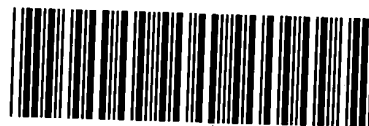


Registered number: 6445180

CLEAR BUSINESS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2017

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CLEAR BUSINESS LIMITED

COMPANY INFORMATION

Directors	Chris Earle Paul Doherty Janette Palmer
Company secretary	Gillian Hill
Registered number	6445180
Registered office	Universal House Longley Lane Manchester M22 4SY
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 1 Hardman Square Manchester M3 3EB
Bankers	Lloyds Bank 53 King Street Manchester M2 4LQ

CLEAR BUSINESS LIMITED

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CLEAR BUSINESS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2017

Introduction

The company's principal activity is the provision of telecommunication services to the SME market in the United Kingdom.

Business review

Turnover for the year has decreased by £77,151 (1%) to £10,683,916. Operating profit for the year amounted to £4,998,263 (2016: £4,395,693), an increase of 14%. The growth in the year has been driven by an increase in the size of the customer base as well as the number of customers being supplied with multiple telecommunications products.

The company's net assets increased from £11,365,427 at April 2016 to £15,376,064 at April 2017, due to the profit result for the year.

On 15 October 2015, amounts owed to group undertakings of £6,200 were waived, as shown in the Statement of Changes in Equity.

On 22 August 2016, the company name was changed from Titan Telecom Limited to Clear Business Limited.

On 30 April 2017, all customer contracts were transferred to Verastar Limited, a fellow group subsidiary of Clear Business Limited. All assets relating to these customer contracts were also transferred, including trade debtors, intangible fixed assets, accruals and deferred tax liabilities. No cash consideration was paid for the acquired customer contracts; an intercompany creditor has been recognised in the Statement of financial position of Clear Business Limited equal to the net book value of the assets transferred.

The transaction has been treated as a discontinued operation in the financial statements. Following this transaction, Clear Business Limited has no customer contracts and has ceased to trade.

There have been no other significant events since the year end.

Principal risks and uncertainties

The directors have fully considered all known risks and uncertainties which may affect the company in the future. The primary risks are as follows:

1. Changes in the regulatory environment; and
2. Reduction in the use of fixed line telephone services as a result of changes in technology.

The directors believe that these factors are unlikely to have a material adverse effect on the company for the foreseeable future.

Financial risks

The company's exposure to financial risks, including credit risk, cash flow risk and liquidity risk, is managed at Etihad Acquisitions Limited group level. The financial statements of Etihad Acquisitions Limited are available from Universal House, Longley Lane, Manchester, M22 4SY.

CLEAR BUSINESS LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2017**

Financial key performance indicators

Given the straightforward nature of the company's activities, the company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance and position of the company.

This report was approved by the board and signed by its order.

..... *G Hill*

Gillian Hill

Secretary

Date: *30 Jan 2018*

CLEAR BUSINESS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2017

The directors present their report and the audited financial statements for the year ended 30 April 2017.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the audited financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare audited financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS102), and applicable law. 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 of the profit or loss of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards comprising FRS102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the audited financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the audited financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the financial year, after taxation, amounted to £4,010,638 (2016 - £3,420,902).

No dividends have been proposed or paid in the year (2016 - £NIL). The directors do not recommend payment of a final dividend.

Directors

The directors who served during the year and up to the date of signing the financial statements were:

Chris Earle
Paul Doherty
Janette Palmer

Qualifying third party indemnity provisions

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

CLEAR BUSINESS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2017**

Matters covered in the strategic report

The Strategic Report prepared by the Directors contains information relating to the company's principal activity, future developments of the company and its financial risk management, as well as the business review and key performance indicators used by the Directors.

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'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's auditors are aware of that information.


Post balance sheet events

There have been no significant events affecting the Company since the year end.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed by its order.


.....
Gillian Hill
Secretary
Date: 30 Jan 2018

CLEAR BUSINESS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CLEAR BUSINESS LIMITED

Report on the financial statements

Our opinion

In our opinion, Clear Business Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 30 April 2017 and of its 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.

What we have audited

The financial statements, included within the Directors' Report and Financial Statements (the "Annual Report"), comprise:

- the Statement of Financial Position as at 30 April 2017;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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 Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' Report. We have nothing to report in this respect.

