

Registered number: 03851074

CLEARSPRINGS (MANAGEMENT) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2021

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CLEARSPRINGS (MANAGEMENT) LIMITED

COMPANY INFORMATION

Directors

G King
J Vyvyan-Robinson
R Slatter

Company secretary

R J Slatter

Registered number

03851074

Registered office

26 Brook Road
Brook Road Business Park
Rayleigh
SS6 7XJ

Independent auditor

Grant Thornton UK LLP
Chartered Accountants & Senior Statutory Auditor
Priory Place
New London Road
Chelmsford
Essex
CM2 0PP

Bankers

Barclays Bank plc
Priory Place
New London Road
Chelmsford
CM2 0PP

CLEARSPRINGS (MANAGEMENT) LIMITED

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CLEARSPRINGS (MANAGEMENT) LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 JANUARY 2021**

The directors present their report and the financial statements for the year ended 31 January 2021.

Results and dividends

The profit for the year, after taxation, amounted to £1,618,920 (2020 - £592,745).

No dividends were paid or proposed in 2021 or 2020.

Directors

The directors who served during the year were:

G King
J Vyvyan-Robinson
R Slatter

Corporate social responsibility

The group operates a targeted programme to reduce carbon emissions, to minimise adverse impacts on the environment, and to promote good conditions for workers throughout its supply chain. The group takes part in the Home Office CAESER (Corporate Assessment of Environmental, Social and Economic Responsibility) programme. It also achieved accreditation for the government's energy savings opportunities scheme (ESOS).

Employees 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.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

CLEARSPRINGS (MANAGEMENT) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2021**

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 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.

CLEARSPRINGS (MANAGEMENT) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2021

Greenhouse gas emissions, energy consumption and energy efficiency action

The company 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 = 18,006 tCO₂e (scope 1, 2 & 3)
- Intensity Ratio for comparison – tCO₂e / £ sales revenue = 1 : 9,070

Mandatory greenhouse gas emissions reported by scope:

This is the first time that the figures have been completed in this fashion, so there is no direct comparison possible with previous years. Using the figures taken from these accounts and utilising the relevant calculations and conversions from the Carbonfootprint.com business calculator, the energy consumption during the period 02/20 to 01/21 can be detailed as follows;

Scope 1	- energy consumption from owned road vehicles	166.06 tCO ₂ e
Scope 2	- electricity consumption	3,706.09 tCO ₂ e
	- gas consumption	13,560.12 tCO ₂ e
	- home working consumption	103.50 tCO ₂ e
		17,369.71 tCO ₂ e
Scope 3	- business travel (grey fleet) consumption	470.94 tCO ₂ e
Total		18,006.71 tCO₂e

Notes to the above calculations:

The energy usage in the property portfolio accommodating 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 has been a significant reduction in the level of business mileage emissions, due to the Covid-19 lockdowns during the period, and also with the greatly increased usage of Microsoft Teams for meetings to take place remotely.
- There are two hybrid vehicles included in the company owned fleet, and it remains a stated aim to increase the number of hybrid vehicles in the fleet and to introduce fully electric vehicles where possible and practical.

CLEARSPRINGS (MANAGEMENT) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2021**

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

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:

- A review of the business including development in the year, performance and current position;
- A summary of the principal risks and uncertainties affecting the position of the company;
- Information relating to the KPIs of the company; and
- Future developments

This report was approved by the board on 15/10/2021 and signed on its behalf.

James Vyvyan-Robinson

J Vyvyan-Robinson
Director

CLEARSPRINGS (MANAGEMENT) LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 JANUARY 2021

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 (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, the other subsidiary, provides IT services to a diverse client base. Its most important area of expertise is Microsoft security.

Turnover increased by 130% compared with last year to £166.9 million, and profit before tax by 195% to £2.3 million.

The group's net cash balance increased by £2.3 million to £9.6 million in the year.

Review of the business and future developments

The Home Office contracts run until September 2029.

