

Company No. 03851074 (England and Wales)

CLEARSPRINGS (MANAGEMENT) LIMITED
DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR YEAR ENDED 31 JANUARY 2007

FRIDAY



A21 *AY9VLTJ9* 05/10/2007 725
COMPANIES HOUSE

Clearsprings (Management) Limited

Company Information

Directors	G I King Esq J Vyvyan-Robinson MBE R Slatter Esq (Appointed 5 June 2006)
Secretary	R Slatter Esq
Company Number	03851074
Registered Office	2 Mountview Court 310 Friern Barnet Lane London N20 0YZ
Auditors	Harris Lipman LLP 2 Mountview Court 310 Friern Barnet Lane London N20 0YZ
Bankers	Barclays Bank Plc PO Box No 3735, 2 High Street Chelmsford Essex CM1 1DS

Clearsprings (Management) Limited

Contents

	Page
Directors' Report	1-3
Auditors' Report	4
Consolidated Profit and Loss Account	5
Consolidated statement of recognised gains and losses	6
Consolidated Balance Sheet	7
Company Balance Sheet	8
Consolidated cash flow statement	9
Notes to consolidated cash flow statement	10
Notes to the Financial Statements	11-19

Clearsprings (Management) Limited

Directors' Report for the year ended 31 January 2007

The directors present their report and the consolidated financial statements for the year ended 31 January 2007

Principal Activities

The principal activity of the company continued to be that of the provision of support services (including accommodation) to vulnerable people. The principal activity of the subsidiary, NVF Limited, is that of the supply of furnishings and equipment. During the year NVF Limited stopped trading. The directors are currently considering the future of this company.

Review of the Business

The directors are satisfied with the development of the business and its performance during the year. In spite of the changes that the business has been through over this and the previous period, it has produced good trading results. The company has now completed its transition between Asylum Resources Directorate (ARD) (formerly National Asylum Support Service - NASS) contracts, and after consolidating its operations to save costs and increase efficiency, is working to obtain additional contracts with other providers.

The company is making best use of its internal expertise in the areas of Information Technology and Property to explore new business projects to further the interests of the company. The company has also established its own furnishing and logistics operation, as during the year the subsidiary company that served this function ceased trading. These services will be offered to third parties in the future.

At the balance sheet date the company had already secured further contracts which will commence shortly. The company is bidding for further large contracts that are in line with the company's objective of providing accommodation and support to vulnerable individuals. The company will also continue to work towards increasing the services it provides through the ARD contract as demand in the regions it serves increases.

In the directors' opinion the principal risks that the business face and which they are working to resolve, are those as a result of needing to diversify and build a more balanced portfolio of clients, services and contracts.

The company monitors its financial performance through the following Key Performance Indicators:

Void bed spaces
Rent payable as a percentage of turnover
Gross and net profit margin percentage

Employee and environmental factors are monitored through the following:

Staff turnover
Sickness as a percentage of paid time
Continued compliance with ISO14001 and other third party accreditation

The company's principal financial instruments comprise bank balances, trade creditors and trade debtors. The purpose of these instruments is to raise funds for the company's operations and to finance the company's operations.

Due to the nature of the financial instruments used by the company there is no exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is shown below.

Continued

Clearsprings (Management) Limited
Directors' Report
for the year ended 31 January 2007 (continued)

In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility. The company monitors the bank balance levels constantly and avoids using overdraft facilities. The company makes use of money market facilities when funds are available.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Results and Dividends

The directors do not recommend payment of an ordinary dividend.

Future Developments

The company will seek to renew contracts as and when they come up for renewal. The company will seek to enter new contracts with other parties as long as it is in the interests of the company.

Post balance sheet events

On 1 April 2007 a new floating support contract commenced in the Cornwall region. Since the balance sheet date the company has been awarded a new contract for provision of accommodation with the National Offender Management Service (NOMS). Both these contracts are in line with the company's strategy to diversify.

