Registered number: 03851074

CLEARSPRINGS (MANAGEMENT) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2023

CLEARSPRINGS (MANAGEMENT) LIMITED

COMPANY INFORMATION

DIRECTORS	G King R Slatter
COMPANY SECRETARY	R J Slatter
REGISTERED NUMBER	03851074
REGISTERED OFFICE	26 Brook Road Brook Road Business Park Rayleigh SS6 7XJ
INDEPENDENT AUDITORS	Peters Elworthy & Moore Chartered Accountants & Statutory Auditors Salisbury House Station Road Cambridge CB1 2LA
BANKERS	Barclays Bank PLC Priory Place New London Road Chelmsford CM2 0PP

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GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 JANUARY 2023

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.

Clearsprings Ready Homes Limited (CRH) is the Group's larger subsidiary. Its two largest contracts are with the Home Office, for provision of accommodation and transport services to asylum seekers in Wales and the South of England. Softwerx Limited, the other subsidiary, provides IT services to a diverse client base. Its most important area of expertise is Microsoft security.

Turnover increased by 257% compared with last year to £1,298 million (2022 - £506 million), and profit before tax by 272% to £74.4 million (2022 - £27.3 million).

The Group's net cash balance increased by £15.5 million to £69.3 million in the year (2022 - £53.8 million).

REVIEW OF THE BUSINESS

The Home Office contracts run until September 2029.

Demand for accommodation for asylum seekers has remained high throughout the year. Asylum seekers continue to enter the UK and require accommodation. This has necessitated continued use of contingency accommodation including hotels.

CRH is looking to expand its involvement in large non-hotel accommodation sites, such as ex-army camps.

Softwerx is experiencing significant growth in its cybersecurity business and expects to secure many new customers for its security operations centre, which provides 24/7 monitoring of clients' data activity.

Operating profit on sales was 5.7%, compared with 5.4% the previous year. Return on capital employed was 1,134%, compared with 126% in the previous year. Current ratio was 1.04, compared with 1.32 in 2022, reflecting a continuation of conservative financial management policies.

FUTURE OUTLOOK

The strategic agenda for CRH will be influenced by the UK government's "New Plan for Immigration" and its associated legislation. CRH is well-placed to bid for new accommodation contracts when tenders are invited by the Home Office.

Softwerx will maintain and develop further its expertise in the application of Microsoft's online security products.

Demand for asylum accommodation is driven by the arrival of asylum applicants in the UK, and the number of arrivals per year is expected to continue at a high level for the foreseeable future.

The information security sector will continue to grow rapidly, providing opportunities for growth in the provision of IT security services and in the sale of third party cybersecurity products.

PRINCIPAL RISKS AND UNCERTAINTIES AND FINANCIAL RISK MANAGEMENT

The Group manages its exposure to relevant financial risks through internal policies and regular review as follows:

Credit risk associated is managed through regular credit control procedures. UK government departments account for a significant proportion of debtors which are settled in line with agreed terms. Any issues with outstanding or overdue balances are immediately investigated with the Home Office and any other debtors and promptly resolved.

The nature of the Group's financial instruments and significant cash balances means that they are not currently subject to cash flow or liquidity risk. There is no long term third party external debt or associated covenants. Cash flow and liquidity health are further supported by the on-going contract with the Home Office due to span a further 7+ years as well as growing revenues & profitability across the trading subsidiaries. Cash-flow and liquidity are reviewed on a monthly basis as part of the management accounts process. Key decisions impacting cash-flow & liquidity are always considered in detail by the board of Directors who are in regular contact to ensure no exposure to the business and its day to day operations of the Group.

Furthermore, due to the long-term nature of the Home Office contract in Clearsprings Ready Homes Limited and pre-agreed rates, price risk is considered minimal. In Softwerx Limited, price risk is mitigated by the on-going review of rates charged to customers and reviewed as contractual periods come up for review.

KEY PERFORMANCE INDICATORS

Turnover per employee in the year was £3,922,371 (2022 - £2,065,204). The increase reflects growth in the number of asylum seekers accommodated under the Home Office contracts.

