

Company number: 03851074

**CLEARSPRINGS (MANAGEMENT) LIMITED
DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2015**

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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 80 Compair Crescent Ipswich IP2 0EH
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 2015

The directors submit their report and the financial statements of Clearsprings (Management) Limited for the year ended 31 January 2015.

Principal risks and mitigation, and future developments are discussed in the Strategic Report.

Dividends

No dividend was paid during the year (2014: £Nil).

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 achieved a rating of 97%.

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.

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

Clearsprings (Management) Limited

Directors' Report for the year ended 31 January 2015

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).

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

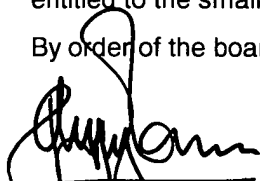
The directors confirm that:

- 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.

This report has been prepared in accordance with the provisions available to companies entitled to the small companies exemption.

By order of the board



J. W. Robinson

29 October 2015

Clearsprings (Management) Limited

Strategic Report for the year ended 31 January 2015

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, 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 run until 2017 and may be extended.

Softwerx Ltd had another profitable year, building on its reputation as a leading and capable provider of cloud migration and hosting services. Significant growth is being targeted through investment in a dedicated sales and service team to distribute class-leading third party internet security and business continuity products.

Clearsprings Support Services Ltd continued to build its reputation as a highly capable cleaning business offering a range of specialist services. Growth in sales is anticipated in the coming year.

Clearsprings Energy Solutions Ltd, the group's sustainable consulting engineering practice, made significant progress in the year towards the goal of achieving profitability. The firm moved to a new office in London, and its distinctive service offering is being well received by the architect community. The group is committed to supporting this important venture as it develops and grows in future years.

Operating profit on sales was 0.8%, compared with 1.4% operating loss on sales in the previous year. Return on capital employed was 4.8% in the year, compared with -7.3% in the previous year. Liquidity ratio was 1.7, compared with 1.8 in 2014, 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.

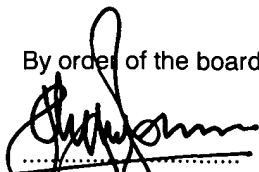
The risk to the group of losing business is countered by an ongoing programme to reduce costs through use of technology and an operating model using home-based staff where possible, an approach which maintains the ability to win contracts on price without sacrificing quality. All group operations are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

Key performance indicators

The average number of service users accommodated in the year was 5,481 (2014: 4,832).

Carbon dioxide emissions amounted to 2.91 tonnes (2014: 3.09 tonnes) per service user in the year.

By order of the board



.....
Vyvyan Hobinson
Director

29 October 2015

Clearsprings (Management) Limited

**Independent auditor's report to the members of Clearsprings (Management) Limited
for the year ended 31 January 2015**

We have audited the financial statements of Clearsprings (Management) Limited for the year ended 31 January 2015 which comprise the consolidated profit and loss account, the consolidated and the parent company balance sheets, the consolidated cash flow statement, the consolidated statement of total recognised gains and losses, the consolidated 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 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 2015 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.

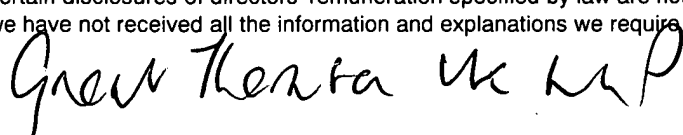
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and 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

29 October 2015

Clearsprings (Management) Limited

**Consolidated Profit and Loss Account
for the year ended 31 January 2015**

		2015 £	2014 £
	Notes		
Turnover		32,959,030	29,420,562
Cost of sales		<u>(28,548,908)</u>	<u>(25,470,896)</u>
Gross profit		4,410,122	3,949,666
Administrative expenses before exceptional items		(4,991,099)	(4,849,195)
Exceptional items	3	<u>854,319</u>	<u>500,000</u>
Group operating profit/(loss)	3	273,342	(399,529)
Interest received	4	6,955	1,754
Interest payable	5	-	-
Profit/(Loss) on ordinary activities before taxation		<u>280,297</u>	<u>(397,775)</u>
Taxation	7	(172,007)	(104,589)
Profit/(Loss) on ordinary activities after taxation	18	<u><u>108,290</u></u>	<u><u>(502,364)</u></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