Directors

The following directors have held office during the year:

G I King Esq
J Vyvyan-Robinson MBE
R Slatter Esq (Appointed 5 June 2006)

The directors' beneficial interests in the shares of the company at the beginning and end of the period were as stated below:

	Ordinary shares of £1 each	
	31 January 2007	1 February 2006
G I King Esq	1	1
J Vyvyan-Robinson MBE	-	-
R Slatter Esq	-	-

Charitable Donations

	2007	2006
	£	£
During the year the company made the following payments:		
Charitable donations	<u>1,481</u>	<u>17,467</u>

Clearsprings (Management) Limited
Directors' Report
for the year ended 31 January 2007 (continued)

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 is 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 company has by elective resolution dispensed with the obligation to appoint auditors annually in accordance with section 386(1) of the Companies Act 1985. Therefore, the auditors Harris Lipman LLP will be deemed to be reappointed for each succeeding financial year.

Directors' Responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention of fraud and other irregularities.

Statement of disclosure to auditor

- (a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and
- (b) they 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 auditors are aware of that information.

On behalf of the board


G I King Esq
Director

28-01-07

**Independent Auditors' Report to the shareholders of
Clearsprings (Management) Limited**

We have audited the consolidated financial statements of Clearsprings (Management) Limited on pages 5 to 19 for the year ended 31 January 2007. These consolidated financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 that we have formed.

Respective responsibilities of the directors and auditors

As described in the statement of Directors' Responsibilities on page 2, the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the consolidated financial statements in accordance with relevant legal and regulatory requirements and International Standards of Auditing (UK and Ireland).

We report to you our opinion as to whether the consolidated financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the consolidated financial statements, if the company has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion


We conducted our audit in accordance with International Standards of Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the consolidated financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the consolidated financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the consolidated financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the consolidated financial statements.

Opinion

In our opinion the consolidated financial statements

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company and the group as at 31 January 2007 and of the group's profit for the year ended 31 January 2007, and
- have been properly prepared in accordance with the Companies Act 1985
- the information given in the directors' report is consistent with the financial statements


Harris Lipman LLP
Registered Auditors
2 Mountview Court
310 Friern Barnet Lane
London N20 0YZ

Date 4th October 2007

Clearsprings (Management) Limited

**Consolidated Profit and Loss Account
for the year ended 31 January 2007**

	Notes	2007 £	2006 £
Turnover		26,709,697	48,586,348
Cost of sales		(21,553,273)	(37,672,680)
Gross profit		5,156,424	10,913,668
Administrative expenses		(4,022,556)	(7,502,306)
Operating profit	3	1,133,868	3,411,362
Other interest receivable and similar income		95,896	96,210
Interest payable and similar charges		(11,448)	(361,954)
Profit on ordinary activities before taxation		1,218,316	3,145,618
Tax on profit on ordinary activities	6	(593,385)	(1,345,609)
Retained profit for the year	16	624,931	1,800,009

There are no acquisitions or discontinued operations in the current or preceding year

There are no recognised gains or losses other than those passing through the profit and loss account

Clearsprings (Management) Limited

**Consolidated Statement of Total Recognised Gains and Losses
for the year ended 31 January 2006**

	2007	2006
	£	£
(Loss)/Profit for the financial year	624,931	1,800,009
Unrealised surplus on revaluation of properties	-	480,659
Total gains and losses relating to the year	<u>624,931</u>	<u>2,280,668</u>

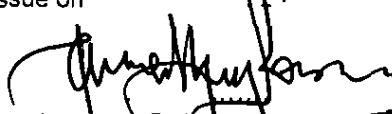
Clearsprings (Management) Limited

Consolidated Balance Sheet
as at 31 January 2007

	Notes	£	2007 £	£	2006 £
Fixed assets					
Tangible assets	7		3,332,764		3,505,319
Current assets					
Stocks	9	49,421		74,834	
Debtors	11	3,456,177		13,986,952	
Cash at bank and in hand		1,957,460		1,565,711	
		<u>5,463,058</u>		<u>15,627,497</u>	
Creditors amounts falling due within one year	12	(2,569,979)		(11,485,034)	
Net current assets			<u>2,893,079</u>		<u>4,142,463</u>
Total assets less current liabilities			<u>6,225,843</u>		<u>7,647,782</u>
Provisions for liabilities and charges	13		(900,000)		(2,946,870)
			<u>5,325,843</u>		<u>4,700,912</u>
Capital and reserves					
Called up share capital	15		1		1
Revaluation reserve	16		480,659		480,659
Other reserves	16		1		1
Profit and loss account	16		<u>4,845,182</u>		<u>4,220,251</u>
Shareholders funds (equity interests)	17		<u>5,325,843</u>		<u>4,700,912</u>

Approved by the board and authorised for issue on 28-09-07.