Operating profit per employee in the year was £224,672 (2022 - £111,534). Revenue growth while maintaining cost control is mainly responsible for this improvement.

DIRECTORS' STATEMENT OF COMPLIANCE WITH DUTY TO PROMOTE THE SUCCESS OF THE GROUP

The directors must act in accordance with a general set of duties, which are detailed in section 172 of the Companies Act 2006. The directors of Clearsprings (Management) Limited are aware of their responsibilities to ensure key decisions promote the success of the Company. When making decisions, each director ensures they take consideration of the benefits to its members as a whole. In making these decisions the directors ensure they consider:

a. the likely consequences of any decision in the long term

b. the interests of the Company's employees

c. the need to foster the Company's business relationships with suppliers, customers and others

d. the impact of the Company's operations on the community and the environment

e. the desirability of the Company maintaining a reputation for high standards of business conduct

f. the need to act fairly as between stakeholders of the Company.

Consequences of decisions in the long term

The directors, as a matter of policy, consider wherever possible the long-term impact of their decision-making upon its stakeholders. The operational business operates in a long-term planning environment as a result of aligning the business strategy with its customer needs and changing requirements. Consequently, decision making is based around logistical planning and building long term customer and supplier arrangements. Wider long-term external factors are also considered in such decision making with the consequences of matters such as economic uncertainty & inflation and are planned into the operations based on consideration of scenarios. Contracts with the customers, particularly the Home Office, are long-term which allows the Group's operations to remain close to the long term thinking of its customers and in turn allows the business to build out suitable supplier relationships to match the needs of the business.

Interests of the Company's employees

The directors acknowledge that the employees of the group are vital to the success of the organisation and achieving its strategic goals. The Group's human resources team strive to achieve enlightened best practice in all interactions with its employees. They aspire to provide a safe workplace and an open and supportive work culture. Employees' needs in respect of working hours, health including mental health, and financial security and wellbeing are all actively addressed in the group's policies and practice. Regular briefings keep employees informed on the strategic direction and progress of the group and its subsidiaries.

The need to foster the Company's business relationships with suppliers, customers and others

The Group engages with its customers on a frequent basis. For its larger contracts, the framework for engagement is contractually defined and includes regular detailed briefings covering such matters as operating and financial progress.

The Group's suppliers and subcontractors are an important element in delivering the it's services. Through a formal due diligence process, and the agreement of back-to-back contractual arrangements, the directors encourage a transparent and co-operative approach to business success. This includes provision for sustainable financial rewards for its supply chain and ensuring prompt payment in line with contracts and with published best practice. Performance issues are dealt with through supplier meetings and sharing appropriate information.

Impact of the Company's operations on the community and the environment

Local authorities are always consulted extensively on the location and operation of accommodation, to ensure and promote harmonious integration of the Group's service users with the wider community. The Directors aspire to minimise the adverse environmental impact of the group's activities. Service users are encouraged to take a responsible approach to the use of energy. The Group's employees are encouraged to use greener forms of transport where possible. The group's fleet policy favours plug-in hybrid and fully electric vehicles.

The desire of the Company maintaining a reputation for high standards

The directors are concerned to maintain a reputation for high standards of conduct and governance in the Group's activities. Therefore, the operations of the group follow necessary quality guidelines all the way through staff recruitment & training to oversight of the quality of service provided whether directly or through third party providers. Contracts both with customers of Softwerx Limited and with the Home Office in Clearsprings Ready Homes are based on longer term relationships and maintained through customer satisfaction. The Group, through the connection with its shareholders seeks to comply with the Environmental, Social and Governance obligations; this extends to include seeking to be a responsible employer and providing support to its workforce and seeking out suppliers and customers that also adopt the same principles.

The need to act fairly

The directors aspire to act with fairness in their dealings with all stakeholders, including customers, its employees, its suppliers, and the wider community.

This report was approved by the board and signed on its behalf.

R Slatter
Director

Date: 17 October 2023

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 JANUARY 2023

The directors present their report and the financial statements for the year ended 31 January 2023.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £64,279,787 (2022 - £26,807,315).