CLEAR BUSINESS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CLEAR BUSINESS LIMITED

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

CLEAR BUSINESS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CLEAR BUSINESS LIMITED

What an audit of financial statements involves

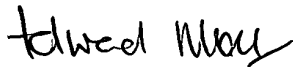
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Directors' Report, we consider whether this report includes the disclosures required by applicable legal requirements.



Edward Moss (Senior statutory auditor)

for and on behalf of

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester

Date: 30 Jan 2018

CLEAR BUSINESS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2017

	Note	Continuing operations 2017 £	Discontin'd operations 2017 £	Total 2017 £	Continuing operations 2016 £	Discontinued operations 2016 £	Total 2016 £
Turnover	4	-	10,683,916	10,683,916	10,761,067	-	10,761,067
Cost of sales		-	(4,178,131)	(4,178,131)	(4,432,980)	-	(4,432,980)
Gross profit		-	6,505,785	6,505,785	6,328,087	-	6,328,087
Administrative expenses		-	(1,507,522)	(1,507,522)	(1,932,394)	-	(1,932,394)
Operating profit	5	-	4,998,263	4,998,263	4,395,693	-	4,395,693
Tax on profit	7	-	(987,625)	(987,625)	(974,791)	-	(974,791)
Profit for the financial year		-	4,010,638	4,010,638	3,420,902	-	3,420,902

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2017 (2016:£NIL).

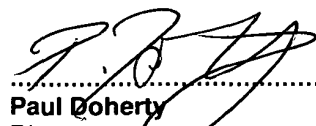
The notes on pages 11 to 23 form part of these financial statements.

CLEAR BUSINESS LIMITED
REGISTERED NUMBER: 6445180

STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	8	-	935,998
		<u>-</u>	<u>935,998</u>
Current assets			
Debtors: amounts falling due within one year	9	16,403,109	12,323,765
Cash and cash equivalents	10	1,029,392	1,065,670
		<u>17,432,501</u>	<u>13,389,435</u>
Creditors: amounts falling due within one year	11	(2,056,436)	(2,772,806)
Net current assets		<u>15,376,065</u>	<u>10,616,629</u>
Total assets less current liabilities		<u>15,376,065</u>	<u>11,552,627</u>
Provisions for liabilities			
Deferred tax	13	-	(187,200)
		<u>-</u>	<u>(187,200)</u>
Net assets		<u><u>15,376,065</u></u>	<u><u>11,365,427</u></u>
Capital and reserves			
Called up share capital	14	1	1
Profit and loss account		15,376,064	11,365,426
Total equity		<u><u>15,376,065</u></u>	<u><u>11,365,427</u></u>

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



Paul Doherty
 Director

Date: 30 Jan 18

The notes on pages 11 to 23 form part of these financial statements.

CLEAR BUSINESS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2017**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 May 2015	1	7,938,324	7,938,325
Comprehensive income for the year			
Profit for the financial year	-	3,420,902	3,420,902
Total comprehensive income for the year	-	3,420,902	3,420,902
Waiver of intercompany balance	-	6,200	6,200
Total transactions with owners	-	6,200	6,200
At 30 April 2016	1	11,365,426	11,365,427
Comprehensive income for the year			
Profit for the financial year	-	4,010,638	4,010,638
Total comprehensive income for the year	-	4,010,638	4,010,638
At 30 April 2017	1	15,376,064	15,376,065

The notes on pages 11 to 23 form part of these financial statements.

CLEAR BUSINESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2017

1. General information

Clear Business Limited is a limited liability entity incorporated in England. The registered office is Universal House, Longley Lane, Manchester, M22 4SY. Details of the company's principal activity are stated in the Strategic report.

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 management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Etihad Topco Limited as at 30 April 2017 and these financial statements may be obtained from Universal House, Longley Lane, Manchester, M22 4SY.

The Company's shareholders have been notified of the exemptions being applied in these financial statements and have not objected to them being applied.

CLEAR BUSINESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2017

2. Accounting policies (continued)

2.3 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue 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 revenue is recognised:

Line rental and broadband subscriptions are recognised in the period to which they relate. Call revenue is recognised in the period in which calls are made; calls made in the year but not billed by the year end are accrued within debtors as accrued income. Turnover from other telecommunication services are recognised in the period to which they relate, with appropriate adjustments made where invoices are raised either in advance or in arrears:

2.4 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Incremental costs incurred in acquiring individual customer contracts which confer a legal right to receive economic benefit for the duration of the contract are capitalised. Amortisation is charged to administrative expenses on a straight-line basis over the shorter of the customer life and the contractual period.