G I King Esq
Director


J Vybran Robinson
Director

Clearsprings (Management) Limited

Balance Sheet
as at 31 January 2007

	Notes	£	2007 £	£	2006 £
Fixed assets					
Tangible assets	8		3,328,070		3,490,468
Investments	10		<u>100</u>		<u>100</u>
			3,328,170		3,490,568
Current assets					
Stocks		49,421		-	
Debtors	11	3,432,229		13,958,078	
Cash at bank and in hand		<u>1,931,455</u>		<u>1,565,711</u>	
		5,413,105		15,523,789	
Creditors amounts falling due within one year	12	(2,541,057)		(11,622,294)	
Net current assets			<u>2,872,048</u>		<u>3,901,495</u>
Total assets less current liabilities			6,200,218		7,392,063
Provisions for liabilities and charges	13	(900,000)		(2,946,870)	
			<u>5,300,218</u>		<u>4,445,193</u>
Capital and reserves					
Called up share capital	15		1		1
Revaluation reserve	16		480,659		480,659
Other reserves	16		1		1
Profit and loss account	16		4,819,557		3,964,532
Shareholders funds (equity interests)	17		<u>5,300,218</u>		<u>4,445,193</u>

Approved by the board and authorised for issue on


G I King Esq
Director


J Vyvyan-Robinson
Director

Clearsprings (Management) Limited

**Consolidated Cash Flow Statement
as at 31 January 2007**

	2007	2006
	£	£
Net cash inflow from operating activities	4,404,131	(108,237)
Returns on investments and servicing of finance		
Interest received	95,896	96,210
Interest paid	(1,448)	(104,656)
Net cash inflow for returns on investments and servicing of finance	94,448	(8,446)
Taxation	(4,026,261)	(1,189,997)
Capital expenditure and financial investment		
Payments to acquire tangible assets	(357,120)	(257,644)
Receipts from sales of tangible assets	316,102	37,553
Net cash outflow for capital expenditure	(41,018)	(220,091)
Net cash inflow before management of liquid resources and financing	431,300	(1,526,771)
Financing		
Repayment of other short term loans	-	(103,452)
Net cash (outflow) from financing	-	(103,452)
Increase/(decrease) in cash in the year	431,300	(1,630,223)

Clearsprings (Management) Limited

**Notes to the Consolidated Cash Flow Statement
for the year ended 31 January 2007**

1	Reconciliation of operating profit to net cash inflow from operating activities	2007	2006
		£	£
	Operating profit	1,133,869	3,411,362
	Depreciation of tangible assets	376,625	821,036
	(Profit)/loss on disposal of tangible assets	(163,052)	6,055
	Decrease in stocks	25,413	55,704
	Decrease/(increase) in debtors	11,096,719	(1,036,093)
	(Decrease) in creditors within one year	(6,018,573)	(1,807,171)
	(Decrease) in provisions for liabilities and charges	(2,046,870)	(1,559,130)
	Net cash inflow/(outflow) from operating activities	4,404,131	(108,237)

2	Analysis of net funds	1 February 2006	Cash flow	Other non-cash changes	31 January 2007
		£	£	£	£
	Net cash				
	Cash at bank and in hand	1,565,711	401,749	-	1,967,460
	Bank overdrafts	(29,551)	29,551	-	-
	Net funds	1,536,160	431,300	-	1,967,460

3	Reconciliation of net cash flow to movement in net funds	2007	2006
		£	£
	(Decrease) in cash in the year	431,300	(1,630,223)
	Cash inflow/(outflow) from decrease/(increase) in debt and lease financing	-	103,452
	Movement in net funds in the year	431,300	(1,526,771)
	Opening net funds	1,536,160	3,062,931
	Closing net funds	1,967,460	1,536,160