	2015 £	2014 £
Profit/(Loss) for the financial year	108,290	(502,364)
Revaluation of investment property	182,904	-
Total gains and losses recognised since last annual report	<u><u>291,194</u></u>	<u><u>(502,364)</u></u>

CONSOLIDATED NOTE OF HISTORICAL COST PROFITS AND LOSSES

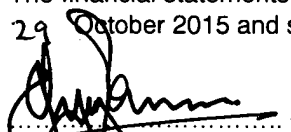
	2014 £	2014 £
Reported profit/(loss) on ordinary activities before taxation	280,297	(397,775)
Realisation of property revaluation gains of prior years	-	-
Difference between actual and historical cost depreciation charge	-	-
Historical cost profit/(loss) on ordinary activities before taxation	<u><u>280,297</u></u>	<u><u>(397,775)</u></u>
Historical cost profit/(loss) for the financial year retained after taxation and dividends	<u><u>108,290</u></u>	<u><u>(502,364)</u></u>

The notes on pages 10 to 19, including those on accounting policies, form part of these financial statements.

**Consolidated Balance Sheet
as at 31 January 2015**

		2015	2014
		£	£
	Notes		
Fixed assets			
Intangible assets	8	148,000	459,820
Tangible assets	9	84,928	101,132
Investment property	10	1,950,000	1,767,096
		<u>2,182,928</u>	<u>2,328,048</u>
Current assets			
Stock	12	29,467	22,420
Debtors	13	5,408,249	4,530,094
Cash at bank and in hand		3,325,686	2,528,632
		<u>8,763,402</u>	<u>7,081,146</u>
Creditors: amounts falling due within one year	14	<u>(5,151,715)</u>	<u>(3,907,150)</u>
Net current assets		<u>3,611,687</u>	<u>3,173,996</u>
Total assets less current liabilities		<u>5,794,615</u>	<u>5,502,044</u>
Provisions for liabilities	15	<u>(1,377)</u>	<u>-</u>
		<u><u>5,793,238</u></u>	<u><u>5,502,044</u></u>
Capital and reserves			
Called up share capital	17	100	100
Revaluation reserve	18	295,878	112,974
Other reserves	18	1	1
Profit and loss account	18	5,497,259	5,388,969
Shareholders' funds	19	<u><u>5,793,238</u></u>	<u><u>5,502,044</u></u>

The financial statements on pages 5 to 19 were approved by the Board and authorised for issue on 29 October 2015 and signed on its behalf by:

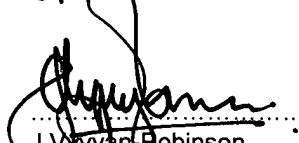

 J. Wyan-Robinson
 Director

The notes on pages 10 to 19, including those on accounting policies, form part of these financial statements.

**Company Balance Sheet
as at 31 January 2015**

		2015		2014
		£	£	£
	Notes			
Fixed assets				
Intangible assets	8	96,000		281,327
Tangible assets	9	11,240		18,676
Investment property	10	1,950,000		1,767,096
Investments	11	351,590		351,590
		<u>2,408,830</u>		<u>2,418,689</u>
Current assets				
Debtors	13	1,661,572	1,262,536	
Cash at bank and in hand		<u>3,299,947</u>	<u>2,503,760</u>	
		4,961,519	3,766,296	
Creditors: amounts falling due within one year	14	(3,297,127)	(1,315,920)	
Net current assets		<u>1,664,392</u>	<u>2,450,376</u>	
Total assets less current liabilities		4,073,222		4,869,065
		<u>4,073,222</u>		<u>4,869,065</u>
Capital and reserves				
Called up share capital	17	100		100
Revaluation reserve	18	295,878		112,974
Other reserves	18	1		1
Profit and loss account	18	3,777,243		4,755,990
Shareholders' funds	19	<u>4,073,222</u>		<u>4,869,065</u>

The financial statements on pages 5 to 19 were approved by the Board and authorised for issue on 29 October 2015 and signed on its behalf by:


 J Vyvyan Robinson
 Director

The notes on pages 10 to 19, including those on accounting policies, form part of these financial statements.