2.5 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.

2.6 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.

CLEAR BUSINESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2017

2. Accounting policies (continued)

2.7 Financial instruments

The company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and trade and other creditors, 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 debtors and creditors, 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 financed at a rate of interest that is not a market rate or in case of an out-right 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.

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 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 Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.8 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.

CLEAR BUSINESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2017

2. Accounting policies (continued)

2.9 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company 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 the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position 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.

2.10 Equity

Equity instruments are classified as equity in accordance with the substance of the contractual arrangement.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Ordinary shares are classified as equity; ordinary shares issued by the company are recognised at the proceeds received, net of direct issue costs.

2.11 Foreign currency

The Company does not undertake any transactions in foreign currencies. The functional currency of the Company is Sterling as this is the currency of the primary economic environment in which the Company operates. The financial statements have been presented in Sterling and have been rounded to the nearest pound.

2.12 Loan waivers

Where amounts owed to and from Group undertakings are forgiven, resulting in a gain or loss for the Company, these amounts are recognised in equity where the original transaction giving rise to the amounts owed to and from Group undertakings was not recognised in the statement of comprehensive income. These amounts are treated as distributions to shareholders where the Company suffers a loss and are treated as capital contributions where the Company recognises a gain.

CLEAR BUSINESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2017

2. Accounting policies (continued)

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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 operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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.

CLEAR BUSINESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2017

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are continually evaluated based on historical experience and other factors, including the expectations of future events that are believed to be reasonable under the circumstances. In the future, actual results may differ from these estimates and assumptions.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements that the directors have made in the process of applying the group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Revenue recognition and recoverability of trade receivables

In certain circumstances, when a customer cancels a contract before the agreed end date, the group is entitled to charge a termination fee. Despite the fact that the group is contractually entitled to apply these fees, recoverability of this type of revenue has historically been lower than for other revenue streams.

The directors believe that, based on past performance and collection patterns, they can reliably measure the probable economic benefits that will flow to the group from termination fees; however, there is inevitably some variability in the level of recoverability of termination fees, which is taken into account when assessing the initial fair value.

After initial recognition of revenue and associated trade debtors in relation to termination fees, the trade debtors are reviewed to estimate the level of provision required for irrecoverable debt, alongside other trade debtors. Provisions are made against the portfolio of trade debtors to appropriately reflect any uncertainty as to recoverability.

Historic data indicates that the variability in recoverability of termination fees within the company is less than 20%. Should the assumptions on which termination fee revenue is calculated vary by more than 20% then there may be a material impact on reported revenues and profits.

4. Turnover

The whole of the turnover is attributable to the rendering of telecommunications services.

All turnover arose within the United Kingdom.

CLEAR BUSINESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2017

5. Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Amortisation of intangible assets	710,705	806,034

Fees payable to the company's auditors and their associates for the audit of the company's annual financial statements were borne by the parent company without recharge.

6. Employees

The Company has no employees other than the directors (2016 - no employees other than directors), who did not receive any remuneration (2016 - £NIL).

7. Tax on profit

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	1,043,210	905,304
	<u>1,043,210</u>	<u>905,304</u>
Total current tax	<u>1,043,210</u>	<u>905,304</u>
Deferred tax		
Origination and reversal of timing differences	(55,585)	69,487
Total deferred tax	<u>(55,585)</u>	<u>69,487</u>
Tax on profit	<u>987,625</u>	<u>974,791</u>

CLEAR BUSINESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2017

7. Tax on profit (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - *higher than*) the standard rate of corporation tax in the UK of 19.92% (2016 - 20.00%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	<u>4,998,263</u>	<u>4,395,693</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.92% (2016 - 20.00%)	995,654	879,139
Effects of:		
Other timing differences leading to a (decrease)/increase in taxation	(8,029)	95,652
Total tax charge for the year	<u>987,625</u>	<u>974,791</u>

Factors that may affect future tax charges

The standard rate of corporation tax in the UK changed from 20% to 19% with effect from 1 April 2015. Accordingly, the company's profits for this accounting year are taxed at an effective rate of 19.92% (2016: 20.00%).