Restrictions on movement imposed to combat the spread of Covid-19 had the effect of increasing the need for emergency accommodation during the year. This need was met through contracting for a significant amount of hotel space, and other measures. The response to Covid-19 was the main reason for the growth in turnover.

Brexit had little impact on the group's operations. IT services are mainly provided using the internet.

Operating profit on sales was 1.4%, compared with 1.1% in the previous year. Return on capital employed was 288.3% in the year, compared with 12.6% in the previous year. Current ratio was 1.0, compared with 1.3 in 2020, reflecting a continuation of conservative and sustainable financial management policies.

Strategy

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.

Future outlook

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.

Ransomware attacks covered in the press serve to remind businesses of the importance of maintaining and upgrading cyber-defences. Softwerx expects to grow as it continues to build its reputation as an expert enabler of Microsoft and other online security technologies.

CLEARSPRINGS (MANAGEMENT) LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2021**

Principal risks and uncertainties and financial risk management policies and objectives

The group manages its exposure to the normal credit risk and cash flow risk associated with credit sales through credit control procedures. UK government departments account for a significant proportion of debtors. The nature of the group's financial instruments and significant cash balances means that they are not currently subject to price or liquidity risk.

The directors have considered the effect of Covid-19 on the business. They do not foresee any significant adverse effect on profit or cash flow. It is likely that the market value of the investment properties may reduce to some extent due to a softening in the housing market as a result of the Covid-19 pandemic. The directors do not consider it likely that the impact will be material.

Key performance indicators

Turnover per employee in the year was £822,045 (2020: £450,436). The increase reflects growth in the number of asylum seekers accommodated under the Home Office contracts.

Operating profit per employee in the year was £11,490 (2020: £4,837). Stronger profitability in Clearsprings Ready Homes Ltd is mainly responsible for this improvement.

CLEARSPRINGS (MANAGEMENT) LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2021**

Directors' statement of compliance with duty to promote the success of the Company ("s172 Statement")

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:

Long term consequences

The directors, as a matter of policy, consider wherever possible the long-term impact of their decision-making upon its stakeholders.

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.

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.

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 our larger contracts the framework for engagement is contractually defined and includes regular detailed briefings covering such matters as operating and financial progress.

Our suppliers and subcontractors are an important element in delivering the group'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 our 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.

Interests of the company's employees

Our employees are vital to our success as an organisation in achieving our strategic aims. Our human resources team strive to achieve enlightened best practice in all the group's interactions with its employees. We 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 our policies and practice. Regular briefings keep our people informed on the strategic direction and progress of the group and its subsidiaries.

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

Local authorities are always consulted extensively on the location and operation of our accommodation, to ensure and promote harmonious integration of our service users with the wider community.

We 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 in our homes. Our employees are encouraged to use greener forms of transport where possible. The group's fleet policy favours plug-in hybrid and fully electric vehicles.

This report was approved by the board on

15/10/2021

and signed on its behalf.


J Vyvyan-Robinson
Director



INDEPENDENT AUDITOR'S 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 2021, which comprise the Consolidated Profit and loss account, the Consolidated Statement of comprehensive income, the Consolidated and Company Balance sheets, the Consolidated Statement of cash flows, the Consolidated and Company Statement of changes in equity and notes to the financial statements, 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 2021 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 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Group and the parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and of the parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group and the parent Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Group's and of the parent Company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Group's and of the parent Company's financial resources or ability to continue operations over the going concern period.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLEARSPRINGS (MANAGEMENT) LIMITED
(CONTINUED)**

Conclusions relating to going concern (continued)

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 and of 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.

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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions 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.

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

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.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLEARSPRINGS (MANAGEMENT) LIMITED
(CONTINUED)**

Matters on which we are required to report by exception

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 for the financial statements

As explained more fully in the Directors' responsibilities statement, 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.

Auditor's 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 Auditor's 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 financial statements.

