

REGISTERED NUMBER: 03466459 (England and Wales)

CLARITY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

HPCA Limited
Chartered Accountants
and Statutory Auditors
Station House
Connaught Road
Brookwood
Woking
Surrey
GU24 0ER

WEDNESDAY



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COMPANIES HOUSE

CLARITY LIMITED

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for the year ended 31 December 2016

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CLARITY LIMITED

COMPANY INFORMATION
for the year ended 31 December 2016

DIRECTORS:

A G G Jones
Mrs K J Jones
G J Bolton

SECRETARY:

Mrs K J Jones

REGISTERED OFFICE:

1 Crown Square
Woking
Surrey
GU21 6HR

REGISTERED NUMBER:

03466459 (England and Wales)

AUDITORS:

HPCA Limited
Chartered Accountants
and Statutory Auditors
Station House
Connaught Road
Brookwood
Woking
Surrey
GU24 0ER

BALANCE SHEET
31 December 2016

| | Notes | 2016 £ | 2015 £ |
|--|-------|------------------|------------------|
| FIXED ASSETS | | | |
| Tangible assets | 4 | 66,229 | 83,641 |
| Investments | 5 | <u>239,823</u> | <u>239,823</u> |
| | | 306,052 | 323,464 |
| CURRENT ASSETS | | | |
| Debtors | 6 | 539,644 | 518,874 |
| Cash at bank and in hand | | <u>757,076</u> | <u>1,609,193</u> |
| | | 1,296,720 | 2,128,067 |
| CREDITORS | | | |
| Amounts falling due within one year | 7 | <u>585,421</u> | <u>405,573</u> |
| NET CURRENT ASSETS | | <u>711,299</u> | <u>1,722,494</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 1,017,351 | 2,045,958 |
| PROVISIONS FOR LIABILITIES | 8 | <u>7,350</u> | <u>16,384</u> |
| NET ASSETS | | <u>1,010,001</u> | <u>2,029,574</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | | 10,420 | 10,000 |
| Share premium | 9 | 4,620 | - |
| Retained earnings | 9 | <u>994,961</u> | <u>2,019,574</u> |
| SHAREHOLDERS' FUNDS | | <u>1,010,001</u> | <u>2,029,574</u> |

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 24/5/2017 and were signed on its behalf by:

.....
A G G Jones, Director

CLARITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS **for the year ended 31 December 2016**

1. STATUTORY INFORMATION

Clarity Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Income is recognised net of vat as follows:

- Fee income is recognised when the service has been performed;
- Investment management income is recognised in the period to which it relates;

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

| | |
|-----------------------|--|
| Short leasehold | - Straight line over the life of the lease |
| Office equipment | - Straight line over 3 years |
| Fixtures and fittings | - Straight line over 5 years |

The company has a policy for capitalising computer equipment costing > £1,000, anything less is expensed.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 25.

CLARITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2016

4. TANGIBLE FIXED ASSETS

| | Short leasehold £ | Office equipment £ | Fixtures and fittings £ | Totals £ |
|------------------------|-------------------------|--------------------------|----------------------------------|----------------|
| COST | | | | |
| At 1 January 2016 | 55,255 | 28,587 | 44,443 | 128,285 |
| Additions | - | 5,295 | - | 5,295 |
| Disposals | - | (3,699) | (8,503) | (12,202) |
| At 31 December 2016 | <u>55,255</u> | <u>30,183</u> | <u>35,940</u> | <u>121,378</u> |
| DEPRECIATION | | | | |
| At 1 January 2016 | 11,051 | 19,758 | 13,835 | 44,644 |
| Charge for year | 11,051 | 4,409 | 7,188 | 22,648 |
| Eliminated on disposal | - | (3,699) | (8,444) | (12,143) |
| At 31 December 2016 | <u>22,102</u> | <u>20,468</u> | <u>12,579</u> | <u>55,149</u> |
| NET BOOK VALUE | | | | |
| At 31 December 2016 | <u>33,153</u> | <u>9,715</u> | <u>23,361</u> | <u>66,229</u> |
| At 31 December 2015 | <u>44,204</u> | <u>8,829</u> | <u>30,608</u> | <u>83,641</u> |

5. FIXED ASSET INVESTMENTS

| | Interest in joint venture £ |
|---|--------------------------------------|
| COST | |
| At 1 January 2016 and 31 December 2016 | <u>239,823</u> |
| NET BOOK VALUE | |
| At 31 December 2016 | <u>239,823</u> |
| At 31 December 2015 | <u>239,823</u> |