Clearsprings (Management) Limited

**Consolidated Cash Flow Statement
as at 31 January 2015**

	2015	2014
	£	£
Net cash inflow/(outflow) from operating activities (note 1)	999,670	(320,015)
Returns on investments and servicing of finance		
Interest received	6,955	1,754
Net cash outflow for returns on investments and servicing of finance	6,955	1,754
Taxation	(172,007)	(168,214)
Capital expenditure and financial investment		
Payments to acquire tangible assets	(44,981)	(98,650)
Receipts from sales of tangible assets	7,417	-
	(37,564)	(98,650)
Net cash outflow for capital expenditure and financial investment	(37,564)	(98,650)
Equity dividends paid	-	-
Increase/(decrease) in cash in the year (note 2)	797,054	(585,125)

The notes on pages 9 to 19 form part of these financial statements.

Clearsprings (Management) Limited

**Notes to the Consolidated Cash Flow Statement
for the year ended 31 January 2015**

1	Reconciliation of operating loss to net cash inflow/(outflow) from operating activities	2015 £	2014 £		
	Operating profit/(loss)	273,342	(399,529)		
	Depreciation of tangible assets	60,310	107,030		
	Amortisation of intangible assets	311,820	846,443		
	(Profit)/loss on disposal of tangible assets	(6,542)	199		
	(Increase)/decrease in stock	(7,047)	9,995		
	Exceptional items	(854,319)	(500,000)		
	Decrease in debtors	(23,836)	(119,766)		
	Increase/(decrease) in creditors within one year	<u>1,245,942</u>	<u>(264,387)</u>		
	Net cash inflow/(outflow) from operating activities	<u>999,670</u>	<u>(320,015)</u>		
2	Analysis of net funds	31 January 2014 £	Cash flow £	Other non- cash changes £	31 January 2015 £
	Cash at bank and in hand	<u>2,528,632</u>	<u>797,054</u>	-	<u>3,325,686</u>
	Net funds	<u><u>2,528,632</u></u>	<u><u>797,054</u></u>	-	<u><u>3,325,686</u></u>
3	Reconciliation of net cash flow to movement in net funds	2015 £	2014 £		
	Increase/(decrease) in cash in the year	<u>797,054</u>	<u>(585,125)</u>		
	Movement in net funds in the year	797,054	(585,125)		
	Opening net funds	<u>2,528,632</u>	<u>3,113,757</u>		
	Closing net funds	<u><u>3,325,686</u></u>	<u><u>2,528,632</u></u>		

Clearsprings (Management) Limited

**Notes to the Consolidated Financial Statements
for the year ended 31 January 2015**

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of certain fixed assets.

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 2015. 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, depreciation and investment property

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:

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

Investment properties are included in the balance sheet at their open market value in accordance with Statement of Standard Accounting Practice No.19 and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company and the group.

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 2015

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. Deferred tax assets are recognised when it is more likely than not that they will be recovered.

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.

1.15 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

Clearsprings (Management) Limited

**Notes to the Consolidated Financial Statements
for the year ended 31 January 2015**

1.16 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 25. 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

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.

