

Company number: 07921508

**CLEARSPRINGS READY HOMES LTD**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2014**



**Clearsprings Ready Homes Ltd**

**Company Information**

<b>Directors</b>	J Vyvyan-Robinson MBE R Slatter S Lakey
<b>Company Number</b>	07921508
<b>Registered Office</b>	26 Brook Road Brook Road Business Park Rayleigh SS6 7XJ
<b>Auditors</b>	Grant Thornton UK LLP Crown House Crown Street Ipswich IP1 3HS
<b>Bankers</b>	Barclays Mortlock House Histon Cambridge CB24 9DE

## Clearsprings Ready Homes Ltd

### Contents

	Page
Directors' report	1
Strategic report	2
Independent auditors' report	3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6-10

**Clearsprings Ready Homes Ltd**  
**Directors' Report**  
**for the year ended 31 January 2014**

The directors submit their report and the financial statements of Clearsprings Ready Homes Ltd for the year ended 31 January 2014.

**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**

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 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:

- 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.

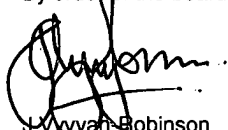
**Statement as to disclosure of information to auditors**

The directors 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.

By order of the board

  
J Vyvyan-Robinson  
Director

23 October 2014

**Clearsprings Ready Homes Ltd**  
**Strategic Report**  
**for the year ended 31 January 2014**

**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**

Although demand for asylum related services was high, and despite considerable efforts to reduce costs, the greater than anticipated demand for London accommodation led to an unsatisfactory trading result for the year. The year to 31 January 2015 is expected to show an improvement, with a large increase in asylum seekers housed in initial accommodation.

**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.

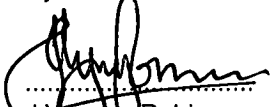
The risk to the company of losing business is countered by an ongoing programme to reduce costs through use of technology and an operating model using home-based staff where possible, an approach which maintains the ability to win contracts on price without sacrificing quality. Operations are accredited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

**Key performance indicators**

The average number of service users accommodated in the year was 4,832 (2013: 4,087).

Carbon dioxide emissions amounted to 3.09 tonnes (2013: 3.20 tonnes) per service user in the year.

By order of the board

  
.....  
J. Wyvan-Robinson  
Director

23 October 2014

**Clearsprings Ready Homes Ltd**

**Independent auditor's report to the members of Clearsprings Ready Homes Ltd  
for the year ended 31 January 2014**

We have audited the financial statements of Clearsprings Ready Homes Ltd for the year ended 31 January 2014 which comprise the profit and loss account, 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).

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/apb/scope/private.cfm](http://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 company's affairs as at 31 January 2014 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.

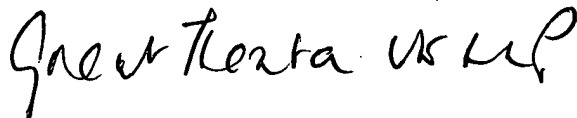
**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report and the strategic report for the period 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, 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.



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

28 October 2014

Clearsprings Ready Homes Ltd

Company Profit and Loss Account  
for the year ended 31 January 2014

	Notes	2014 £	2013 £
Turnover	2	24,295,082	12,997,070
Cost of sales		(21,892,454)	(11,086,945)
<b>Gross profit</b>		<b>2,402,628</b>	<b>1,910,125</b>
Administrative expenses		(1,878,764)	(1,870,792)
<b>Operating profit</b>	3	<b>523,864</b>	<b>39,333</b>
Investment income		637	955
<b>Profit on ordinary activities before taxation</b>		<b>524,501</b>	<b>40,288</b>
Taxation	4	(94,945)	(4,418)
<b>Profit on ordinary activities after taxation</b>	11	<b>429,556</b>	<b>35,870</b>

There are no recognised gains or losses for the period other than the above profit.

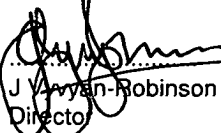
The notes on pages 6 to 10 form part of these financial statements.

## Clearsprings Ready Homes Ltd

Company Balance Sheet  
as at 31 January 2014

	Notes	2014 £	2014 £	2013 £	2013 £
<b>Fixed assets</b>					
Tangible assets	5		8,126		-
<b>Current assets</b>					
Stock		22,420		32,415	
Debtors	6	3,524,934		2,248,858	
Cash at bank and in hand		165		2,090,093	
		<u>3,547,519</u>		<u>4,371,366</u>	
<b>Creditors: amounts falling due within one year</b>	7	<b>(3,088,584)</b>		<b>(4,335,486)</b>	
<b>Net current assets</b>			<b>458,935</b>		<b>35,880</b>
<b>Total assets less current liabilities</b>			<b>467,061</b>		<b>35,880</b>
<b>Provisions for liabilities</b>	8		<b>(1,625)</b>		<b>-</b>
<b>Net assets</b>			<b>465,436</b>		<b>35,880</b>
<b>Capital and reserves</b>					
Called up share capital	10		10		10
Profit and loss account	11		465,426		35,870
<b>Shareholders' funds</b>	12		<b>465,436</b>		<b>35,880</b>

The financial statements on pages 4 to 10 were approved by the board of directors and authorised for issue on 23 October 2014 and are signed on its behalf by:

  
J Vyvan-Robinson  
Director

The notes on pages 6 to 10 form part of these financial statements.



## **Clearsprings Ready Homes Ltd**

### **Notes to the Financial Statements for the year ended 31 January 2014**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention.

Clearsprings (Management) Limited is the immediate and ultimate parent company and the largest and smallest group for which group accounts are prepared. The accounts of Clearsprings (Management) Limited are publicly available from Companies House.