Clearsprings (Management) Limited

Notes to the Consolidated Financial Statements for the year ended 31 January 2007

1 Accounting Policies

1.1 Accounting Convention

The financial statements are prepared under the historical cost convention and include the results of the group's operations as indicated in the directors' report

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 related services provided

Depending on individual contracts, there can be fixed or variable elements to the income. The fixed element represents a guaranteed level of payment regardless of occupancy rates. The variable element will be calculated according to contracted rates per service user calculated based on actual occupancy rates.

The turnover attributable to the contract with ARD (formerly NASS) is variable. The amount recorded is net of any penalty for failures in respect of Key Performance Indicators, as calculated by ARD under the terms of the contract on a monthly basis. This is a change to the previous accounting policy, in line with the terms of the new contract. There has been no change to prior periods in respect of this change to the contract.

1.4 Basis of Consolidation

The group accounts consolidate the accounts of Clearsprings (Management) Limited and its subsidiary. No profit and loss account is presented for Clearsprings (Management) Limited as provided by Section 230 of the Companies Act 1985.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation 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:

Freehold Properties	2% straight line
Land and buildings Leasehold	Straight line over the life of the lease
Plant and machinery	25% straight line
Computer equipment and software	Software – 50% and 100% straight line Hardware – 33 1/3% straight line
Fixtures, fittings & equipment	20% / 33 1/3% straight line
Motor vehicles	25% / 33 1/3% straight line

1.6 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

Clearsprings (Management) Limited

Notes to the Consolidated Financial Statements for the year ended 31 January 2007 (continued)

1.8 Stock

Stock is valued at the lower of cost and net realisable value

1.9 Pensions

The company operates a defined contribution scheme. Contributions are charged to the profit and loss account as they fall due.

1.10 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.11 Furnishings and equipment

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 to be inappropriate by the director.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit

Operating profit is stated after charging

Group	2007 £	2006 £
Depreciation of tangible assets	387,425	821,036
(Profit)/loss on disposal of tangible assets	(163,052)	6,055
Operating lease rentals		
- Plant and machinery	-	-
- Other assets	13,064,290	21,114,465
Auditors' remuneration	27,000	42,438
Remuneration of auditors for non audit work	16,780	10,142
Directors' remuneration	<u>415,952</u>	<u>390,625</u>

4 Investment income

	2007 £	2005 £
Bank interest	<u>95,896</u>	<u>96,210</u>

Clearsprings (Management) Limited

**Notes to the Consolidated Financial Statements
for the year ended 31 January 2007 (continued)**

5	Interest Payable	2007	2006
		£	£
	On bank loans and overdrafts	82	7,516
	On overdue taxation	11,122	347,873
	Other interest payable	244	6,565
		<u>11,448</u>	<u>361,954</u>
6	Taxation	2007	2006
		£	£
	Domestic current year tax		
	UK corporation tax	537,211	1,292,743
	Adjustment for prior periods	-	138,656
		<u>537,211</u>	<u>1,431,399</u>
	Current tax charge		
	Deferred tax		
	Deferred tax charge/credit current year	56,174	(85,790)
		<u>593,385</u>	<u>1,345,609</u>
	Factors affecting the tax charge for the year		
	Profit/loss on ordinary activities before taxation	<u>1,218,316</u>	<u>3,145,618</u>
	Profit on ordinary activities before taxation multiplied by the standard rate of UK corporation tax of 30%	<u>365,495</u>	<u>943,685</u>
	Effects of		
	Non deductible expenses	192,960	241,927
	Depreciation	71,517	248,127
	Capital allowances	(92,761)	(136,333)
	Adjustments to previous periods	-	138,656
	Other tax adjustments	-	(4,664)
		<u>171,716</u>	<u>487,713</u>
	Current tax charge	<u>537,211</u>	<u>1,431,398</u>