No dividends were paid or proposed in 2023 or 2022.

DIRECTORS

The directors who served during the year were:

G King
R Slatter
J Vyvyan-Robinson (resigned 31 August 2023)

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements 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 Group 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 the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 group'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.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

There were no directors who benefited from qualifying indemnity provisions during the financial year or at the

date of this report.

GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENCY ACTION

The group has completed a compliance report in line with Article 8 of the Energy Efficiency Directive. Greenhouse gas emissions and energy consumption can be summarised as follows:

Environmental Impact considerations:

The Group is committed to managing our environmental impact and is aware that consideration of the environment in our decision making process can have a benefit on the Group's performance.

The key environmental impacts of the Group are the energy consumption costs of the ever growing property portfolio, running the fleet of company vehicles and the office buildings used by the various Group companies.

The Group's Scope 1,2 & 3 emissions are identified below, as required by the current Environmental Reporting Guidelines:

- Total energy consumption = 25,859 tCO2e (scope 1,2,& 3)

- Overall increase of 34% on last year (2022 - 19,279 tCO2e (scope 1,2 & 3))

- Intensity Ratio for comparison – tCO2e/£ sales revenue = 1 : 49,778 (2022 - 1 : 25,863)

Mandatory greenhouse gas emissions reported by scope:

The energy consumption during the financial year to 31 January 2023 (and its comparative, 31 January 2022) can be detailed as follows:

	2023	**2022**
Scope 1 - energy consumption from owned road vehicles (tCO2e)	422	201
Scope 2 - electricity consumption	2,120	2,329
- gas consumption	6,661	12,363
- home working consumption	143	119
Total (tCO2e)	8,924	14,811

Scope 3 - business travel (grey fleet) consumption (tCO2e)	16,513	4,267
Total (tCO2e)	25,859	19,279

Methodology:

The Carbonfootprint.com business calculator and appropriate conversations were used to translate costs incurred in the year on gas, electric, travel etc, into emissions.

The average fuel costs for the period have been taken from the AA website as follows:

Unleaded average: 156p per litre (2022: 146)

Diesel average: 199p per litre (2022: 149)

The estimated carbon intensity when considered in relation to the number of employees is approximately 86 tCO2e per employee (2022: 77).

Efficiency measures:

The energy usage in the property portfolio which is largely externally rented to accommodate asylum seekers, makes up the majority of the Group's energy usage, and it remains a vital part of the Group's thinking to consider ways to improve our energy efficiency. Some of these actions are identified below;

- Ecostats are being fitted to boilers to help regulate the temperature range and usage time in an effort to reduce gas consumption.
- Recycling arrangements are in place at all of the offices used by Group companies, including the necessary shredding of paperwork.
- There are two hybrid vehicles included in the company owned fleet, and four fully electric vehicles, and it remains a stated aim to increase the number of hybrid and fully electric vehicles where possible and practical.

Analysis of movements:

1. Higher energy costs have hit the accounts; usage is down but the cost has increased.
2. The increase is due to the continued increase in the amount of vehicle mileage and the associated fuel cost (company owner vehicles and grey fleet) in relation to the previous year due primarily to the increased number of staff now employed.
3. Higher service user figures has led to a large increase in the amount of transport cost from external (hired-in) sources, with block transports being necessary for hotel occupancies and close-downs when necessary.
4. The estimated carbon intensity when considered in relation to the number of employees is approximately 86 tCO2e per employee; an increase of 12% on last year.
5. The average fuel costs for the period have been taken from the AA website as follows:

Unleaded average: 156p per litre
Diesel average: 199p per litre

MATTERS COVERED IN THE STRATEGIC REPORT

Under Section 414c(ii) of the Companies Act 2006, the following information is included within the Group Strategic Report:

- Statement on employee engagement and business relationships with suppliers, customers and others

- Financial risk management objectives & policies

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2023

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

AUDITORS

The auditors, Peters Elworthy & Moore, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf by:

R Slatter
Director

Date: 17 October 2023

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CLEARSPRINGS (MANAGEMENT) LIMITED

OPINION

We have audited the financial statements of Clearsprings (Management) Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 January 2023, which comprise the Group Statement of Comprehensive Income, the Group and Company Statements of Financial Position, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 2023 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.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CLEARSPRINGS (MANAGEMENT) LIMITED (CONTINUED)

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group 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 Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Group financial statements .

