

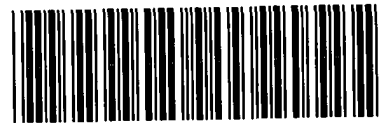
Registered number
04656263

Clearstone Group Ltd

Filleted Accounts

31 January 2019

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COMPANIES HOUSE

Clartone Group Ltd
Registered number:
Balance Sheet
as at 31 January 2019

04656263

	Notes	2019 £	2018 £
Fixed assets			
Tangible assets	4	54,799	25,846
Investments	5	24,530,700	24,530,700
		<u>24,585,499</u>	<u>24,556,546</u>
Current assets			
Debtors	6	650,086	790,266
Cash at bank and in hand		-	14
		<u>650,086</u>	<u>790,280</u>
Creditors: amounts falling due within one year			
	7	(1,318,975)	(1,707,060)
Net current liabilities		<u>(668,889)</u>	<u>(916,780)</u>
Net assets		<u>23,916,610</u>	<u>23,639,766</u>
Capital and reserves			
Called up share capital		1,000	1,000
Share premium		375	375
Revaluation reserve	9	22,743,974	22,743,974
Profit and loss account		1,171,261	894,417
Shareholders' funds		<u>23,916,610</u>	<u>23,639,766</u>

The accounts have been prepared and delivered in accordance with the special provisions applicable to companies subject to the small companies regime. The profit and loss account has not been delivered to the Registrar of Companies.


 RC Hill
 Director

Approved by the board on 24 October 2019

Clearstone Group Ltd
Notes to the Accounts
for the year ended 31 January 2019

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (as applied to small entities by section 1A of the standard).

The company and its subsidiary undertakings comprise a small group. The company has taken advantage of the exemption provided by s.399(2A) of the Companies Act 2006 not to prepare group accounts. The financial statements therefore present information about the company as an individual undertaking and not about its group.

Operating income

Operating income comprises management charges and licence fees received from group undertakings, calculated in accordance with formal written agreements which are based on commercially justifiable principles.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, as follows:

Computer equipment	over 4 years
Motor vehicles	25% reducing balance

Investments

Investments in subsidiaries, associates and joint ventures are measured at fair value. Listed investments are measured at fair value. Unlisted investments are measured at fair value unless the value cannot be measured reliably, in which case they are measured at cost less any accumulated impairment losses. Changes in fair value are included in the profit and loss account.

Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

Creditors

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

Clearstone Group Ltd
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Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period. Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used. Current and deferred tax assets and liabilities are not discounted.

Pensions

Contributions to defined contribution plans are expensed in the period to which they relate.

2 Audit information

The audit report is unqualified.

Senior statutory auditor: DC Cox
Firm: Harwood, Lane & Co
Date of audit report: 24 October 2019

3 Employees

	2019 Number	2018 Number
Average number of persons employed by the company	<u>1</u>	<u>1</u>

Clearstone Group Ltd
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4 Tangible fixed assets

	Plant and machinery etc £	Motor vehicles £	Total £
Cost			
At 1 February 2018	2,041	49,079	51,120
Additions	-	72,250	72,250
Disposals	-	(44,500)	(44,500)
At 31 January 2019	<u>2,041</u>	<u>76,829</u>	<u>78,870</u>
Depreciation			
At 1 February 2018	2,041	23,233	25,274
Charge for the year	-	18,266	18,266
On disposals	-	(19,469)	(19,469)
At 31 January 2019	<u>2,041</u>	<u>22,030</u>	<u>24,071</u>
Net book value			
At 31 January 2019	<u>-</u>	<u>54,799</u>	<u>54,799</u>
At 31 January 2018	<u>-</u>	<u>25,846</u>	<u>25,846</u>

Cleartone Group Ltd
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5 Investments

	Investments in subsidiary undertakings £
Fair value	
At 1 February 2018	24,530,700
At 31 January 2019	<u>24,530,700</u>
Historical cost	
At 1 February 2018	<u>1,786,726</u>
At 31 January 2019	<u>1,786,726</u>

In accordance with the provisions of Schedule 4 paragraph 31(3) of the Companies Act 1985, as amended by the Companies Act 2006, the directors have adopted the alternative accounting rules and valued the investment in Cleartone Telecoms Limited at an appropriate value of £24,500,000 as determined by themselves after taking appropriate advice. The valuation has been at fair market price and the reason that this treatment has been adopted is to reflect the excess of the market value of the investment over its historical cost. The valuation is reviewed annually.