Clearsprings (Management) Limited

**Notes to the Consolidated Financial Statements
for the year ended 31 January 2007 (continued)**

7 Tangible fixed assets - Group

	Land and buildings Freehold	Land and buildings Leasehold	Plant and machinery	Computer equipment and software	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£	£
Cost							
At 1 February 2006	2,821,000	171,135	43,026	1,516,336	271,433	2,056,668	6,879,598
Additions	342,345	-	2,931	11,844	-	-	357,120
Disposals	-	-	-	-	-	(1,232,338)	(1,232,338)
At 31 January 2007	<u>3,163,345</u>	<u>171,135</u>	<u>45,957</u>	<u>1,528,180</u>	<u>271,433</u>	<u>824,330</u>	<u>6,004,380</u>
Depreciation							
At 1 February 2006	-	120,528	33,388	1,291,085	192,075	1,737,203	3,374,279
On disposals	-	-	-	-	-	(1,079,289)	(1,079,289)
Charge for the year	60,021	27,373	7,875	147,993	39,857	93,507	376,626
At 31 January 2007	<u>60,021</u>	<u>147,901</u>	<u>41,263</u>	<u>1,439,078</u>	<u>231,932</u>	<u>751,421</u>	<u>2,671,616</u>
Net book value							
At 31 January 2007	<u>3,103,324</u>	<u>23,234</u>	<u>4,694</u>	<u>89,102</u>	<u>39,501</u>	<u>72,909</u>	<u>3,332,764</u>
At 31 January 2006	<u>2,821,000</u>	<u>50,607</u>	<u>9,638</u>	<u>225,251</u>	<u>79,358</u>	<u>319,465</u>	<u>3,505,319</u>

8 Tangible fixed assets - Company

	Land and buildings Freehold	Land and buildings Leasehold	Computer equipment and software	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 February 2006	2,821,000	171,135	1,516,336	237,038	1,920,833	6,666,342
Additions	342,345	-	11,844	-	-	354,189
Disposals	-	-	-	-	(1,096,503)	(1,096,503)
At 31 January 2007	<u>3,163,345</u>	<u>171,135</u>	<u>1,528,180</u>	<u>237,038</u>	<u>824,330</u>	<u>5,924,028</u>
Depreciation						
At 1 February 2006	-	120,528	1,291,085	162,894	1,601,367	3,175,874
On disposals	-	-	-	-	(943,453)	(943,453)
Charge for the year	60,021	27,373	147,993	34,643	93,507	363,537
At 31 January 2007	<u>60,021</u>	<u>147,901</u>	<u>1,439,078</u>	<u>197,537</u>	<u>751,421</u>	<u>2,595,958</u>
Net book value						
At 31 January 2007	<u>3,103,324</u>	<u>23,234</u>	<u>89,102</u>	<u>39,501</u>	<u>72,909</u>	<u>3,328,070</u>
At 31 January 2006	<u>2,821,000</u>	<u>50,607</u>	<u>225,251</u>	<u>74,144</u>	<u>319,466</u>	<u>3,490,468</u>

The freehold land and buildings used for the company's business activities were valued by Bagshaws Residential, a firm of estate agents and property auctioneers as at 31 January 2006. The amount included in the financial statements of £2,821,000 is based on the average value at auction. Their historical cost is £2,828,465 (2006: £2,486,120). The directors consider that the open market value of the freehold properties at the balance sheet date is not materially different to the value recorded in the financial statements.

Clearsprings (Management) Limited

Notes to the Consolidated Financial Statements
for the year ended 31 January 2007 (continued)

9 Stocks - group	2007	2006
	£	£
Finished goods and goods for resale	<u>49,421</u>	<u>74,834</u>

The value of stock is not materially different to its replacement cost

Stocks - company	2007	2006
	£	£
Finished goods and goods for resale	<u>49,421</u>	<u>-</u>

10 Fixed asset investments - Company

Shares in
subsidiary
undertakings

Cost

Subsidiary undertakings at 31 January 2007

£

100

Holdings of more than 20%

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

Subsidiary undertaking

NVF Limited

Principal activity

Supply of furnishings and equipment

The subsidiary operates in the United Kingdom and is registered in England and Wales. The company owns 100% of its ordinary share capital. The subsidiary is included in the consolidated financial statements.