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 Auditor's report.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLEARSPRINGS (MANAGEMENT) LIMITED
(CONTINUED)**

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Group and Parent Company and the industry in which they operate. We determined that the following laws and regulations were most significant: FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. In addition, we concluded that laws and regulations in respect of bribery and corruption, health and safety, employment and environmental standards may have an effect in the determination of the amounts and disclosure in the financial statements and those laws and regulations relating to employee matters;
- We assessed the susceptibility of the Group's and the Parent Company's financial statements to material misstatement, including how fraud might occur and the risk of management override of controls. Audit procedures performed by the engagement team included:
 - Identifying and assessing the design and implementation of controls management has in place to prevent and detect fraud;
 - Challenging assumptions and judgements made by management in its significant accounting estimates;
 - Identifying and testing journal entries, with a focus on material journals as well as those posted at the end of the reporting period; and
 - Assessing the extent of compliance with relevant laws and regulations as part of our procedures on the related financial statement item.
- These audit procedures were designed to provide reasonable assurance that the financial statements are free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations;
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team, included consideration of the engagement team's:
 - Understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
 - Knowledge of the industry in which the Company operates; and
 - Understanding of the legal and regulatory requirements specific to the group and the parent company.
- The Group's and Parent Company's management have not communicated to the audit team any matters of non-compliance with laws and regulations or fraud and no such material matters were identified by the engagement team.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLEARSPRINGS (MANAGEMENT) LIMITED
(CONTINUED)**

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 Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Andrew Hodgekins MChem FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Chelmsford
Date: 15/10/2021

CLEARSPRINGS (MANAGEMENT) LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JANUARY 2021**

	Note	2021 £	2020 £
Turnover	6	166,875,208	72,520,132
Cost of sales		(153,693,494)	(66,166,948)
Gross profit		13,181,714	6,353,184
Administrative expenses		(10,849,257)	(5,574,503)
Operating profit	7	2,332,457	778,681
Interest receivable and similar income	9	4,697	13,136
Profit before tax		2,337,154	791,817
Tax on profit	10	(718,234)	(199,072)
Profit for the financial year		1,618,920	592,745
Profit for the year attributable to:			
Owners of the parent		1,618,920	592,745
		1,618,920	592,745

The notes on pages 19 to 34 form part of these financial statements.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JANUARY 2021**

	Note	2021 £	2020 £
Profit for the financial year		1,618,920	592,745
Total comprehensive income for the year		1,618,920	592,745

The notes on pages 19 to 34 form part of these financial statements.

CLEARSPRINGS (MANAGEMENT) LIMITED
REGISTERED NUMBER: 03851074

CONSOLIDATED BALANCE SHEET
AS AT 31 JANUARY 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	11	109,953	101,241
Investment property	12	2,200,000	2,200,000
		<u>2,309,953</u>	<u>2,301,241</u>
Current assets			
Stocks	14	37,467	31,279
Debtors: amounts falling due within one year	15	29,381,789	10,370,317
Cash at bank and in hand		9,562,405	7,244,803
		<u>38,981,661</u>	<u>17,646,399</u>
Creditors: amounts falling due within one year	16	(40,219,728)	(13,655,909)
Net current (liabilities)/assets		<u>(1,238,067)</u>	<u>3,990,490</u>
Total assets less current liabilities		<u>1,071,886</u>	<u>6,291,731</u>
Provisions for liabilities			
Other provisions	17	(262,956)	(101,728)
Net assets		<u><u>808,930</u></u>	<u><u>6,190,003</u></u>
Capital and reserves			
Called up share capital	19	48	101
Share premium account	20	75	75
Revaluation reserve	20	295,878	295,878
Capital redemption reserve	20	61	1
Profit and loss account	20	512,868	5,893,948
Shareholders' funds		<u><u>808,930</u></u>	<u><u>6,190,003</u></u>

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

15/10/2021

James Vyvyan-Robinson

J Vyvyan-Robinson
 Director

The notes on pages 19 to 34 form part of these financial statements.