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Joint venture

ClarityTV Ltd

Registered office:

Nature of business: To introduce clients to clarity Ltd

Class of shares: %
Ordinary holding
51.00

| | 2016 £ | 2015 £ |
|--------------------------------|---------------|---------------|
| Aggregate capital and reserves | 498,186 | 486,627 |
| Profit for the year | <u>11,559</u> | <u>10,844</u> |

CLARITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2016

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2016 | 2015 |
|--------------------------------|----------------|----------------|
| | £ | £ |
| Trade debtors | 107,404 | 125,185 |
| Other debtors | 1,000 | 988 |
| Prepayments and accrued income | <u>431,240</u> | <u>392,701</u> |
| | <u>539,644</u> | <u>518,874</u> |

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2016 | 2015 |
|---|----------------|----------------|
| | £ | £ |
| Trade creditors | 39,004 | 23,986 |
| Amounts owed to participating interests | 13,827 | 13,310 |
| Tax | 178,600 | 33,234 |
| Social security and other taxes | 25,521 | 23,226 |
| VAT | 26,730 | 24,957 |
| Other creditors | 15,012 | 25,096 |
| Accruals and deferred income | <u>286,727</u> | <u>261,764</u> |
| | <u>585,421</u> | <u>405,573</u> |

8. PROVISIONS FOR LIABILITIES

| | 2016 | 2015 |
|--|--------------|----------------|
| | £ | £ |
| Deferred tax | <u>7,350</u> | <u>16,384</u> |
| | | Deferred tax |
| | | £ |
| Balance at 1 January 2016 | | 16,384 |
| Credit to Income Statement during year | | <u>(9,034)</u> |
| Balance at 31 December 2016 | | <u>7,350</u> |

9. RESERVES

| | Retained earnings £ | Share premium £ | Totals £ |
|---------------------|------------------------|--------------------|----------------|
| At 1 January 2016 | 2,019,574 | - | 2,019,574 |
| Profit for the year | 1,358,520 | | 1,358,520 |
| Dividends | (2,383,133) | | (2,383,133) |
| Cash share issue | <u>-</u> | <u>4,620</u> | <u>4,620</u> |
| At 31 December 2016 | <u>994,961</u> | <u>4,620</u> | <u>999,581</u> |

10. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Lance Redman (Senior Statutory Auditor)
for and on behalf of HPCA Limited

CLARITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued **for the year ended 31 December 2016**

11. CONTINGENT LIABILITIES

A pending claim against the company by a client has year to be settled, and the likely cost to the company is £15,000. No provision for this has been made in the accounts.

12. RELATED PARTY DISCLOSURES

During the year, total dividends of £2,383,133 were paid to the directors.

At the end of June 2013, the company entered into a joint venture arrangement with Taylor Vinters LLP whereby Taylor Vinters LLP sold its entire IFA business to the company in return for cash, and a number of shares in clarityTV Ltd, which was a wholly owned subsidiary of clarity Ltd set up in March 2013. Immediately upon the acquisition of the IFA business, the company appointed clarityTV Ltd as its Introducer Appointed Representative, whereby the benefit of income arising from the IFA business (net of management costs) is passed on to clarityTV Ltd in consideration for the issue of shares by clarityTV Ltd to the company. The company immediately passed on 49% of these shares it had just acquired, to Taylor Vinters LLP.

During the financial year, the company received £295,777 (2015: £293,895) income which was passed on to clarityTV Ltd and charged clarityTV Ltd service charges of £221,833 (2015: £220,492). At the balance sheet date, the company owed clarityTV Ltd a balance of £13,827 (2015: £13,310).

At the balance sheet date, the company owned 51% of clarityTV Ltd and receives a share of the net profit generated in the company as a dividend in accordance with its shareholding. There was no dividend declared at the balance sheet date.

13. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is the director and majority shareholder, Mr Angus Jones. All dividends declared in the year were payable to Mr A Jones and his wife Mrs K Jones.

14. EMI SCHEME

During the year, the option to purchase Ordinary C shares in the company was exercised by two employees at the exercise price, and so a total of 420 shares were issued for a total £5,040. Of this total, £4,620 represents a share premium.

15. FIRST YEAR ADOPTION

No adjustments were needed to the figures in the previous years since transitioning to FRS102.