11 Debtors

	Group 2007 £	Company 2007 £	Group 2006 £	Company 2006 £
Trade debtors	1,591,923	1,574,433	11,295,532	11,289,050
Other debtors	1,083,928	1,077,470	1,315,817	1,293,425
Prepayments and accrued income	614,294	614,294	1,153,397	1,153,397
Deferred Tax Asset (see Note 13)	166,032	166,032	222,206	222,206
	<u>3,456,177</u>	<u>3,432,229</u>	<u>13,986,952</u>	<u>13,958,078</u>

12 Creditors amounts falling due within one year

	Group 2007 £	Company 2007 £	Group 2006 £	Company 2006 £
Bank loans and overdrafts	-	-	29,551	-
Trade creditors	1,052,628	1,045,038	4,050,006	3,974,042
Amounts owed to subsidiary undertakings	-	-	-	719,911
Corporation tax	501,244	501,244	4,026,261	3,746,056
Other taxes and social security costs	97,903	81,571	214,554	202,269
Other creditors	19,692	14,692	374,001	374,001
Accruals and deferred income	898,512	898,512	2,790,661	2,606,015
	<u>2,569,979</u>	<u>2,541,057</u>	<u>11,485,034</u>	<u>11,622,294</u>

Clearsprings (Management) Limited

**Notes to the Consolidated Financial Statements
for the year ended 31 January 2007 (continued)**

13 Provisions for liabilities and charges

	Deferred Tax £	Contract Obligations £	Total £
Balance at 1 February 2006	(222,206)	2,946,870	2,724,664
Profit and loss account	<u>56,174</u>	<u>(2,046,870)</u>	<u>(1,990,696)</u>
Balance at 31 January 2007	<u>(166,032)</u>	<u>900,000</u>	<u>733,968</u>

Deferred Tax

The provision for deferred tax is based on accelerated capital allowances

No deferred tax has been calculated on revalued assets, as there is no binding agreement to dispose of any of the assets at the balance sheet date

Contract obligations

In March 2000 the company entered into a 5 year contract ending 5 April 2005. A new contract was awarded for a further period of 15 months. Subsequently a new contract, to 2011, has been awarded in five out of eleven NASS Regions.

The remaining cost of transition between contracts has been calculated at £900,000

14 Pension costs

Defined contribution	Group 2007 £	Company 2007 £	Group 2006 £	Company 2006 £
Contributions payable for the year	<u>96,550</u>	<u>96,550</u>	<u>154,821</u>	<u>154,821</u>

The company operates a defined contribution pension scheme. The assets are held separately from those of the company in an independently administered fund. At the balance sheet date there were no outstanding or prepaid contributions.

Clearsprings (Management) Limited

**Notes to the Consolidated Financial Statements
for the year ended 31 January 2007 (continued)**

15 Share capital

	2007 £	2006 £
Authorised		
1,000,000 ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, called up and fully paid		
1 ordinary share of £1 each	<u>1</u>	<u>1</u>

16 Statement of movements on reserves

Group

	Revaluation reserve £	Other reserves (see below) £	Profit and loss account £
Balance at 1 February 2006	480,659	1	4,220,251
Retained profit for the year	-	-	624,931
	<u>480,659</u>	<u>1</u>	<u>4,845,182</u>
Balance at 31 January 2007	<u>480,659</u>	<u>1</u>	<u>4,845,182</u>

Company

	Revaluation reserve £	Other reserves (see below) £	Profit and loss account £
Balance at 1 February 2006	480,659	1	3,964,532
Retained profit for the year	-	-	855,025
	<u>480,659</u>	<u>1</u>	<u>4,819,557</u>
Balance at 31 January 2007	<u>480,659</u>	<u>1</u>	<u>4,819,557</u>

Other reserves

Capital redemption reserve

Balance at 31 January 2006 & 2007	<u>1</u>
-----------------------------------	----------

The company has not presented its own profit and loss account as permitted by Section 230(1) of the Companies Act 1985