3 Operating loss

Operating loss is stated after charging/(crediting):

Group	2015	2014
	£	£
Depreciation of tangible assets	60,310	107,030
(Profit)/loss on disposal of tangible assets	(6,542)	199
Amortisation of goodwill	311,820	846,443
Operating lease rentals		
- Land and buildings	7,647,525	6,854,624
Auditors' remuneration - audit services	32,000	32,000
Auditors' remuneration - taxation services	6,000	6,000
Directors' remuneration (see note 21)	1,320,647	493,955
Defined contribution pension cost	90,742	86,631
	<u>90,742</u>	<u>86,631</u>

Exceptional items of £854,319 (2014: £500,000) relate to the reversal of a provision in respect of the director loan account (see note 24)

4 Interest received

	2015	2014
	£	£
Bank interest and other interest received	<u>6,955</u>	<u>1,754</u>

5 Interest payable

	2015	2014
	£	£
On bank loans and overdrafts	-	-
	<u>-</u>	<u>-</u>

6 Dividends

	2015	2014
	£	£
Ordinary: Paid - £nil (2014: £nil) per share	<u>-</u>	<u>-</u>

Clearsprings (Management) Limited

**Notes to the Consolidated Financial Statements
for the year ended 31 January 2015**

7	Taxation	2015 £	2014 £
	Domestic current year tax		
	UK corporation tax	-	105,056
	Adjustment for prior periods	131,120	(2,438)
	Provision for tax under s.455 Corporation Tax Act 2010	-	(23,837)
	Current tax charge	<u>131,120</u>	<u>78,781</u>
	Deferred tax		
	Deferred tax charge current year	<u>40,887</u>	<u>25,808</u>
		<u>172,007</u>	<u>104,589</u>
	Factors affecting the tax charge for the year		
	Profit/(Loss) on ordinary activities before taxation	<u>280,297</u>	<u>(397,775)</u>
	Profit/(Loss) on ordinary activities before taxation multiplied by the standard rate of UK corporation tax of 21.33% (2014: 23.17%)	59,797	(92,153)
	Effects of:		
	Non deductible expenses/non taxable income	(53,673)	232,936
	Difference between capital allowances and depreciation	(6,124)	(8,813)
	Lower rate of UK corporation tax	-	(26,914)
	Adjustments to tax charge in respect of previous periods	131,120	(2,438)
		<u>71,323</u>	<u>194,771</u>
	Provision for tax under s.455 Corporation Tax Act 2010	-	(23,837)
	Current tax charge	<u>131,120</u>	<u>78,781</u>
8	Intangible fixed assets - Goodwill	Group £	Company £
	Cost		
	At 31 January 2014	3,996,065	973,148
	Additions	-	-
	At 31 January 2015	<u>3,996,065</u>	<u>973,148</u>
	Amortisation		
	At 31 January 2014	3,536,245	691,821
	Charge for the year	311,820	185,327
	At 31 January 2015	<u>3,848,065</u>	<u>877,148</u>
	Net book value		
	At 31 January 2015	<u>148,000</u>	<u>96,000</u>
	At 31 January 2014	<u>459,820</u>	<u>281,327</u>

Clearsprings (Management) Limited

Notes to the Consolidated Financial Statements
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9 Tangible fixed assets - Group

	Computer equipment and software £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost				
At 31 January 2014	282,378	246,690	55,516	584,584
Additions	20,673	24,308	-	44,981
Disposals	(133,693)	(10,549)	(28,104)	(172,346)
At 31 January 2015	<u>169,358</u>	<u>260,449</u>	<u>27,412</u>	<u>457,219</u>
Depreciation				
At 31 January 2014	229,603	214,702	39,147	483,452
On disposals	(133,693)	(10,549)	(27,229)	(171,471)
Charge for the year	29,711	23,422	7,177	60,310
At 31 January 2015	<u>125,621</u>	<u>227,575</u>	<u>19,095</u>	<u>372,291</u>
Net book value				
At 31 January 2015	<u>43,737</u>	<u>32,874</u>	<u>8,317</u>	<u>84,928</u>
At 31 January 2014	<u>52,775</u>	<u>31,988</u>	<u>16,369</u>	<u>101,132</u>

