

Company number: 03851074

**CLEARSPRINGS (MANAGEMENT) LIMITED
DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2017**

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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 Priory Place New London Road Chelmsford CM2 0PP
Bankers	Barclays Priory Place New London Road Chelmsford CM2 0PP

Clearsprings (Management) Limited

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Clearsprings (Management) Limited

Directors' Report for the year ended 31 January 2017

The directors submit their report and the financial statements of Clearsprings (Management) Limited for the year ended 31 January 2017.

Dividends

The directors do not propose to pay a dividend for the year.

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 also achieved accreditation for the government's energy savings opportunities scheme (ESOS).

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.

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.

Clearsprings (Management) Limited

Directors' Report for the year ended 31 January 2017

Directors' Responsibilities Statement

The directors are responsible for preparing the Strategic Report, 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 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 and profit or loss of the company and group 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.

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 company's auditor is 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

19th October 2017

Clearsprings (Management) Limited

Strategic Report for the year ended 31 January 2017

Principal activities

The group is an established provider of outsourced services to the public and private sectors, supplying accommodation, support, sustainable engineering consultancy and IT services.

Review of the business and future developments

Clearsprings Ready Homes Ltd continued 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.

Softwerx Ltd had another profitable year, with growth in sales of support services, professional services, Microsoft software licences and cyber-security software.

Clearsprings Energy Solutions Ltd ("CES"), the group's sustainable consulting engineering practice, achieved profitability in the year as planned. Now established at its new office in Old Street, London EC1, CES has worked on a number of high-profile projects in the arts and education sectors, including some nominated for industry awards.

Operating profit on sales was 0.5%, compared with 0.9% in the previous year. Return on capital employed was 4.5% in the year, compared with 6.4% in the previous year. Liquidity ratio was 1.4, compared with 1.6 in 2016.

Principal risks and uncertainties and financial risk management policies and objectives

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.

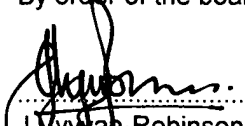
The risk to the group of losing business is countered by an ongoing programme to reduce costs through use of technology and an operating model using home-based staff where possible, an approach which maintains the ability to win contracts on price without sacrificing quality. All group operations are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

Key performance indicators

Turnover per employee in the year was £362,181 (2016: £101,704).

Operating profit per employee in the year was £1,704 (2016: £902).

By order of the board


.....
J Vyvan-Robinson
Director

19th October 2017

Clearsprings (Management) Limited

**Independent auditor's report to the members of Clearsprings (Management) Limited
for the year ended 31 January 2017**

We have audited the financial statements of Clearsprings (Management) Limited for the year ended 31 January 2017 which comprise the consolidated profit and loss account, the consolidated statement of comprehensive income, the consolidated balance sheet, the company balance sheet, the consolidated statement of cash flows, the consolidated statement of changes in equity, the company statement of changes in equity 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 2, 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 an 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 group's and of the parent company's affairs as at 31 January 2017 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 matters 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.

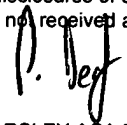
Matter on which we are required to report under the Companies Act 2006

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 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.


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 (Management) Limited

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

		2017	2016
		£	£
	Notes		
Turnover	5	44,910,431	35,189,518
Cost of sales		(41,076,361)	(30,772,474)
Gross profit		3,834,070	4,417,044
Administrative expenses		(3,722,797)	(4,605,413)
Exceptional items	6	100,000	500,305
Group operating profit		211,273	311,936
Interest receivable and similar income		4,996	6,429
Interest payable and similar charges		-	-
Profit on ordinary activities before taxation	6	216,269	318,365
Tax on profit on ordinary activities	7	(14,458)	210,434
Profit for the financial year		201,811	528,799

**Statement of Comprehensive Income
for the year ended 31 January 2016**

	2016	2016
	Total	Total
	£	£
Profit for the financial year	201,811	528,799
Total comprehensive income for the financial year	201,811	528,799

The notes on pages 10 to 20, including those on accounting policies, form part of these financial statements.

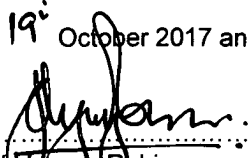
The group profit includes a loss of £794,328 (2016: £331,469) which is dealt with in the financial results of the parent company.