CLEARSPRINGS (MANAGEMENT) LIMITED
REGISTERED NUMBER: 03851074

COMPANY BALANCE SHEET
AS AT 31 JANUARY 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	11	17,762	13,381
Investments	13	351,490	351,490
Investment property	12	2,200,000	2,200,000
		<u>2,569,252</u>	<u>2,564,871</u>
Current assets			
Debtors: amounts falling due within one year	15	1,919,214	2,626,329
Cash at bank and in hand		9,166,398	7,094,468
		<u>11,085,612</u>	<u>9,720,797</u>
Creditors: amounts falling due within one year	16	(14,634,505)	(10,305,078)
Net current liabilities		<u>(3,548,893)</u>	<u>(584,281)</u>
Total assets less current liabilities		<u>(979,641)</u>	<u>1,980,590</u>
Provisions for liabilities			
Other provisions	17	(86,219)	(46,171)
Net (liabilities)/assets		<u><u>(1,065,860)</u></u>	<u><u>1,934,419</u></u>
Capital and reserves			
Called up share capital	19	48	101
Share premium account	20	75	75
Revaluation reserve	20	295,878	295,878
Capital redemption reserve	20	61	1
Profit and loss account brought forward		1,638,364	837,485
Profit for the year		3,999,714	800,879
Other changes in the profit and loss account		(7,000,000)	-
Profit and loss account carried forward		<u>(1,361,922)</u>	<u>1,638,364</u>
Shareholders' funds		<u><u>(1,065,860)</u></u>	<u><u>1,934,419</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15/10/2021

James Vyvyan-Robinson
J Vyvyan-Robinson
 Director

CLEARSPRINGS (MANAGEMENT) LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JANUARY 2021**

	2021 £	2020 £
Cash flows from operating activities		
Profit for the financial year	1,618,920	592,745
Adjustments for:		
Revaluation of investment properties	-	(180,000)
Depreciation of tangible assets	50,672	85,339
Interest received	(4,697)	(13,136)
Taxation charge	718,234	199,072
(Increase)/decrease in stocks	(6,188)	13,138
(Increase) in debtors	(19,430,600)	(1,679,342)
Increase in creditors	25,872,032	2,050,028
Corporation tax received/(paid)	553,908	(211,971)
Net cash generated from operating activities	<u>9,372,281</u>	<u>855,873</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(59,383)	(111,572)
Interest received	4,697	13,136
Net cash from investing activities	<u>(54,686)</u>	<u>(98,436)</u>
Cash flows from financing activities		
Issue of ordinary shares	7	-
Share buy back	(7,000,000)	-
Net cash used in financing activities	<u>(6,999,993)</u>	<u>-</u>
Net increase in cash and cash equivalents	<u>2,317,602</u>	<u>757,437</u>
Cash and cash equivalents at beginning of year	7,244,803	6,487,366
Cash and cash equivalents at the end of year	<u><u>9,562,405</u></u>	<u><u>7,244,803</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	<u><u>9,562,405</u></u>	<u><u>7,244,803</u></u>

The notes on pages 19 to 34 form part of these financial statements.

CLEARSPRINGS (MANAGEMENT) LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JANUARY 2021

	Called up share capital £	Share premium account £	Capital redemption reserve £	Revaluatio n reserve £	Profit and loss account £	Total equity £
At 1 February 2019	101	75	1	295,878	5,301,203	5,597,258
Comprehensive income for the year						
Profit for the year	-	-	-	-	592,745	592,745
At 1 February 2020	101	75	1	295,878	5,893,948	6,190,003
Comprehensive income for the year						
Profit for the year	-	-	-	-	1,618,920	1,618,920
Purchase of own shares	-	-	60	-	(7,000,000)	(6,999,940)
Shares issued during the year	7	-	-	-	-	7
Share buy back	(60)	-	-	-	-	(60)
At 31 January 2021	48	75	61	295,878	512,868	808,930

CLEARSPRINGS (MANAGEMENT) LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JANUARY 2021