Tangible fixed assets - Company

	Computer equipment and software £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost				
At 31 January 2014	89,961	156,924	16,104	262,989
Additions	2,273	-	-	2,273
Disposals	(45,680)	-	(16,104)	(61,784)
At 31 January 2015	<u>46,554</u>	<u>156,924</u>	<u>-</u>	<u>203,478</u>
Depreciation				
At 31 January 2014	89,089	139,120	16,104	244,313
On disposals	(45,680)	-	(16,104)	(61,784)
Charge for the year	1,225	8,484	-	9,709
At 31 January 2014	<u>44,634</u>	<u>147,604</u>	<u>-</u>	<u>192,238</u>
Net book value				
At 31 January 2015	<u>1,920</u>	<u>9,320</u>	<u>-</u>	<u>11,240</u>
At 31 January 2014	<u>872</u>	<u>17,804</u>	<u>-</u>	<u>18,676</u>

Clearsprings (Management) Limited

**Notes to the Consolidated Financial Statements
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10 Investment property - Group and Company

Freehold land and buildings were reclassified as investment property at the start of the year, as the directors believe this more accurately reflects the main purpose for which the asset is held.

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 have revalued the investment property to £1,950,000 at 31 January 2015.

11 Fixed asset investments - Company

	£
Balance at 31 January 2014	351,590
Balance at 31 January 2015	351,590

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 Support Services 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 Support Services Ltd	Cleaning
Clearsprings Energy Solutions Ltd	Sustainable engineering consultancy

12 Stock

	Group 2015 £	Company 2015 £	Group 2014 £	Company 2014 £
Finished goods and goods for resale	29,467	-	32,415	-

13 Debtors

	Group 2015 £	Company 2015 £	Group 2014 £	Company 2014 £
Trade debtors	1,132,088	-	987,244	-
Amounts owed by subsidiary undertakings	-	-	-	405,988
Other debtors	130,058	94,648	234,506	215,200
Prepayments and accrued income	2,679,820	100,641	2,768,834	79,465
Deferred tax asset (see Note 15)	-	-	39,510	38,192
Directors loan account - less than one year	1,382,315	1,382,315	500,000	500,000
Directors loan account - greater than one year	83,968	83,968	-	-
Corporation tax	-	-	-	23,691
	5,408,249	1,661,572	4,530,094	1,262,536

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

Clearsprings (Management) Limited

Notes to the Consolidated Financial Statements
for the year ended 31 January 2015

14 Creditors: amounts falling due within one year

	Group 2015 £	Company 2015 £	Group 2014 £	Company 2014 £
Trade creditors	1,525,294	17,337	1,353,970	10,921
Amounts owed to subsidiary undertakings	-	2,868,600	-	1,047,895
Corporation tax	52,055	54,976	81,131	-
Other taxes and social security costs	650,143	100,686	337,244	15,226
Other creditors	7,855	6,375	8,348	7,361
Share options liability	-	-	-	-
Accruals and deferred income	2,916,368	249,153	2,126,457	234,517
	<u>5,151,715</u>	<u>3,297,127</u>	<u>3,907,150</u>	<u>1,315,920</u>

15 Provisions for liabilities

Group

	Deferred tax provision £
Balance at 31 January 2014	39,510
Profit and loss account	<u>(40,887)</u>
Balance at 31 January 2015	<u>(1,377)</u>

At the year end, the group had an unprovided deferred tax asset of £303,000 (2014: £173,000).

Company

	Deferred tax asset £
Balance at 31 January 2014	38,192
Profit and loss account	<u>(38,192)</u>
Balance at 31 January 2015	<u>-</u>

At the year end, the company had an unprovided deferred tax asset of £100,000 (2014: £nil).

Deferred Tax

The deferred tax asset is based on decelerated capital allowances.

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**Notes to the Consolidated Financial Statements
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16 Pension costs

	Group 2015 £	Company 2015 £	Group 2014 £	Company 2014 £
Contributions payable for the year	<u>90,742</u>	<u>37,286</u>	<u>86,631</u>	<u>33,105</u>

At the balance sheet date there were outstanding contributions of £Nil (2014: £8,663).