Changes to the UK corporation tax rates were announced on 8 July 2015. These changes were substantively enacted as part the Finance Bill 2015 on 26 October 2015 and include reductions to the main rate to 19% from 1 April 2017 and to 18% from 1 April 2020. On 16 March 2016 further changes to the UK corporation tax rate were announced including a further reduction in the UK corporation tax rate to 17% from 2020, which supersedes the change enacted on 26 October 2015. However, this further change was not substantively enacted as at 30 April 2016 and has not therefore been reflected in these Financial Statements.

CLEAR BUSINESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2017

8. Intangible assets

	Customer contracts £
Cost	
At 1 May 2016	2,960,583
Additions	467,417
Disposals	(3,428,000)
	<hr/>
At 30 April 2017	-
	<hr/>
Accumulated amortisation	
At 1 May 2016	2,024,585
Charge for the year	710,705
On disposals	(2,735,290)
	<hr/>
At 30 April 2017	-
	<hr/>
Net book value	
At 30 April 2017	-
	<hr/> <hr/>
At 30 April 2016	935,998
	<hr/> <hr/>

CLEAR BUSINESS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2017**

9. Debtors: amounts falling due within one year

	2017 £	2016 £
Trade debtors	-	301,969
Amounts owed by group undertakings	16,097,852	11,709,857
Other debtors	16,490	243
Prepayments and accrued income	288,767	311,696
	<u>16,403,109</u>	<u>12,323,765</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

The Directors consider the fair value of trade and other debtors to be equal to the book value due to their short term nature. Trade and other debtors are stated after provisions for impairment of £NIL (2016: £370,831).

10. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	1,029,392	1,065,670
	<u>1,029,392</u>	<u>1,065,670</u>

11. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	15,044	6,165
Amounts owed to group undertakings	1,698,471	1,698,471
Other taxation and social security	319,621	327,477
Accruals and deferred income	23,300	740,693
	<u>2,056,436</u>	<u>2,772,806</u>

Amounts owed to group undertakings are unsecured, interest free and are repayable on demand.

The Directors consider the fair value of trade and other creditors to be equal to the book value due to their short term nature.

CLEAR BUSINESS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2017

12. Financial instruments

	2017 £	2016 £
Financial assets		
Financial assets measured at amortised cost	17,143,734	13,077,739
	<u>17,143,734</u>	<u>13,077,739</u>
Financial liabilities		
Financial liabilities measured at amortised cost	2,056,436	(2,772,806)
	<u>2,056,436</u>	<u>(2,772,806)</u>

Financial assets measured at amortised cost comprise of cash and cash equivalents, as well as trade debtors, amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, tax and social security and accruals.

13. Deferred tax

	2017 £
At beginning of year	(187,200)
Charged to profit or loss	55,585
Transferred in the year	131,615
At end of year	<u>-</u>

A deferred tax liability of £131,615 was transferred when the customer contracts were acquired by a fellow group company during the financial year.

CLEAR BUSINESS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2017**

14. Called up share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
1 (2016 - 1) Ordinary share of £1	<u>1</u>	<u>1</u>

15. Discontinued operations

As noted in the Directors' report, all customer contracts, and assets and liabilities associated with these customer contracts were transferred to Verastar Limited, a fellow group subsidiary of Clear Business Limited on 30 April 2017. No cash consideration was paid for the acquired customer contracts; proceeds were recognised as an intercompany creditor equal to the net book value of the assets transferred.

		£
Proceeds recognised through intercompany creditor		(164,591)
		<u>(164,591)</u>
Net assets disposed of:		
Intangible fixed assets	(692,711)	
Creditors	857,302	
	<u></u>	(164,591)
Profit on disposal before tax		<u>-</u>
		£
Net inflow of cash		<u>-</u>

16. Contingent liabilities

Verastar Holdings Limited, an intermediate parent company, has a loan facility secured on all the assets and future profits of the parent company and its subsidiaries.

At 30 April 2017 the total balance outstanding on the loan was £200,000,000 (2016 - £177,500,000).

CLEAR BUSINESS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2017**

17. Controlling party

The immediate parent undertaking is Verastar Limited. The parent undertaking of the smallest group in which the company is consolidated is Etihad Acquisitions Limited, a company incorporated in the United Kingdom; the parent undertaking of the largest group in which the company is consolidated is Etihad Topco Limited, a company incorporated in the United Kingdom. The consolidated financial statements of Etihad Acquisitions Limited and Etihad Topco Limited are available from Universal House, Longley Lane, Manchester, M22 4SY. The ultimate parent undertaking and controlling party is Vitruvian Partners LLP, a partnership incorporated in the United Kingdom.