share capital	13		10		10
Profit and loss account			3,013,720		2,354,703
Shareholders' funds			<u><u>3,013,730</u></u>		<u><u>2,354,713</u></u>

The financial statements on pages 5 to 13 were approved by the board of directors and authorised for issue on

19th October 2017 and are signed on its behalf by:


J. J. Ryan-Robinson
Director

The notes on pages 8 to 13, including those on accounting policies, form part of these financial statements.

Clearsprings Ready Homes Ltd

**Company Statement of Changes in Equity
for the year ended 31 January 2017**

	Called-up share capital	Profit and loss account	Total
	£	£	£
At 31 January 2015	10	1,296,398	1,296,408
Profit for the year	-	1,058,305	1,058,305
At 31 January 2016	10	2,354,703	2,354,713
Profit for the year	-	659,017	659,017
At 31 January 2017	10	3,013,720	3,013,730

Clearsprings Ready Homes Ltd

Notes to the Financial Statements for the year ended 31 January 2017

1 Company information

Clearsprings Ready Homes Ltd is a private company limited by shares, incorporated in England and Wales. Its principal place of business is 26 Brook Road, Rayleigh SS6 7XJ. The company's registered number is 07921508.

2 Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ("FRS 102"), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis. The financial statements are presented in Sterling (£).

The company has taken advantage of the following disclosure exemptions under FRS 102

- the requirement to present a statement of cash flows and related notes
- the requirement to disclose key management personnel compensation
- financial instrument disclosures

3 Going concern

The company has shareholders' funds and net current assets. Management are confident based upon forecasts that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

4 Principal accounting policies

4.1 Tangible assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets, other than freehold land, over their expected useful lives, using the straight-line method. The rates applicable are:

- Computer equipment and software 3 years
- Fixtures, fittings & equipment 5 years

4.2 Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Clearsprings Ready Homes Ltd

Notes to the Financial Statements for the year ended 31 January 2017

4.3 Leases

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the lease terms, unless the rental payments are structured to increase in line with expected general inflation, in which case the company recognises annual rent expense equal to amounts owed to the lessor.

The aggregate benefit of any leases incentives are recognised as a reduction to the expense recognised over the lease term on a straight line basis.

4.4 Provisions for liabilities

The group recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary cost payable for the period of absence.

4.5 Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that that have been enacted or substantively enacted by the reporting date:

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

4.6 Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned for the provision of accommodation and other services.

Turnover from the rendering of services is recognised under the asylum contracts on a daily basis and is recognised in the financial statements for the period in which each day falls.

Clearsprings Ready Homes Ltd

**Notes to the Financial Statements
for the year ended 31 January 2017**

5 Turnover

The company's turnover was entirely within the United Kingdom and related to the provision of services.

6 Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is stated after:

	2017 £	2016 £
Depreciation of tangible assets	11,550	7,813
Operating lease rentals		
- Land and buildings	11,756,155	9,493,402
Auditors' remuneration	9,000	9,000
Directors' emoluments	108,125	102,112
Pension contributions in respect of directors	5,498	2,285
Defined contribution pension cost (including directors)	<u>35,729</u>	<u>29,185</u>

7 Tax on profit on ordinary activities

	2016 £	2016 £
UK corporation tax	14,458	-
Adjustment in respect of previous period	-	-
Total current tax	<u>14,458</u>	<u>-</u>
Deferred taxation	-	3,158
Tax on profit on ordinary activities	<u>14,458</u>	<u>3,158</u>
Factors affecting tax charge for the year		
Profit on ordinary activities before taxation	<u>673,475</u>	<u>1,061,463</u>
Profit on ordinary activities before taxation multiplied by the UK rate of corporation tax of 20% (2016: 20.16%)	134,695	213,991
Effects of:		
Group relief	(122,683)	(210,409)
Net expenses not deductible/(income not taxable) for tax purposes	2,446	(424)
Adjustment in respect of prior period	-	-
Tax on profit on ordinary activities	<u>14,458</u>	<u>3,158</u>