#### **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 Leasing and hire purchase commitments**

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.

All other leases are "operating leases" and the annual rentals are charged to profit and loss on a straight line basis over the lease term.

#### **1.5 Pensions**

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the period they are payable.

#### **1.6 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.

**Clearsprings Ready Homes Ltd**

**Notes to the Financial Statements  
for the year ended 31 January 2014**

**2 Turnover**

The company's turnover was entirely within the United Kingdom.

**3 Operating profit**

Operating profit is stated after charging:

	2014 £	2013 £
Depreciation of tangible assets	1,899	-
Operating lease rentals		
- Land and buildings	6,586,718	4,014,779
Auditors' remuneration	9,000	9,000
Directors' emoluments	79,680	11,108
Pension contributions in respect of directors	2,174	290
Defined contribution pension cost (including directors)	<u>25,197</u>	<u>10,666</u>

**4 Taxation**

	2014 £	2013 £
<b>Domestic current year tax</b>		
UK corporation tax	93,320	4,418
<b>Current tax charge</b>	<u>93,320</u>	<u>4,418</u>
<b>Deferred tax</b>		
Deferred tax charge current period	1,625	-
	<u>94,945</u>	<u>4,418</u>
<b>Factors affecting the tax charge for the year</b>		
Profit on ordinary activities before taxation	<u>524,501</u>	<u>40,288</u>
Profit on ordinary activities before taxation multiplied by the UK rate of corporation tax of 23.17% (2013: lower rate 20%)	121,511	8,058
Group relief	(25,936)	(3,640)
Disallowed expenses	(2,255)	
<b>Current tax charge</b>	<u>93,320</u>	<u>4,418</u>

Clearsprings Ready Homes Ltd

Notes to the Financial Statements  
for the year ended 31 January 2014

5 Tangible fixed assets

	Computer equipment and software £	Fixtures, fittings & equipment £	Total £
<b>Cost/Valuation</b>			
At 1 February 2013			-
Additions	896	9,129	10,025
At 31 January 2014	<u>896</u>	<u>9,129</u>	<u>10,025</u>
<b>Depreciation</b>			
At 1 February 2013	-	-	-
Charge for the year	246	1,653	1,899
At 31 January 2014	<u>246</u>	<u>1,653</u>	<u>1,899</u>
<b>Net book value</b>			
At 31 January 2014	<u>650</u>	<u>7,476</u>	<u>8,126</u>
At 31 January 2013	<u>-</u>	<u>-</u>	<u>-</u>

6 Debtors

	2014 £	2013 £
Trade debtors	235,479	270,310
Amounts owed by group undertakings	745,788	-
Prepayments and accrued income	2,526,094	1,952,240
Other debtors	17,573	26,308
	<u>3,524,934</u>	<u>2,248,858</u>

7 Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	1,183,916	1,069,794
Amounts owed to group undertakings	9,705	1,544,508
Corporation tax	93,320	4,418
Other tax and social security	134,667	176,970
Other creditors	-	76
Accruals and deferred income	1,666,976	1,539,720
	<u>3,088,584</u>	<u>4,335,486</u>

**Clearsprings Ready Homes Ltd**

**Notes to the Financial Statements  
for the year ended 31 January 2014**

**8 Provision for liabilities**

	<b>Deferred tax liability £</b>
Balance at 1 February 2013	-
Profit and loss account	1,625
Balance at 31 January 2014	<u><u>1,625</u></u>

Deferred Tax

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

**9 Pension costs**

	<b>2014 £</b>	<b>2013 £</b>
Contributions payable by the company for the period	25,197	10,666
Number of directors to whom benefits under money purchase schemes are accruing:	<u>1</u>	<u>1</u>

**10 Share capital**

	<b>2014 £</b>	<b>2013 £</b>
Allotted, called up and fully paid 10 Ordinary Shares of £1 each	<u>10</u>	<u>10</u>

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

**11 Statement of movements on profit and loss account**

	<b>2014 £</b>	<b>2013 £</b>
Balance at 1 February 2013	35,870	-
Profit for the period	429,556	35,870
Balance at 31 January 2014	<u><u>465,426</u></u>	<u><u>35,870</u></u>

**12 Reconciliation of movements in shareholders' funds**

	<b>2014 £</b>	<b>2013 £</b>
Profit for the financial period	429,556	35,870
Opening shareholders' funds	35,880	-
Closing shareholders' funds	<u><u>465,436</u></u>	<u><u>35,880</u></u>

**Clearsprings Ready Homes Ltd**

**Notes to the Financial Statements  
for the year ended 31 January 2014**

**13 Financial Commitments**

At 31 January 2014 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 January 2015:

	<b>Land &amp; buildings 2014 £</b>	<b>Land &amp; buildings 2013 £</b>
Operating leases which expire:		
In less than one year	548,400	596,671
In 2 to 5 years	<u>126,000</u>	<u>126,000</u>
	<u><u>674,400</u></u>	<u><u>722,671</u></u>

**14 Employees**

The average monthly number of employees was 62 (2013: 55).

The number of directors to whom benefits are accruing under money purchase schemes was 1 (2013: 1).

<b>Employment costs</b>	<b>2014 £</b>	<b>2013 £</b>
Wages and salaries	1,388,677	811,707
Social security costs	128,943	56,939
Other pension costs	<u>25,197</u>	<u>10,666</u>
	<u><u>1,542,817</u></u>	<u><u>879,312</u></u>

**15 Control**

The company is controlled by G King and J King, via shareholdings in Clearsprings (Management) Limited.

**16 Related party transactions**

The company has chosen to take advantage of the provisions of Financial Reporting Standard 8 not to disclose transactions with group entities that are wholly owned within the group.