17 Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
1,000,000 ordinary A shares of £0.0001 each	<u>100</u>	<u>100</u>

18 Statement of movements on reserves

Group

	Revaluation reserve £	Capital redemption reserve £	Profit and loss account £
Balance at 31 January 2014	112,974	1	5,388,969
Retained profit for the year	-	-	108,290
Revaluation of investment property	182,904	-	-
	<u>295,878</u>	<u>1</u>	<u>5,497,259</u>

Company

	Revaluation reserve £	Capital redemption reserve £	Profit and loss account £
Balance at 31 January 2014	112,974	1	4,755,990
Retained loss for the year	-	-	(978,747)
Revaluation of investment property	182,904	-	-
	<u>295,878</u>	<u>1</u>	<u>3,777,243</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 loss of £978,747 (2014: £1,008,715) which is dealt with in the financial results of the parent company.

Clearsprings (Management) Limited

Notes to the Consolidated Financial Statements
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19 Reconciliation of movements in shareholders' funds

	Group 2015 £	Company 2015 £	Group 2014 £	Company 2014 £
Opening shareholders' funds	5,502,044	4,869,065	6,004,408	5,877,780
Profit/(Loss) for the financial year	108,290	(978,747)	(502,364)	(1,008,715)
Revaluation of investment property	182,904	182,904	-	-
Closing shareholders' funds	<u>5,793,238</u>	<u>4,073,222</u>	<u>5,502,044</u>	<u>4,869,065</u>

20 Financial commitments

At 31 January 2015 the group and company had annual commitments under non-cancellable operating leases as follows:

	Land & buildings 2015 £	Land & buildings 2014 £
Expiry date:		
Within one year	703,100	630,925
Between one and two years	64,297	-
Between two and five years	148,000	190,297
Greater than five years	9,000	9,000
	<u>924,397</u>	<u>830,222</u>

21 Directors' emoluments

	2015 £	2014 £
Emoluments for qualifying services	1,311,482	470,216
Pension payment for directors	9,165	23,739
	<u>1,320,647</u>	<u>493,955</u>

The number of directors for whom benefits are accruing under defined contribution schemes was 2 (2014: 2). The highest paid director received aggregate remuneration during the year of £960,006 (2014: £200,470). Pension payments made during the year in respect of the highest paid director were £nil (2014: £15,449).

22 Employees

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

	2015 Number	2014 Number
Accommodation and support	47	45
Logistics	18	17
IT services	16	13
Cleaning	294	395
Energy consulting	7	12
Shared services	14	15
	<u>396</u>	<u>497</u>
Employment costs	£	£
Wages and salaries	5,841,209	5,719,169
Social security costs	391,255	474,859
Other pension costs	90,742	86,631
	<u>6,323,206</u>	<u>6,280,659</u>

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Notes to the Consolidated Financial Statements for the year ended 31 January 2015

23 Control

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

24 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 £nil (2014: £404,653). At the year end, G King owed the group £1,354,319 (2014: £1,354,319) of which £nil (2014: £854,319) was provided for.

During the year the company paid property rental to G King amounting to £11,400 (2014: £11,400).

During the year the company paid £7,703 (2014: £6,021) to Steve's Radio Cars Limited, a company controlled by G King and J King.

During the year ended 31 January 2014 the company made a loan of £125,000 to R Slatter, repayable over five years. At year end, the balance of the loan was £111,984 (2014: £125,000).

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 (2014: £nil).

Further details of the option plan are as follows:

	2015 Number	2014 Number
Outstanding at start of period	81,081	81,081
Granted	-	-
Outstanding at end of period	<u>81,081</u>	<u>81,081</u>

The exercise price for the scheme is £0.01.

26 Contingent liabilities

HMRC are conducting an enquiry into the tax affairs of the company, the outcome of which is unknown. The directors do not believe it appropriate to make any further provision for tax, over and above those provisions already disclosed in these financial statements.

27 Post balance sheet events

On 29 October 2015, the company paid an interim dividend in respect of the year ended 31 January 2016 of £1.70 per share, totalling £1,700,000. S King, a 20% shareholder of the company, waived her right to the dividend.