**Consolidated Balance Sheet
as at 31 January 2017**

		2017	2016
		£	£
	Notes		
Fixed assets			
Tangible assets	8	37,129	56,164
Investment property	9	1,950,000	1,950,000
		<u>1,987,129</u>	<u>2,006,164</u>
Current assets			
Stock	11	37,117	32,030
Debtors	12	5,098,028	4,000,748
Cash at bank and in hand		6,555,030	4,042,866
		<u>11,690,175</u>	<u>8,075,644</u>
Creditors: amounts falling due within one year	13	<u>(8,475,882)</u>	<u>(5,104,173)</u>
Net current assets		<u>3,214,293</u>	<u>2,971,471</u>
Total assets less current liabilities		<u>5,201,422</u>	<u>4,977,635</u>
Provisions for liabilities	14	<u>(44,985)</u>	<u>(23,009)</u>
Net assets		<u><u>5,156,437</u></u>	<u><u>4,954,626</u></u>
Capital and reserves			
Called up share capital	16	100	100
Revaluation reserve		295,878	295,878
Other reserves		1	1
Profit and loss account		<u>4,860,458</u>	<u>4,658,647</u>
Shareholders' funds		<u><u>5,156,437</u></u>	<u><u>4,954,626</u></u>

The financial statements on pages 5 to 20 were approved by the Board and authorised for issue on

19th October 2017 and signed on its behalf by:


 J. V. Ryan
 Director

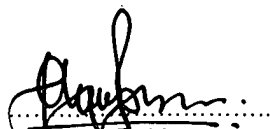
The notes on pages 10 to 20, including those on accounting policies, form part of these financial statements.

**Company Balance Sheet
as at 31 January 2017**

	Notes	£	2017 £	£	2016 £
Fixed assets					
Tangible assets	8		1,848		2,860
Investment property	9		1,950,000		1,950,000
Investments	10		351,490		351,490
			<u>2,303,338</u>		<u>2,304,350</u>
Current assets					
Debtors	12	837,544		758,108	
Cash at bank and in hand		6,460,522		4,018,067	
			<u>7,298,066</u>		<u>4,776,175</u>
Creditors: amounts falling due within one year	13	(8,012,230)		(4,691,946)	
Net current assets			<u>(714,164)</u>		<u>84,229</u>
Total assets less current liabilities					
			<u>1,589,174</u>		<u>2,388,579</u>
Provisions for liabilities	14		(9,160)		(14,237)
Net assets			<u><u>1,580,014</u></u>		<u><u>2,374,342</u></u>
Capital and reserves					
Called up share capital	16		100		100
Revaluation reserve			295,878		295,878
Other reserves			1		1
Profit and loss account			1,284,035		2,078,363
Shareholders' funds			<u><u>1,580,014</u></u>		<u><u>2,374,342</u></u>

The financial statements on pages 5 to 20 were approved by the Board and authorised for issue on

19th October 2017 and signed on its behalf by:


 Vivyan Robinson
 Director

The notes on pages 10 to 20, including those on accounting policies, form part of these financial statements.

Clearsprings (Management) Limited

**Consolidated Statement of Cash Flows
for the year ended 31 January 2017**

	2017	2016
	£	£
Cash flows from operating activities		
Profit for the financial year	201,811	528,799
Adjustments for:		
Exceptional items	(100,000)	(500,305)
Amortisation of intangible assets	-	148,000
Depreciation of tangible assets	25,469	40,449
Interest received	(4,996)	(6,429)
Taxation	14,458	(210,434)
Increase in debtors	(1,111,738)	(50,235)
Increase in stocks	(5,087)	(2,563)
Increase in creditors	3,393,685	171,306
Cash from operations	2,413,602	118,588
Tax paid	-	(220,663)
Net cash generated from operating activities	2,413,602	(102,075)
 Cash flows from investing activities		
Proceeds from sale of fixed asset investments	100,000	824,511
Proceeds from sale of tangible assets	-	15,297
Purchases of tangible assets	(6,434)	(26,982)
Interest received	4,996	6,429
Net cash from investing activities	98,562	819,255
 Net cash flow for the year	2,512,164	717,180
 Cash and cash equivalents at the beginning of year	4,042,866	3,325,686
 Cash and cash equivalents at end of year	6,555,030	4,042,866