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the laws and regulations applicable to the Group through discussions with directors and other management, and from our commercial knowledge and experience of the industry;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements, including FRS 102, the Companies Act 2006, taxation legislation, or those fundamental to the Group's ability to operate, or to avoid a material penalty, including data protection, employment and health and safety;
- we obtained an understanding of the Group's policies and procedures on compliance with laws and regulations, including documentation of any instances of non-compliance;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CLEARSPRINGS (MANAGEMENT) LIMITED (CONTINUED)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of fraud through management bias and override of controls. In addressing the risk of fraud through management bias and override of controls we:

- tested the appropriateness of journal entries and other adjustments;
- designed procedures to identify unexpected and unusual journal entries and performed testing to confirm the validity of such postings;
- assessed whether the accounting judgements made in the financial statements were indicative of potential bias; and
- evaluated the business rationale of any significant transactions that were unusual or outside the normal course of business.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims; and
- reviewing the minutes of meetings of those charged with governance.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

USE OF OUR REPORT

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 Auditors' 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.

James Burrett (Senior Statutory Auditor)

for and on behalf of
Peters Elworthy & Moore

Chartered Accountants
Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA

18 October 2023

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JANUARY 2023

	Note	2023 £	2022 £
Turnover	4	**1,293,112,484**	501,347,455
Cost of sales		**(1,208,565,696)**	(462,072,731
GROSS PROFIT		**84,546,788**	39,274,724
Administrative expenses		**(5,901,210)**	(5,935,542
OPERATING PROFIT	5	**78,645,578**	33,339,182
Interest receivable and similar income	9	**209,921**	-
Interest payable and similar expenses	10	**(133,592)**	-
PROFIT BEFORE TAXATION		**78,721,907**	33,339,182
Tax on profit	11	**(14,442,120)**	(6,531,867
PROFIT FOR THE FINANCIAL YEAR		**64,279,787**	26,807,315
PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
Owners of the parent Company		**64,279,787**	26,807,315
		64,279,787	26,807,315

There were no recognised gains and losses for 2023 or 2022 other than those included in the consolidated statement of comprehensive income.

There was no other comprehensive income for 2023 (2022- £NIL).

The notes on pages 22 to 38 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2023

	Note		2023 £		2022 £
FIXED ASSETS					
Tangible assets	12		**289,411**		84,431
			289,411		84,431
CURRENT ASSETS					
Stocks	13	**40,000**		40,000	
Debtors: amounts falling due within one year	14	**19,167,483**		23,537,163	
Cash at bank and in hand	15	**59,918,160**		24,955,392	
		79,125,643		48,532,555	
Creditors: amounts falling due within one year	16	**(89,099,596)**		(59,365,316)	
NET CURRENT LIABILITIES			**(9,973,953)**		(10,832,761)
TOTAL ASSETS LESS CURRENT LIABILITIES			**(9,684,542)**		(10,748,330)
PROVISIONS FOR LIABILITIES					
Deferred taxation	18		**(72,353)**		(21,108)
Other provisions	19		**(93,430)**		-
NET LIABILITIES			**(9,850,325)**		(10,769,438)
Difference to be cleared			**74,630,112**		**38,051,490**
CAPITAL AND RESERVES					
Profit and loss account	20		**64,779,787**		27,282,052
			64,779,787		27,282,052

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 JANUARY 2023**

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

R Slatter
Director

Date: 17 October 2023

The notes on pages 22 to 38 form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2023