	Called up share capital £	Share premium account £	Capital redemption reserve £	Revaluatio n reserve £	Profit and loss account £	Total equity £
At 1 February 2019	101	75	1	295,878	837,485	1,133,540
Comprehensive income for the year						
Profit for the year	-	-	-	-	800,879	800,879
At 1 February 2020	101	75	1	295,878	1,638,364	1,934,419
Comprehensive income for the year						
Profit for the year	-	-	-	-	3,999,714	3,999,714
Purchase of own shares	-	-	60	-	(7,000,000)	(6,999,940)
Shares issued during the year	7	-	-	-	-	7
Share buy back	(60)	-	-	-	-	(60)
At 31 January 2021	48	75	61	295,878	(1,361,922)	(1,065,860)

CLEARSPRINGS (MANAGEMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2021

1. Company information

Clearsprings (Management) Limited is a private company limited by shares, incorporated in England and Wales. Its principal place of business is 26 Brook Road, Rayleigh SS6 7XJ. The company's registered number is 03851074.

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

2. Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ("FRS 102"), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below. The financial statements are presented in Sterling (£).

Basis of consolidation

The financial statements consolidate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies.

Financial Reporting Standard 102 - reduced disclosure exemptions

The parent company has taken advantage of section 408 of the Companies Act 2006 and has not included its own statement of comprehensive income in these financial statements. The profit for the year for the Company was £3,999,714.

3. Going concern

The group has positive shareholders' funds. 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.

The directors have carefully reviewed their forecasts in the light of the Covid-19 pandemic. They do not consider it likely that the impact of the pandemic on the group's businesses will be significantly adverse. When considering worst-case scenarios, the margin of safety afforded by the published opportunity to delay payment of VAT if necessary, is considered more than adequate to ensure the continued survival of the group for more than 12 months from the date of signing these financial statements.

CLEARSPRINGS (MANAGEMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2021

4. Judgements 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.

5. Accounting policies

5.1 Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets, other than freehold land, over their expected useful lives, using the straight-line method. The rates applicable are:

- Computer equipment and software	-	3 years
- Fixtures, fittings and equipment	-	5 years
- Motor vehicles	-	4 years

5.2 Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

5.3 Investment property

Investment properties are initially measured at cost and subsequently measured at fair value. Revaluations gains and losses are recognised in the profit and loss account.

CLEARSPRINGS (MANAGEMENT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021**

5. Accounting policies (continued)

5.4 Debtors

Short term debtors are measured at transaction price, less any impairment.

5.5 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.

5.6 Creditors

Short term creditors are measured at the transaction price.

5.7 Leases

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the lease terms, unless the rental payments are structured to increase in line with expected general inflation, in which case the company recognises annual rent expense equal to amounts owed to the lessor.

The aggregate benefit of any lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight line basis.

5.8 Stocks

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

5.9 Provisions for liabilities

The group recognises a provision for annual leave accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary cost payable for the period of absence.

5.10 Current and deferred taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

5.11 Housing furniture 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.

CLEARSPRINGS (MANAGEMENT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021**

5. Accounting policies (continued)

5.12 Share based payments

The group operates a reward scheme for the senior management team which gives employees the right to acquire shares in the group which are immediately reacquired by the group for their cash value less amounts for tax. This arrangement is treated as a cash-settled share-based payment scheme. For cash-settled share-based payment transactions, the fair value of the amount payable to the employee is recognised as an expense with a corresponding increase in liabilities. The fair value, measured based on historic EBITDA and price earnings ratios that are publicly available for companies in similar industries, is initially measured at the grant date and spread over the vesting period, the conditions for which are disclosed in note 24. The liability is remeasured at each balance sheet date and at the settlement date with any changes to fair value being recognised in the profit and loss account.

5.13 Turnover

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

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

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

5.14 Employee benefits

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

5.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

CLEARSPRINGS (MANAGEMENT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021**

5. Accounting policies (continued)

5.16 Financial instruments

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

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

6. Turnover

The company's turnover was entirely within the United Kingdom.