Clearsprings (Management) Limited

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

	Called-up share capital	Revaluation reserve	Other reserves	Profit and loss account	Total
	£	£	£	£	£
At 31 January 2015	100	295,878	1	5,489,848	5,785,827
Profit for the year	-	-	-	528,799	528,799
Dividend paid	-	-	-	(1,360,000)	(1,360,000)
At 31 January 2016	100	295,878	1	4,658,647	4,954,626
Profit for the year	-	-	-	201,811	201,811
Dividend paid	-	-	-	-	-
At 31 January 2017	100	295,878	1	4,860,458	5,156,437

Clearsprings (Management) Limited

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

	Called-up share capital	Revaluation reserve	Other reserves	Profit and loss account	Total
	£	£	£	£	£
At 31 January 2015	100	295,878	1	3,769,832	4,065,811
Loss for the year	-	-	-	(331,469)	(331,469)
Dividend paid	-	-	-	(1,360,000)	(1,360,000)
At 31 January 2016	100	295,878	1	2,078,363	2,374,342
Loss for the year	-	-	-	(794,328)	(794,328)
Dividend paid	-	-	-	-	-
At 31 January 2017	100	295,878	1	1,284,035	1,580,014

Clearsprings (Management) Limited

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

1 Company information

Clearsprings (Management) Limited 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 03851074.

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 except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below. 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 group has shareholders' funds and net current assets. Management are confident based upon forecasts that the group 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 and equipment 5 years
- Motor vehicles 4 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 (Management) Limited

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 Stock

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

4.5 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.

4.6 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.

4.7 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.

4.8 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.

Clearsprings (Management) Limited

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

4.9 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. 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.

4.10 Dividends

Equity dividends are recognised when paid.

4.11 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 23. 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.

4.12 Turnover

Accommodation services are rendered daily. Any services rendered in the accounting period are included in turnover.

Turnover from the rendering of professional services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs. Turnover is only recognised to the extent of recoverable expenses when the outcome of a contract cannot be estimated reliably.

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer.

4.13 Employee benefits

Short-term employee benefits and contributions to deferred contribution plans are recognised in the period in which they are incurred.

Clearsprings (Management) Limited

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

4.14 Investments

Investments are stated at cost less provision for impairment.

4.15 Basis of consolidation

The group financial statements consolidate those of the company and of its subsidiary undertakings. Acquisitions of subsidiaries are dealt with by the acquisition method of accounting.

4.16 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However, if the arrangements of a short term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

5 Turnover

The company's turnover was entirely within 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.

6 Profit on ordinary activities before taxation

The group profit on ordinary activities before taxation is stated after:

	2017	2016
	£	£
Depreciation of tangible assets	25,469	40,449
(Profit)/loss on disposal of tangible assets	-	-
Amortisation of goodwill	-	148,000
Operating lease rentals		
- Land and buildings	11,878,788	9,612,448
Auditors' remuneration - audit services	28,500	36,250
Auditors' remuneration - taxation services	5,500	6,000
Directors' remuneration (see note 19)	1,280,283	1,578,407
Defined contribution pension cost	73,888	81,271
Cost of key management personnel	928,198	882,229

Exceptional items in 2016 relate to the profit on the sale of Clearsprings Support Services Ltd. The exceptional item in 2017 relates to the receipt of deferred consideration in respect of the disposal of a former subsidiary undertaking.

Clearsprings (Management) Limited

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

7 Tax on profit on ordinary activities	2017	2016
	£	£
UK corporation tax	-	-
Provision for tax under s. 455	-	(213,580)
Adjustment in respect of previous period	-	90
	<hr/>	<hr/>
Total current tax	-	(213,490)
Deferred taxation	-	3,056
	<hr/>	<hr/>
Tax on profit on ordinary activities	-	(210,434)
	<hr/> <hr/>	<hr/> <hr/>
Factors affecting tax charge for the year		
Profit on ordinary activities before taxation	216,269	318,365
	<hr/> <hr/>	<hr/> <hr/>
Profit on ordinary activities before taxation multiplied by the UK rate of corporation tax of 20% (2016: 20.16%)	43,254	64,182
Effects of:		
Net expenses not deductible/(income not taxable) for tax purposes	(28,796)	(79,573)
Adjustment in respect of prior period	-	90
Unrelieved tax losses	-	18,447
Provision for tax under s. 455	-	(213,580)
	<hr/>	<hr/>
Tax on profit on ordinary activities	14,458	(210,434)
	<hr/> <hr/>	<hr/> <hr/>