	Note		2023 £		2022 £
FIXED ASSETS					
Tangible assets	12		**289,411**		84,431
			289,411		84,431
CURRENT ASSETS					
Stocks	13	**40,000**		40,000	
Debtors: amounts falling due within one year	14	**35,056,493**		34,806,612	
Cash at bank and in hand	15	**59,918,160**		24,955,392	
		95,014,653		59,802,004	
Creditors: amounts falling due within one year	16	**(89,099,596)**		(59,365,316)	
NET CURRENT ASSETS			**5,915,057**		436,688
TOTAL ASSETS LESS CURRENT LIABILITIES			**6,204,468**		521,119
PROVISIONS FOR LIABILITIES					
Deferred taxation	18		**(72,353)**		(21,108)
Other provisions	19		**(93,430)**		-
NET ASSETS			**6,038,685**		500,011
Difference to be cleared					**(1)**
CAPITAL AND RESERVES					
Called up share capital			**10**		10
Profit and loss account	20		**6,038,675**		500,000
			6,038,685		500,010

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 JANUARY 2023

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

R Slatter
Director

Date: 17 October 2023

The notes on pages 22 to 38 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JANUARY 2023

	Profit and loss account	Equity ttributable to owners of parent Company	Total equity
	£	£	£
AT 1 FEBRUARY 2021	474,737	474,737	474,737
Profit for the year	26,807,315	26,807,315	26,807,315
Difference to be cleared in b/fwd	26,782,052)	26,782,052)	26,782,052)
AT 1 FEBRUARY 2022	500,000	500,000	500,000
Profit for the year	64,279,787	64,279,787	64,279,787
AT 31 JANUARY 2023	64,779,787	64,779,787	64,779,787

The notes on pages 22 to 38 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JANUARY 2023

	Called up share capital	Profit and loss account	Total equity
	£	£	£
AT 1 FEBRUARY 2021	10	474,837	474,847
Profit for the year	-	28,012,427	28,012,427
CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS			
Dividends: Equity capital	-	(27,987,264)	(27,987,264)
AT 1 FEBRUARY 2022	10	500,000	500,010
Profit for the year	-	62,538,675	62,538,675
Dividends: Equity capital	-	(57,000,000)	(57,000,000)
AT 31 JANUARY 2023	10	6,038,675	6,038,685

The notes on pages 22 to 38 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JANUARY 2023

	2023 £	2022 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial year	**64,279,787**	26,807,315
ADJUSTMENTS FOR:		
Depreciation of tangible assets	**125,765**	62,379
Interest paid	**133,592**	-
Interest received	**(209,921)**	-
Taxation charge	**14,458,838**	6,531,867
Decrease/(increase) in stocks	**-**	(2,533)
Decrease in debtors	**3,312,970**	3,564,559
Increase in creditors	**36,169,706**	14,008,533
Increase in provisions	**117,919**	-
Net fair value gains recognised in P&L	**(682,000)**	-
Corporation tax paid	**(22,574,721)**	(691,787)
NET CASH GENERATED FROM OPERATING ACTIVITIES	**95,131,935**	50,280,333
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible fixed assets	**(394,477)**	(61,796)
Interest received	**209,921**	-
NET CASH FROM INVESTING ACTIVITIES	**(184,556)**	(61,796)
CASH FLOWS FROM FINANCING ACTIVITIES		
Purchase of ordinary shares	**(75,000,000)**	-
Interest paid	**(133,592)**	-
NET CASH USED IN FINANCING ACTIVITIES	**(75,133,592)**	-
INCREASE IN CASH AND CASH EQUIVALENTS	**19,813,787**	50,218,537
Cash and cash equivalents at beginning of year	**24,955,392**	188,054
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	**44,769,179**	50,406,591
Difference to be cleared	**15,148,981**	**(25,451,199)**
CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:		
Cash at bank and in hand	**59,918,160**	24,955,392
	59,918,160	24,955,392

The notes on pages 22 to 38 form part of these financial statements.

1. GENERAL INFORMATION

Clearsprings (Management) Limited is a private company limited by shares incorporated in England and Wales.

Its registered office is 26 Brook Road, Brook Road Business Park, Rayleigh, SS6 7XJ.