Clearsprings Ready Homes Ltd

**Notes to the Financial Statements
for the year ended 31 January 2017**

8 Tangible fixed assets

	Computer equipment and software £	Fixtures, fittings & equipment £	Total £
Cost			
At 31 January 2016	5,943	46,902	52,845
Additions	1,513	-	1,513
At 31 January 2017	<u>7,456</u>	<u>46,902</u>	<u>54,358</u>
Depreciation			
At 31 January 2016	3,103	11,380	14,483
Charge for the year	2,170	9,380	11,550
At 31 January 2017	<u>5,273</u>	<u>20,760</u>	<u>26,033</u>
Net book value			
At 31 January 2017	<u>2,183</u>	<u>26,142</u>	<u>28,325</u>
At 31 January 2016	<u>2,840</u>	<u>35,522</u>	<u>38,362</u>

9 Debtors	2017 £	2016 £
Trade debtors	202,030	488,886
Amounts owed by group undertakings	6,884,951	3,902,237
Prepayments and accrued income	3,352,398	2,246,834
Other debtors	29,628	28,227
	<u>10,469,007</u>	<u>6,666,184</u>

An impairment loss of £nil (2016: £nil) was recognised against trade debtors.

10 Creditors: amounts falling due within one year	2017 £	2016 £
Trade creditors	2,725,484	1,519,708
Corporation tax	14,458	-
Other tax and social security	1,696,330	315,111
Accruals and deferred income	3,072,694	2,541,932
	<u>7,508,966</u>	<u>4,376,751</u>

Clearsprings Ready Homes Ltd

**Notes to the Financial Statements
for the year ended 31 January 2017**

11 Provisions for liabilities

	Deferred tax £	Leave pay £	Total £
Balance at 31 January 2016	6,273	3,647	9,920
Utilised	-	(3,647)	(3,647)
Additions	-	23,536	23,536
Origination and reversal of timing differences	-	-	-
Balance at 31 January 2017	6,273	23,536	29,809

The leave pay provision represents holiday balances accrued as a result of services rendered in the current period and which employees are entitled to carry forward. The provision is measured as the salary cost payable for the period of absence.

Deferred Tax

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

12 Pension costs

	2017 £		2016 £
Contributions payable by the company for the period	35,729		29,185
Number of directors to whom benefits under money purchase schemes are accruing:	1		1

13 Share capital and reserves

	2017 £		2016 £
Allotted, called up and fully paid 10 Ordinary Shares of £1 each	10		10

The above shares were all allotted on incorporation at nominal value.

Called-up share capital – represents the nominal value of shares that have been issued. Ordinary shares carry rights in respect of dividends and voting.

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

Clearsprings Ready Homes Ltd

**Notes to the Financial Statements
for the year ended 31 January 2017**

14 Operating lease commitments

At 31 January 2017 the company had the following minimum lease payments falling due as follows:

	Land & buildings 2017 £	Land & buildings 2016 £
Within one year	1,147,600	898,800
Between two and five years	<u>336,000</u>	<u>21,000</u>
	<u><u>1,483,600</u></u>	<u><u>919,800</u></u>

15 Employees

The average monthly number of employees was 82 (2016: 77).

The number of directors to whom benefits are accruing under money purchase schemes was 1 (2016: 1).

Employment costs	2017 £	2016 £
Wages and salaries	1,842,899	1,679,626
Social security costs	156,546	153,627
Other pension costs	<u>35,729</u>	<u>29,185</u>
	<u><u>2,035,174</u></u>	<u><u>1,862,438</u></u>

16 Control

The company is controlled by G King and J King, by virtue of their shareholdings in Clearsprings (Management) Limited. The largest and smallest group for which consolidated financial statements are prepared is that headed by Clearsprings (Management) Limited. Financial statements can be obtained from Companies House.

17 Related party transactions

The company has chosen to take advantage of the exemption available under FRS 102, paragraph 33.1A, not to disclose transactions with group entities that are wholly owned by the group.