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.

7. Operating profit

The operating profit is stated after charging:

	2021 £	2020 £
Depreciation of tangible assets	50,672	85,339
Other operating lease rentals - land and buildings	21,631,560	16,547,381
Directors' remuneration (see note 20)	765,399	545,959
Defined contribution pension cost	208,932	164,598
Cost of key management personnel	1,339,467	1,220,467

CLEARSPRINGS (MANAGEMENT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021**

8. Auditor's remuneration

	2021 £	2020 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>40,650</u>	<u>33,000</u>
Fees payable to the Group's auditor and its associates in respect of:		
Taxation compliance services	7,075	9,125
Other services relating to taxation	1,650	1,750
All other services	6,500	-
	<u>15,225</u>	<u>10,875</u>

9. Interest receivable

	2021 £	2020 £
Other interest receivable	4,697	13,136
	<u>4,697</u>	<u>13,136</u>

10. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	698,331	183,193
Adjustments in respect of previous periods	2,221	(13,805)
Total current tax	<u>700,552</u>	<u>169,388</u>
Deferred tax		
Origination and reversal of timing differences	17,682	29,684
Total deferred tax	<u>17,682</u>	<u>29,684</u>
Taxation on profit on ordinary activities	<u>718,234</u>	<u>199,072</u>

CLEARSPRINGS (MANAGEMENT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021**

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2020 - *higher than*) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	<u>2,337,154</u>	<u>791,817</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	444,059	150,445
Effects of:		
Fixed asset differences	144	-
Expenses not deductible for tax purposes	897,701	97,662
Other permanent differences	(628,521)	-
Adjustments to tax charge in respect of prior periods	2,221	(13,805)
Chargeable gains/(losses)	19,850	27,998
Deferred tax not recognised	(17,220)	(63,228)
Total tax charge for the year	<u><u>718,234</u></u>	<u><u>199,072</u></u>

On 3 March 2021, the Chancellor of the Exchequer announced that the main rate of corporation tax in the United Kingdom will rise to 25% with effect from 1 April 2023 for companies earning annual taxable profits in excess of £250,000. Companies earning annual taxable profits of £50,000 or less will continue to pay corporation tax at 19% with a marginal rate adjustment for companies earning annual taxable profits between the two levels. These changes had not been substantively enacted at the Balance Sheet date and therefore no adjustment has been made to deferred taxation balances to account for this change.

CLEARSPRINGS (MANAGEMENT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021**

11. Tangible fixed assets

Group

	Fixtures, fittings and equipment £	Computer equipment and software £	Total £
Cost or valuation			
At 1 February 2020	173,117	194,440	367,557
Additions	4,479	54,904	59,383
Disposals	-	(8,014)	(8,014)
At 31 January 2021	<u>177,596</u>	<u>241,330</u>	<u>418,926</u>
Depreciation			
At 1 February 2020	151,297	115,019	266,316
Charge for the year on owned assets	5,591	45,081	50,672
Disposals	-	(8,015)	(8,015)
At 31 January 2021	<u>156,888</u>	<u>152,085</u>	<u>308,973</u>
Net book value			
At 31 January 2021	<u>20,708</u>	<u>89,245</u>	<u>109,953</u>
At 31 January 2020	<u>21,820</u>	<u>79,421</u>	<u>101,241</u>

CLEARSPRINGS (MANAGEMENT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021**

11. Tangible fixed assets (continued)

Company

	Fixtures, fittings and equipment £	Computer equipment and software £	Total £
Cost or valuation			
At 1 February 2020	123,902	5,956	129,858
Additions	-	8,129	8,129
Disposals	-	(2,273)	(2,273)
At 31 January 2021	<u>123,902</u>	<u>11,812</u>	<u>135,714</u>
Depreciation			
At 1 February 2020	110,960	5,517	116,477
Charge for the year on owned assets	3,106	642	3,748
Disposals	-	(2,273)	(2,273)
At 31 January 2021	<u>114,066</u>	<u>3,886</u>	<u>117,952</u>
Net book value			
At 31 January 2021	<u>9,836</u>	<u>7,926</u>	<u>17,762</u>
At 31 January 2020	<u>12,942</u>	<u>439</u>	<u>13,381</u>

