

Clearsky Accountancy and Payroll Limited

Annual Report and Financial Statements
For the year ended 31 October 2018



Registered number: 06147512

CLEARSKY ACCOUNTANCY AND PAYROLL LIMITED

Company information

Directors	K J Budge D A Kelly
Registered number	06147512
Registered office	Optionis House 840 Ibis Court Centre Park Warrington Cheshire WA1 1RL
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Donington Court Pegasus Business Park Herald Way East Midlands DE74 2UZ

CLEARSKY ACCOUNTANCY AND PAYROLL LIMITED

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CLEARSKY ACCOUNTANCY AND PAYROLL LIMITED

DIRECTORS' REPORT

Directors' report

For the year ended 31 October 2018

The directors present their report and audited financial statements for the year ended 31 October 2018.

Principal activities

The principal activity of the company is the provision of accountancy and payroll services.

Directors

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

K J Budge
D A Kelly

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 year. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping 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 enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors 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.

CLEARSKY ACCOUNTANCY AND PAYROLL LIMITED DIRECTORS' REPORT

Directors' report (continued)

For the year ended 31 October 2018

Business review and future developments

Turnover decreased by 45% to £562,527 from £1,022,818 and underlying EBITDA improved by 258% to a Profit of £186,402 in the year to 31 October 2018. The decrease in revenue were compensated by decrease administrative expense pre-depreciation and amortisation resulting in a positive EBITDA and Profit after tax. are a result of a full year of trading in the current year compared to 7 months in the prior year.

The directors have not recommended a dividend (2017: £nil).

Given the nature of the business, the directors are of the opinion that analysis using any KPIs in addition to those already stated is not necessary for an understanding of the development, performance or position of the company. Although we expect the marketplace to be as competitive as ever, with continued focus on customer service and our extensive range of services we expect our turnover and EBITDA to grow in the foreseeable future.

Going concern

The company has net liabilities at 31 October 2018. The ultimate parent company Optionis Limited (formerly Optionis Holdco Limited) has committed to support the company, therefore the directors consider it appropriate to prepare the accounts on a going concern basis.

Principal risks and uncertainties and financial risks

The company has an active and robust corporate governance programme designed to manage strategic and tactical risks which could impact the business. Risks are clearly identified and monitored on a regular basis. The key risks and uncertainties currently facing the business are as follows:

Operating risk

Managing the Company's businesses is dependent upon the ability to process a large number of transactions efficiently and accurately. Operational risk and losses can result from fraud, employee errors, failure to properly document transactions or to obtain proper internal authorisation, failure to comply with business principles, resource shortages, equipment failures, natural disasters or the failure of external systems.

Although the Company has implemented risk controls and loss mitigation actions, and resources are devoted to developing efficient procedures and to staff training, it is only possible to be reasonably, but not absolutely, certain that such procedures will be effective in controlling the operational risks faced by the Company.

**CLEARSKY ACCOUNTANCY AND PAYROLL LIMITED
DIRECTORS' REPORT**

Directors' report (continued)

For the year ended 31 October 2018

Principal risks and uncertainties and financial risks (continued)

Liquidity risk

The Company has a low exposure to liquidity risks as it generates free cash-flows and has sufficient support from group members to manage any short-term liquidity issues. However, the company continues to monitor its commitments and liabilities to ensure that the company is not exposed to liquidity risks.

Credit risk

The Company's principal financial assets are bank balances and cash, trade and other receivables.

The Company's credit risk is primarily attributable to its trade receivables. Deferred payment terms are only granted to customers who demonstrate an appropriate payment history and satisfy robust credit worthiness procedures.

The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The Company has no significant concentration of credit risk, with exposure spread over a large number of customers.

Fraud risk management

The Company has implemented risk controls and maintains such internal check and accounting policies as it deems appropriate to prevent fraud within the Company.

Although resources are devoted to developing efficient procedures and to staff training, it is only possible to be reasonably, but not absolutely, certain that such procedures will be effective in preventing fraud.

Legislation risk

The Company's business model is reliant on its ability to provide recurring employment services. Any changes to employment and payroll legislation are a potential business risk to the Company which is mitigated through the variety of routes to market available to the Company.