Clearsprings (Management) Limited
Notes to the Consolidated Financial Statements
for the year ended 31 January 2007 (continued)

17 Reconciliation of movements in shareholders' funds

	Group 2007 £	Company 2007 £	Group 2006 £	Company 2006 £
Profit/(loss) for the financial year	624,931	855,025	1,800,009	1,737,190
Other recognised gains and losses	-	-	480,659	480,659
Net addition to shareholders' funds	624,931	855,025	2,280,668	2,217,849
Opening shareholders' funds	4,700,912	4,445,193	2,420,244	2,227,344
Closing shareholders' funds	<u>5,325,843</u>	<u>5,300,218</u>	<u>4,700,912</u>	<u>4,445,193</u>

18 Financial commitments

At 31 January 2007 the Group had annual commitments under non-cancellable operating leases as follows

	Land & buildings 2007 £	Land & buildings 2006 £	Other 2007 £	Other 2006 £
Expiry date				
Within one year	9,398,144	8,294,374	900	-
Between two and five years	67,629	15,800	2,777	3,977
Between two and five years (on behalf of subsidiary company)	47,711			
In over five years (on behalf of subsidiary company)		47,711	-	-
	<u>9,513,484</u>	<u>8,357,885</u>	<u>3,677</u>	<u>3,977</u>

19 Transactions with Directors

The following directors had interest free loans during the year. The movements on these loans were as follows

	Amount outstanding 2007 £	2006 £	Maximum in year £
G I King Esq	<u>147,692</u>	<u>143,873</u>	<u>147,692</u>

20 Directors' emoluments

	2007 £	2006 £
Emoluments for qualifying services	415,952	227,070
Pension payment for directors	-	163,555
	<u>415,952</u>	<u>390,625</u>

Emoluments disclosed above include the following amounts paid to the highest paid director

	2007 £	2006 £
G I King Esq		
Emoluments for qualifying services	242,973	217,592
Pension payment for director	-	163,555
	<u>242,973</u>	<u>381,147</u>

The number of directors for whom benefits are accruing under defined contribution pension schemes amounted to 1 (2006: 1)

Clearsprings (Management) Limited

**Notes to the Consolidated Financial Statements
for the year ended 31 January 2007 (continued)**

21 Employees

Number of employees

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

	2007 Number	2006 Number
Administrative (including directors)	78	119
Regional field staff	175	183
Warehouse	16	17
	<u>269</u>	<u>319</u>

Employment costs

	£	£
Wages and salaries	4,051,653	7,687,859
Social security costs	427,193	806,607
Other pension costs	96,550	154,821
	<u>4,575,396</u>	<u>8,649,287</u>

22 Control

The company is controlled by G I King Esq, who owns 100% of the issued share capital

23 Related party disclosures

The financial statements include the following transactions with companies in which G I King Esq has a beneficial interest

At the year end the total amount due from Kings Park Homes Limited was £4,074 (2006-£171,099 was due to Kings Park Homes Limited)

During the year services amounting to £21,904 (2006-£27,177) were acquired from King's Aviation Limited. At 31 January 2007, the company owed £3,375 to Kings Aviation Limited (2006-£22,614 was owed by Kings Aviation Limited)

At 31 January 2007, the company was owed £1,610,963 by Cargo Handling Centre Limited (2006-£1,254,275). The company has made a provision for bad debts against this balance amounting to £1,108,230 (2006-£627,138)

During the year, £84,590 (2006-£88,449) has been included as an expense in the accounts for the provision of consultancy services from Mrs C King, the wife of G I King Esq. Included in trade creditors is an amount of £21,147 (2006-£21,147) owed to Mrs C King

Purchases of £460,180 (2006-£2,469,341) were made from NVF Limited, a wholly owned subsidiary incorporated in England. During the year the company received £47,711 (2006-£47,711) of rent from NVF Limited. At the balance sheet date the company owed NVF Limited £nil (2006-£719,911). During the year the company wrote off £111,071 owed by NVF Limited

At the year end, the total amount due to Autoclassic Limited was £nil (2006-£165,046)

At the year end, the total amount due to Pemican Limited was £19,849 (2006-£nil)