Clearsprings (Management) Limited

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

8 Tangible fixed assets - Group

	Computer equipment and software £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost				
At 31 January 2016	168,184	222,817	-	391,001
Additions	6,434	-	-	6,434
Disposals	-	-	-	-
At 31 January 2017	<u>174,618</u>	<u>222,817</u>	-	<u>397,435</u>
Depreciation				
At 31 January 2016	145,400	189,437	-	334,837
On disposals	-	-	-	-
Charge for the year	11,999	13,470	-	25,469
At 31 January 2017	<u>157,399</u>	<u>202,907</u>	-	<u>360,306</u>
Net book value				
At 31 January 2017	<u>17,219</u>	<u>19,910</u>	-	<u>37,129</u>
At 31 January 2016	<u>22,784</u>	<u>33,380</u>	-	<u>56,164</u>

Tangible fixed assets - Company

	Computer equipment and software £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost				
At 31 January 2016	47,846	156,924	-	204,770
Additions	1,072	-	-	1,072
Disposals	-	-	-	-
At 31 January 2017	<u>48,918</u>	<u>156,924</u>	-	<u>205,842</u>
Depreciation				
At 31 January 2016	45,822	156,088	-	201,910
On disposals	-	-	-	-
Charge for the year	1,248	836	-	2,084
At 31 January 2017	<u>47,070</u>	<u>156,924</u>	-	<u>203,994</u>
Net book value				
At 31 January 2017	<u>1,848</u>	-	-	<u>1,848</u>
At 31 January 2016	<u>2,024</u>	<u>836</u>	-	<u>2,860</u>

Clearsprings (Management) Limited

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

9 Investment property - Group and Company

The investment property was valued by David Moor Chartered Surveyors and Roger Roberts Surveys Limited on an open market basis as at 31 January 2011. A desk top update of the valuation was conducted by the same valuers as at 31 January 2014. The directors considered the update to be in excess of market value, but revalued the investment property to £1,950,000 at 31 January 2015. The directors are satisfied that the investment property continues to be valued at £1,950,000 at 31 January 2017.

10 Fixed asset investments - Company

	£
Balance at 31 January 2016	351,490
Balance at 31 January 2017	351,490

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

Subsidiary undertaking	Country of registration or incorporation	Class	Shares held %
Clearsprings Ready Homes Ltd	England	Ordinary	100
Softwerx Ltd	England	Ordinary	100
Clearsprings Energy Solutions 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
Clearsprings Energy Solutions Ltd	Sustainable engineering consultancy

11 Stock

	Group 2017 £	Company 2017 £	Group 2016 £	Company 2016 £
Finished goods and goods for resale	37,117	-	32,030	-

12 Debtors

	Group 2017 £	Company 2017 £	Group 2016 £	Company 2016 £
Trade debtors	921,708	387	1,026,994	8,234
Amounts owed by subsidiary undertakings	-	61,029	-	99,604
Other debtors	289,882	251,859	130,520	91,785
Prepayments and accrued income	3,449,551	72,924	2,370,254	85,505
Corporation tax	367,640	382,098	382,098	382,098
Directors loan account - less than one year	6,656	6,656	23,600	23,600
Directors loan account - greater than one year	62,591	62,591	67,282	67,282
	5,098,028	837,544	4,000,748	758,108

Except for the directors loan as noted above, all amounts fall due for payment within one year.

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

Clearsprings (Management) Limited

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

13 Creditors: amounts falling due within one year

	Group 2017 £	Company 2017 £	Group 2016 £	Company 2016 £
Trade creditors	2,847,567	7,419	1,755,269	23,737
Amounts owed to subsidiary undertakings	-	7,567,184	-	4,379,628
Other taxes and social security costs	2,112,826	251,867	440,497	26,340
Other creditors	8,900	7,661	7,834	7,133
Accruals and deferred income	3,506,589	178,099	2,900,573	255,108
	<u>8,475,882</u>	<u>8,012,230</u>	<u>5,104,173</u>	<u>4,691,946</u>

14 Provisions for liabilities

Group	Deferred tax £	Leave pay £	Total £
Balance at 31 January 2016	(9,918)	(13,091)	(23,009)
Utilised	-	13,091	13,091
Additions	-	(35,067)	(35,067)
On disposal	-	-	-
Origination and reversal of timing differences	-	-	-
Balance at 31 January 2017	<u>(9,918)</u>	<u>(35,067)</u>	<u>(44,985)</u>

Deferred Tax

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

The group has an unprovided deferred tax in respect of losses carried forward amounting to £268,000 (2016 - £296,000).