This report was approved by the board on 1 March 2019 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'K J Budge', with a long horizontal stroke extending to the right.

**K J Budge
Director**

CLEARSKY ACCOUNTANCY AND PAYROLL LIMITED
STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 October 2018

	Note	Year ended 31 October 2018 £	Year ended 31 October 2017 £
Turnover	5	562,527	1,022,818
Administrative expenses pre-depreciation and amortisation		(309,643)	(1,120,583)
Earnings before interest, depreciation and amortisation (EBITDA)		252,884	(97,765)
Exceptional items	7	-	(291,819)
Loss on Disposal		(1,578)	-
Depreciation	7	(13,776)	(29,184)
Amortisation	7	(8,138)	(21,531)
Total administrative expenses		(333,125)	(1,463,117)
Operating Profit	7	229,402	(440,299)
Profit on ordinary activities before taxation		229,402	(440,299)
Tax on profit on ordinary activities	8	(41,375)	46,496
Profit and total financial expense for the year		188,027	(393,803)

All operations relate to continuing activities.

CLEARSKY ACCOUNTANCY AND PAYROLL LIMITED
STATEMENT OF FINANCIAL POSITION

As at 31 October 2018

	Note	31 October 2018 £	31 October 2017 £
Fixed assets			
Intangible assets	10	3,290	11,428
Tangible assets	9	13,716	29,060
		17,006	40,488
Current assets			
Debtors	12	2,157,397	2,095,110
Cash at bank and in hand		137,907	83,573
		2,295,304	2,178,683
Creditors: amounts falling due in one year	13	(10,409,349)	(10,412,996)
Net Current Liabilities		(8,114,045)	(8,234,313)
Total assets less current liabilities		(8,097,039)	(8,193,825)
Creditors due in more than one year		-	(130,108)
Provisions for liabilities	14	(38,867)	-
Net liabilities		(8,135,906)	(8,323,933)
Capital and reserves			
Share capital	16	100	100
Retained earnings	17	(8,136,006)	(8,324,033)
Total shareholders Equity		(8,135,906)	(8,323,933)

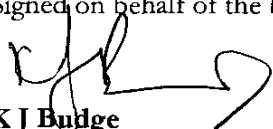
For the year ending 31 October 2018 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements were approved by the board of directors on 1 March 2019.

Signed on behalf of the board of directors:



K J Budge
Director

Registered Number: 06147512

CLEARSKY ACCOUNTANCY AND PAYROLL LIMITED
STATEMENT OF CHANGES IN EQUITY

For the year ended 31 October 2018

	Share capital £	Retained earnings £	Total £
At 1 November 2016	100	(7,930,230)	(7,930,130)
Loss and total financial expenses for the year	-	(393,803)	(393,803)
At 31 October 2017	100	(8,324,033)	(8,323,933)
Profit and total financial expense for the year	-	188,027	188,027
At 31 October 2018	100	(8,136,006)	(8,135,906)

CLEARSKY ACCOUNTANCY AND PAYROLL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. Company information

Clearsky Accountancy and Payroll Limited is a limited liability company incorporated and domiciled in United Kingdom.

The registered office is Optionis House, 840 Ibis Court, Centre Park, Warrington, Cheshire, WA1 1RL.

The company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements for the year ended 31 October 2018.

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 as modified by the recognition of certain financial assets and liabilities measured at fair value through profit and loss.

The financial statements are presented in Sterling (£) which is the functional currency of the company, and rounded to the nearest £ Sterling.

The company has also adopted the following disclosure exemptions:

- categories of financial instruments;
- key management personnel disclosure;
- items of income, expenses, gains or losses relating to financial instruments;
- exposure to and managements of financial risks;
- the requirement to present a statement of cash flows and related notes; and
- related party disclosures relating to transactions entered into between two or more wholly owned members of the group

Going concern

The company has net liabilities at 31 October 2018. The ultimate parent company Optionis Limited (formerly Optionis Holdco Limited) has committed to support the company, therefore the directors consider it appropriate to prepare the accounts on a going concern basis.