The Group's functional and presentational currency is GBP.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 GOING CONCERN

The group has positive shareholders' funds and net current assets. Commercial arrangements with key suppliers and sub-contractors are structured so as to provide natural resilience during conditions of increased or decreased demand. The new Home Office contracts are not expected to place significant strain on cash resources or working capital. Management are confident based upon forecasts that the group has adequate resources to continue in operational existence for the foreseeable future being a period of no less than 12 months from the date of approval of these financial statements. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 TURNOVER

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Group and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 OPERATING LEASES

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 INTEREST INCOME

Interest income is recognised in profit or loss using the effective interest method.

2.7 FINANCE COSTS

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 PENSIONS

DEFINED CONTRIBUTION PENSION PLAN

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2. ACCOUNTING POLICIES (CONTINUED)

2.9 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.10 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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.

2. ACCOUNTING POLICIES (CONTINUED)

2.10 TANGIBLE FIXED ASSETS (CONTINUED)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Fixtures, fittings and equipment	- 5 years
Computer equipment and software	- 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.11 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.

2.12 STOCKS

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.13 DEBTORS

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.14 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2. ACCOUNTING POLICIES (CONTINUED)

2.15 CREDITORS

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.16 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2. ACCOUNTING POLICIES (CONTINUED)

2.17 FINANCIAL INSTRUMENTS

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

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 debtors and creditors, 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Recoverability of debtor balances

Management make an assessment of the recoverable value of trade and other debtors. This estimate is based on a number of factors including the ageing profile of the debtors and historical experience. When necessary, a provision is made to reduce the net carrying value.

Dilapidations

The Group maintains a portfolio of leasehold property which is utilised in the normal course of business. Through general use these properties suffer wear and tear and require maintenance and upkeep. Management have a comprehensive programme in place for maintenance and upkeep of these properties. The timing of surrender of these leases cannot be predicted. In addition this unknown timing makes quantifying any potential dilapidation provision difficult to measure and as such management have not provided for any potential dilapidation payments to landlords.

Investment property

The Group's investment properties are regularly valued by independent third party professionals who are competent to undertake such valuations. In instances whereby the investment property portfolio is not professionally valued, the directors assess the fair value by reference to available market data and making comparisons to similar properties within the locality.

4. TURNOVER

The analysis of turnover and profit before taxation by class of business has not been given as in the opinion of the directors such disclosures would be seriously prejudicial to the interests of the group.

All turnover arose within the United Kingdom.

5. OPERATING PROFIT

The operating profit is stated after charging:

	2023	2022
	£	£
Cost of pension scheme	**386,471**	270,092
Other operating lease rentals	**31,457,547**	26,257,003
Depreciation charge	**125,765**	62,379

6. AUDITORS' REMUNERATION

	2023 £	2022 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	**58,250**	37,450
FEES PAYABLE TO THE GROUP'S AUDITOR AND ITS ASSOCIATES IN RESPECT OF:		
Taxation compliance services	**7,050**	5,550
All other services	**11,400**	8,850

7. EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Wages and salaries	**9,240,179**	5,500,902	**9,240,179**	5,500,902
Social security costs	**1,045,451**	529,371	**1,045,451**	529,371
Cost of defined contribution scheme	**295,752**	197,656	**295,752**	197,656
	10,581,382	6,227,929	**10,581,382**	6,227,929

The average monthly number of employees, including the directors, during the year was as follows:

	2023 No.	2022 No.
Accommodation, support, and logistics	**278**	203
IT services	**30**	23
Shared services	**23**	19
	331	245

8. DIRECTORS' REMUNERATION

	2023	2022
	£	£
Directors' emoluments	**245,100**	188,662
Group contributions to defined contribution pension schemes	**11,760**	21,551
	256,860	210,213

During the year retirement benefits were accruing to 1 director (2022 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £494,046 (2022 - £674,191).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2022 - £NIL).

Emoluments paid to key management personnel in the year were £1,643,761, including pension costs of £43,401 and employer's NI of £196,258 (2022 - £1,911,560).