CLEARSPRINGS (MANAGEMENT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021**

12. Investment property

Group and Company

	Freehold investment property £
Valuation	
At 1 February 2020	2,200,000
At 31 January 2021	2,200,000

The investment property was valued by Jones Lang LaSall and Herbert R Thomas on an open market basis in July 2019 and May 2019 respectively. The directors have assessed that the fair value has not changed significantly between the dates of valuation and 31 January 2021.

13. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 February 2020	351,490
At 31 January 2021	351,490
Net book value	
At 31 January 2021	351,490
At 31 January 2020	351,490

CLEARSPRINGS (MANAGEMENT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021**

13. Fixed asset investments (continued)**Subsidiary undertakings**

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

Name	Registered office	Principal activity	Class of shares	Holding
Clearsprings Ready Homes Ltd	26 Brook Road, Rayleigh, SS6 7XJ.	Accommodation and support	Ordinary	100%
Softwerx Ltd	26 Brook Road, Rayleigh, SS6 7XJ.	IT services	Ordinary	100%

At 31 January 2021:

Clearsprings Ready Homes Limited has reserves of £474,847 and profit of £4,419,841.

Softwerx Limited has reserves of £1,751,534 and profit of £205,771.

14. Stocks

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Finished goods and goods for resale	37,467	31,279	-	-

15. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	20,516,187	763,239	47,664	47,220
Other debtors	46,135	60,194	-	-
Prepayments and accrued income	7,836,175	8,328,824	897,031	1,188,279
Corporation tax	47,159	466,287	38,386	639,057
Other taxes and social security costs	936,133	691,432	936,133	691,432
Director loan account - less than one year	-	60,341	-	60,341
	29,381,789	10,370,317	1,919,214	2,626,329

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

An impairment loss of £Nil (2020: £53,271) was recognised against trade debtors.

CLEARSPRINGS (MANAGEMENT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021**

16. Creditors: Amounts falling due within one year

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Trade creditors	9,407,486	6,244,655	22,057	9,084
Amounts owed to group undertakings	-	-	14,405,513	10,106,459
Corporation tax	691,787	-	-	-
Other taxation and social security	6,604,494	2,711,755	137,483	28,962
Other creditors	33,452	207,713	33,452	25,573
Accruals and deferred income	23,482,509	4,491,786	36,000	135,000
	<u>40,219,728</u>	<u>13,655,909</u>	<u>14,634,505</u>	<u>10,305,078</u>

17. Provisions for liabilities**Group**

	Leave pay £	Deferred tax £	Total £
At 1 February 2020	54,821	46,907	101,728
Charged to profit or loss	-	17,682	17,682
Additions	198,367	-	198,367
Utilised in year	(54,821)	-	(54,821)
At 31 January 2021	<u>198,367</u>	<u>64,589</u>	<u>262,956</u>

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

Company

	Leave pay £	Deferred tax £	Total £
At 1 February 2020	3,833	42,338	46,171
Charged to profit or loss	-	6,413	6,413
Additions	37,468	-	37,468
Utilised in year	(3,833)	-	(3,833)
At 31 January 2021	<u>37,468</u>	<u>48,751</u>	<u>86,219</u>

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

CLEARSPRINGS (MANAGEMENT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021**

18. Pension costs

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Contributions payable for the year	201,104	<i>164,598</i>	23,382	<i>27,116</i>

At the balance sheet date there were outstanding contributions of £Nil (2020: £Nil).

19. Share capital

	2021 £	<i>2020 £</i>
Allotted, called up and fully paid		
400,000 (2020 - 1,000,000) A ordinary shares of £0.0001 each	40	<i>100</i>
81,081 (2020 - 7,557) B ordinary shares of £0.0001 each	8	<i>1</i>
	48	<i>101</i>

All shares carry equal voting rights.