Company	Deferred tax £	Leave pay £	Total £
Balance at 31 January 2016	(7,411)	(6,826)	(14,237)
Utilised	-	6,826	6,826
Additions	-	(1,749)	(1,749)
Origination and reversal of timing differences	-	-	-
Balance at 31 January 2017	<u>(7,411)</u>	<u>(1,749)</u>	<u>(9,160)</u>

Deferred Tax

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

The company has an unprovided deferred tax in respect of losses carried forward amounting to £91,000 (2016 - £102,000).

Clearsprings (Management) Limited

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

15 Pension costs

	Group 2017 £	Company 2017 £	Group 2016 £	Company 2016 £
Contributions payable for the year	<u>73,888</u>	<u>21,158</u>	<u>81,271</u>	<u>39,086</u>

At the balance sheet date there were outstanding contributions of £Nil (2016: £nil).

16 Share capital and reserves

	2017 £	2016 £
Allotted, called up and fully paid		
1,000,000 ordinary A shares of £0.0001 each	<u>100</u>	<u>100</u>

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.

Revaluation reserve - this reserve is used to record increases in fair value of investment property.

Other reserves - this relates to a capital redemption reserve and records the nominal value of shares repurchased by the company.

17 Dividends

	2017 £	2016 £
Ordinary:		
Paid - £nil (2016: £1.70) per share	<u>-</u>	<u>1,360,000</u>

18 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	1,242,715	1,002,422
Between two and five years	408,458	30,167
	<u>1,651,173</u>	<u>1,032,589</u>

Clearsprings (Management) Limited

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

19	Directors' emoluments	2017	2016
		£	£
	Emoluments for qualifying services	1,270,763	1,569,074
	Pension payment for directors	9,520	9,333
		<u>1,280,283</u>	<u>1,578,407</u>

The number of directors for whom benefits are accruing under defined contribution schemes was 1 (2016: 1). The highest paid director received aggregate remuneration during the year of £872,927 (2016: £1,195,049). Pension payments made during the year in respect of the highest paid director were £nil (2016: £nil).

20 Employees

Number of employees

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

	2017	2016
	Number	Number
Accommodation and support	62	55
Logistics	20	22
IT services	22	17
Cleaning	-	233
Energy consulting	7	7
Shared services	13	12
	<u>124</u>	<u>346</u>

Employment costs

	£	£
Wages and salaries	4,755,521	5,821,252
Social security costs	396,093	398,875
Other pension costs	73,888	81,271
	<u>5,225,502</u>	<u>6,301,398</u>

21 Control

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

22 Related party disclosures

The company has taken advantage of the exemption allowed under FRS 102 from disclosing transactions with other members of the group headed by Clearsprings (Management) Limited.

During the year the company paid property rental to G King amounting to £11,400 (2016: £11,400).

During the year the company paid £10,609 (2016: £8,136) to Steve's Radio Cars Limited, a company controlled by G King and J King.

At year end, the balance of the loan to R Slatter, a director, was £69,247 (2016: £90,882).

At the year end the company was owed £164,967 (2016 - £nil) by Kings Aviation Limited, a company under the control of the King family.

Clearsprings (Management) Limited

**Notes to the Consolidated Financial Statements
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23 Share options

Two directors hold 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 (2016: £nil).

Further details of the option plan are as follows:

	2017 Number	2016 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.

24 Financial instruments

Group

Financial assets measured at amortised cost amounted to £11,216,171 (2016: £7,204,635). This balance comprises cash, amounts due from trade and other debtors, and accrued income.

Financial liabilities measured at amortised cost amounted to £6,363,056 (2016: £4,308,572). This balance comprises accruals and amounts due to trade and other creditors.

Company

Financial assets measured at amortised cost amounted to £6,846,721 (2016: £4,630,781). This balance comprises cash, and amounts due from trade, group and other debtors.

Financial liabilities measured at amortised cost amounted to £7,760,363 (2016: £4,665,606). This balance comprises accruals and amounts due to trade, group and other creditors.

25 Contingent liabilities

In the prior year, the company reached a settlement with HMRC regarding the group's tax enquiries, and awaits a formal closure notice.