9. INTEREST RECEIVABLE

	2023	2022
	£	£
Other interest receivable	**209,921**	-

10. INTEREST PAYABLE AND SIMILAR EXPENSES

	2023	2022
	£	£
Other interest payable	**133,592**	-

11. TAXATION

	2023 £	2022 £
CORPORATION TAX		
Current tax on profits for the year	**14,230,519**	6,573,548
Adjustments in respect of previous periods	**12,046**	-
TOTAL CURRENT TAX	**14,242,565**	6,573,548
DEFERRED TAX		
Origination and reversal of timing differences	**199,555**	(41,681)
TOTAL DEFERRED TAX	**199,555**	(41,681)
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	**14,442,120**	6,531,867
Analysis Table - Please enter figures in the table above	**(148,310)**	**45,451**

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is the same as (2022 - the same as) the standard rate of corporation tax in the UK of 19.00% (2022 - 19.00%) as set out below:

	2023 £	2022 £
Profit on ordinary activities before tax	**78,721,907**	27,322,512
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2022 - 19.00%)	**14,144,112**	5,191,277
EFFECTS OF:		
Expenses not deductible for tax purposes	**305,203**	1,399,397
Capital allowances for year in excess of depreciation	**(72,498)**	(17,130)
Fair value movement on investment property	**(129,580)**	-
Adjustments to tax charge in respect of prior periods	**12,046**	-
Deferred tax movement	**199,555**	(41,677)
TOTAL TAX CHARGE FOR THE YEAR	**14,458,838**	6,531,867
Analysis Table - Please enter figures in the table above	**(16,718)**	

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

11. TAXATION (CONTINUED)

Closing deferred tax assets and liabilities are calculated at 25.00% (2022 - 25.00%) in accordance with the rates enacted at the balance sheet date. The Finance Act 2021, which announced the upcoming rise in headline rates of corporation tax to 25% from 1 April 2023, was substantively enacted on 24 May 2021.

12. TANGIBLE FIXED ASSETS

Group

	Fixtures, fittings and equipment	Computer equipment and software	Total
	£	£	£
COST			
At 1 February 2022	53,694	228,776	282,470
Additions	2,784	303,486	306,270
Disposals	-	(92,516)	(92,516)
At 31 January 2023	56,478	439,746	496,224
DEPRECIATION			
At 1 February 2022	45,706	152,333	198,039
Charge for the year on owned assets	3,018	98,272	101,290
Disposals	-	(92,516)	(92,516)
At 31 January 2023	48,724	158,089	206,813
NET BOOK VALUE			
At 31 January 2023	7,754	281,657	289,411
At 31 January 2022	7,988	76,443	84,431

12. TANGIBLE FIXED ASSETS (CONTINUED)

Company

	Fixtures, fittings and equipment	Computer equipment and software	Total
	£	£	£
COST			
At 1 February 2022	14,419	184,162	198,581
Additions	2,784	303,486	306,270
Disposals	-	(92,516)	(92,516)
At 31 January 2023	17,203	395,132	412,335
DEPRECIATION			
At 1 February 2022	6,431	107,719	114,150
Charge for the year on owned assets	3,018	98,272	101,290
Disposals	-	(92,516)	(92,516)
At 31 January 2023	9,449	113,475	122,924
NET BOOK VALUE			
At 31 January 2023	7,754	281,657	289,411
At 31 January 2022	7,988	76,443	84,431

The Net Book Value (CY) disagrees with the CY closing NBV balance (per the Trial Balance). Please apply a suitable journal in your trial balance to resolve this.

1

13. STOCKS

	Group 2023	Group 2022	Company 2023	Company 2022
	£	£	£	£
White goods held on premises	40,000	40,000	40,000	40,000

14. DEBTORS

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Trade debtors	**8,818,900**	8,556,856	**8,818,900**	8,556,856
Amounts owed by group undertakings	**-**	-	**15,889,010**	11,269,449
Other debtors	**200,031**	77,347	**200,031**	77,347
Prepayments and accrued income	**10,148,552**	14,892,087	**10,148,552**	14,892,087
Tax recoverable	**-**	10,873	**-**	10,873
	19,167,483	23,537,163	**35,056,493**	34,806,612

15. CASH AND CASH EQUIVALENTS

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Cash at bank and in hand	**59,918,160**	24,955,392	**59,918,160**	24,955,392