Subsidiary undertakings and registered offices

Cleartone Telecoms Limited	Cleartone Software Ltd
Unit 15 Pontyfelin Industrial Estate New Inn Pontypool Gwent NP4 0DQ	Units 1-4 Crossley Farm Business Centre Swan Lane Winterbourne Bristol BS36 1RH

The aggregate capital and reserves, and profit and loss, of each subsidiary undertaking, for the most recent year ends are detailed below.

Company	Shares held		Capital and reserves	Profit (loss) for the year
	Class	%	£	£
Cleartone Telecoms Ltd	Ordinary	100	789,751	464,269
Cleartone Software Ltd	Ordinary	98	201,413	602,923
Cleartone Software Ltd	A Ordinary	67	As above	As above

Cleartone Group Ltd
Notes to the Accounts
for the year ended 31 January 2019

6 Debtors	2019	2018
	£	£
Amounts owed by group undertakings and undertakings in which the company has a participating interest	433,899	483,762
Deferred tax asset	10,150	8,680
Other debtors	206,037	297,824
	<u>650,086</u>	<u>790,266</u>
Amounts due after more than one year included above	<u>629,556</u>	<u>779,420</u>

The amounts owed by group undertakings are repayable on demand, but require a notice period of at least one year. Interest was charged at a market rate of interest, as agreed with the

Included within other debtors due after more than one year are interest-free, unsecured loans of £195,643 (2018 - £295,643) to Boxblade Limited and £14 (2018 - £14) to Extreme Motocross Limited, associates by virtue of having been under the common control of a director. The maximum amounts outstanding during the year were £295,643 and £14 respectively.

7 Creditors: amounts falling due within one year	2019	2018
	£	£
Bank loans and overdrafts	1,200,000	1,568,064
Taxation and social security costs	112,295	132,116
Other creditors	6,680	6,880
	<u>1,318,975</u>	<u>1,707,060</u>

8 Loans	2019	2018
	£	£
Creditors include:		
Secured bank loans	<u>1,200,000</u>	<u>1,568,064</u>

The bank overdraft is secured by way of a debenture over the assets and undertakings of the company, from Cleartone Group Limited, Cleartone Software Limited and Cleartone Telecoms Limited, in favour of Handelsbanken. In addition, there is an unlimited inter company composite guarantee to the bank between Cleartone Group Limited, Cleartone Software Limited and Cleartone Telecoms Limited, as well as a counter indemnity by the same three companies.

Cleartone Group Ltd
Notes to the Accounts
for the year ended 31 January 2019

9 Revaluation reserve	2019	2018
	£	£
At 1 February 2018	22,743,974	22,743,974
At 31 January 2019	<u>22,743,974</u>	<u>22,743,974</u>

10 Pension commitments

The company operates a defined contribution pension scheme for the director. The assets of the scheme are held separately from those of the company in an independently administered fund.

11 Related party transactions

During the year the company charged Cleartone Telecoms Limited a licence fee and for management services, on normal commercial terms, to the sum of £412,669 (2018 - £259,858) and £625,427 (2018 - £329,959) respectively.

At the balance sheet date, the amount outstanding relating to group undertakings was £433,899 (2018 - £483,762) from Cleartone Software Limited.

During the year, the company bought services from Boxblade Limited to the value of £88,028 (2018 - £24,925) on normal commercial terms.

During the year, dividends of £96,708 were paid to directors of the company with a further £873,000 being paid to Boxbade Limited.

12 Controlling party

The ultimate controlling party is Mr RC Hill by virtue of his ownership of 52% of the issued share capital in the company. Mr R C Hill is also the 100% shareholder of another company, Boxblade Limited, which itself owns 18% of the issued share capital in Cleartone Group Limited.

13 Other information

Cleartone Group Ltd is a private company limited by shares and incorporated in England. Its registered office is:
 County House
 17 Friar Street
 Reading
 RG1 1DB