20. Reserves

Revaluation reserve

This reserve was used to record historic increases in the fair value of investment property prior to the adoption of FRS 102.

Called-up share capital

Represents the nominal value of shares that have been issued. Ordinary shares carry rights in respect of dividends and voting.

Capital redemption reserve

The capital redemption reserve represents the nominal value of share buybacks into the Group.

Profit and loss account

Includes all current and prior period retained profits and losses.

CLEARSPRINGS (MANAGEMENT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021**

21. Commitments under operating leases

At 31 January 2021 the group had the following minimum lease payments falling due as follows:

	Group 2021 £	<i>Group 2020 £</i>
Land and buildings		
Not later than 1 year	2,136,000	1,806,942
Later than 1 year and not later than 5 years	517,445	701,570
	<u>2,653,445</u>	<u>2,508,512</u>

22. Directors' remuneration

	2021 £	<i>2020 £</i>
Directors' emoluments	755,399	528,284
Company contributions to defined contribution pension schemes	10,000	17,675
	<u>765,399</u>	<u>545,959</u>

During the year retirement benefits were accruing to 1 directors (2020 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £479,933 (2020 - £336,448).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2020 - £NIL).

CLEARSPRINGS (MANAGEMENT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021**

23. Employees

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

	Group 2021 £	<i>Group 2020 £</i>	Company 2021 £	<i>Company 2020 £</i>
Wages and salaries	6,450,583	5,271,334	1,136,131	909,577
Social security costs	665,497	530,892	144,939	107,364
Cost of defined contribution scheme	208,932	164,598	23,382	27,116
	<u>7,325,012</u>	<u>5,966,824</u>	<u>1,304,452</u>	<u>1,044,057</u>

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

	2021 No.	<i>2020 No.</i>
Accommodation and support	135	102
Logistics	29	20
IT services	22	21
Energy consulting	-	3
Shared services	17	15
	<u>203</u>	<u>161</u>

24. Controlling party

The company is controlled by G King, who owns 94% of the voting share capital.

25. 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.

During the year the company paid £1,365 (2020: £3,753) to Steve's Radio Cars Limited, a company jointly controlled by G King.

The loan to R Slatter, a director, was repaid on 30 April 2020. On 31 January 2020, the balance of the loan was £62,591.

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 £6,000,000 (2020: £902,371) were recognised within administrative expenses in respect of consultancy services provided by BSS. As at the year end, included within prepayments is £825,205 (2020: £1,125,205) in respect of prepaid consultancy services to BSS.

CLEARSPRINGS (MANAGEMENT) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021**

26. Share based payments

Two directors held options over 73,524 B Ordinary shares at 31 January 2020. These options were exercised in full during the year.

Further details of the option plan are as follows:

It comprised equity settled share options over 73,524 B Ordinary shares with various vesting conditions relating to profit targets and unanimous board decisions.

	2021 Number	2020 Number
Outstanding at the start of period	73,524	73,524
Exercised in the period	(73,524)	-
Outstanding at end of period	<u>-</u>	<u>73,524</u>

The exercise price for the scheme was £0.001 per share.

The estimated fair value of the outstanding share options at 31 January 2020 was £Nil.

The total expense recognised in profit or loss for the period was £Nil (2020: £Nil).

27. Financial instruments

Group

Financial assets measured at amortised cost amounted to £36,609,220 (2020: £14,783,616). 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 £32,851,019 (2020: £10,873,250). This balance comprises accruals and amounts due to trade and other creditors.

Company

Financial assets measured at amortised cost amounted to £9,214,062 (2020: £7,141,688). This balance comprises cash, and amounts due from trade, group and other debtors.

Financial liabilities measured at amortised cost amounted to £14,497,022 (2020: £10,276,116). This balance comprises accruals and amounts due to trade, group and other creditors.