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Trade creditors	**47,566,605**	35,580,690	**47,566,605**	35,580,690
Corporation tax	**230,519**	6,573,548	**230,519**	6,573,548
Other taxation and social security	**13,494,871**	8,994,110	**13,494,871**	8,994,110
Other creditors	**1,760**	77,411	**1,760**	77,411
Accruals and deferred income	**27,805,841**	8,139,557	**27,805,841**	8,139,557
	89,099,596	59,365,316	**89,099,596**	59,365,316

17. FINANCIAL INSTRUMENTS

Group

Financial assets measured at amortised cost amounted to £89,349,996 (2022 - £77,885,183). This balance comprises cash, amounts due from trade and other debtors, directors' loan account and accrued income.

Financial liabilities measured at amortised cost amounted to £89,904,547 (2022 - £60,308,389). This balance comprises accruals and amounts due to trade and other creditors.

Company

Financial assets measured at amortised cost amounted to £9,014,518 (2022 - £28,650,718). This balance comprises cash, amounts due from trade and other debtors, directors' loan account and accrued income.

Financial liabilities measured at amortised cost amounted to £87,173,961 (2022 - £11,766,275). This balance comprises accruals and amounts due to trade and other creditors.

18. DEFERRED TAXATION

Group

	2023	2022
	£	£
At beginning of year	**21,108**	17,338
Charged to profit or loss	**51,245**	3,770
AT END OF YEAR	**72,353**	21,108

Company

	2023	2022
	£	£
At beginning of year	**21,108**	17,338
Charged to profit or loss	**51,245**	3,770
AT END OF YEAR	**72,353**	21,108

	Group 2023	Group 2022	**Company 2023**	Company 2022
	£	£	**£**	£
Accelerated capital allowances	**222,463**	22,908	**150,110**	-
Analysis Table - Please enter figures in the table above	**150,110**	**1,800**	**77,757**	**(21,108)**

19. PROVISIONS

Group

	Leave pay	Total
	£	£
Charged to profit or loss	**93,430**	**93,430**
AT 31 JANUARY 2023	**93,430**	**93,430**

Company

	Leave pay	Total
	£	£
Charged to profit or loss	**93,430**	**93,430**
AT 31 JANUARY 2023	**93,430**	**93,430**

20. RESERVES

Profit and loss account

Includes all current and prior period retained profits and losses.

21. PENSION COMMITMENTS

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £386,471 (2022 - £270,092). Contributions totalling £63,145 (2022 - £47,123) were payable to the fund at the balance sheet date and are included in creditors.

22. COMMITMENTS UNDER OPERATING LEASES

At 31 January 2023 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2023 £	Group 2022 £	**Company 2023 £**	Company 2022 £
Not later than 1 year	**2,606,500**	2,605,900	**72,700**	72,700
Later than 1 year and not later than 5 years	**234,881**	384,745	**79,867**	152,567
	2,841,381	2,990,645	**152,567**	225,267

23. OTHER FINANCIAL COMMITMENTS

There is a cross guarantee in place between Clearsprings (Management) Limited and its subsidiary Clearsprings Ready Homes Limited.

24. RELATED PARTY TRANSACTIONS

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.

Bespoke Strategy Solutions Ltd ("BSS") is a related party of Clearsprings (Management) Limited by virtue of their common shareholder, G King. During the year, amounts totalling £982,417 (2022 - £7,233,609) were recognised within administrative expenses in respect of consultancy services provided by BSS. At the year end, included within accruals is £NIL (2022 - £83,333) in respect of accrued consultancy services to BSS.

During the year, payments were made through the payroll to close family members of a shareholder of £18,000 (2022 - £70,110).

In respect of the company share buyback detailed in Note 22, payments were made to the directors amounting to £72,000,000 (2022 - £NIL) in exchange for a proportion of their share capital.

Included within other creditors is a balance of £271 owed to the directors (2022 - £NIL).

25. CONTROLLING PARTY

The Company is controlled by G King by virtue of his shareholdings in the Company.