CLEARSKY ACCOUNTANCY AND PAYROLL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. Significant judgements and estimates

The principal accounting policies in preparation of these financial statements are set as below. These policies have been consistently applied unless otherwise stated. The items in the financial statements where these judgements and estimates have been made include:

Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

4. Principal accounting policies

4.1 Turnover

Turnover represents the fair value of consideration received or receivable from the sale of accountancy/payroll services. Fair value reflects the amount agreed in the form of contractual charges for each type of service. Fee income is stated net of recharges for disbursements and amounts collected on behalf of third parties such as sales taxes, goods and services taxes and value added taxes.

Turnover is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Right to consideration is based on the company confirming completion of its contractual obligations in relation to the services provided.

Services provided to clients during the year which at the year end have not been invoiced to clients are recognised as fee income and accrued within the statement of financial position. Amounts which have been invoiced as at the year end but where the service has not been delivered at that time are included within deferred income within the statement of financial position.

4.2 Employee benefits

Short-term employee benefits and contributions to defined contribution plans are recognised in the income statement in the year in which they are incurred.

CLEARSKY ACCOUNTANCY AND PAYROLL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. Principal accounting policies (continued)

4.3 Interest payable and similar charges

Interest payable and similar charges are recognised in the income statement in the year in which they are incurred.

4.4 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the company. All other leases are classified as operating leases.

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

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

4.5 Property, plant and equipment

Property, plant and equipment is 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 property, plant and equipment, over their expected useful lives, using the straight-line method. The rates applicable are:

Fixtures and fittings	4 years
Computer equipment	4 years

4.6 Intangible assets

Goodwill represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values of the group's interest in the identifiable net assets, liabilities and contingent liabilities required.

Other intangible assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Amortisation is charged so as to allocate the cost of the asset over their estimated useful lives, using the straight-line method. The rates applicable are:

Software	3 years
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The useful lives of software were determined by reference to the year of time that future benefit is expected to be derived from the asset.

CLEARSKY ACCOUNTANCY AND PAYROLL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. Principal accounting policies (continued)

4.7 Impairment of assets

At each reporting date, property, plant and equipment and intangible 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 the 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.

4.8 Financial instruments

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

4.8.1 Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting year financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

CLEARSKY ACCOUNTANCY AND PAYROLL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. Principal accounting policies (continued)

4.8 Financial instruments (continued)

4.8.2 Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the year of the facility to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

4.9 Investments

Investments in subsidiaries are accounted for at cost less impairment. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

4.10 Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting year 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.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

CLEARSKY ACCOUNTANCY AND PAYROLL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. Principal accounting policies (continued)

4.10 Taxation - continued

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

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

The tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors.

Deferred tax assets and deferred tax liabilities are offset only if:

- the company has a legally enforceable right to set off current tax assets against current tax liabilities, and
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

4.11 Provisions for liabilities

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting year, considering the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as finance cost in profit or loss in the year it arises.

The company recognises a provision for dilapidations which represents the best estimate of future reparations costs in relation to leases occupied by the company.

The company recognises a provision for annual leave accrued by employees as a result of services rendered in the current year, 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 year of absence.

CLEARSKY ACCOUNTANCY AND PAYROLL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. Turnover

Income includes the provision of accountancy, payroll and tax services. It is all derived from within the United Kingdom.

6. Directors and employees

Staff costs during the year were as follows

	Year ended 31 October 2018	Year ended 31 October 2017
	£	£
Employee expenses		
Wages and salaries	254,346	740,628
Social security costs	23,546	52,480
Other Pension costs	4,310	3,263
	282,202	796,371
	Year ended 31 October 2018	Year ended 31 October 2017
	Number	Number
Average number of employees		
Administration	9	32

Directors' emoluments

The directors' emoluments in the year were £496,136 (2017: £1,136,327). Directors' emoluments were paid by Optionis Group Limited (formerly Arkarius Group Limited), a fellow group company. No recharges were made to the company for the director's services and the directors do not believe it possible to apportion the remuneration to the companies.

The highest paid director received remuneration of £251,033 (2018: £915,693).

CLEARSKY ACCOUNTANCY AND PAYROLL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is stated after charging:

		Year ended 31 October 2018	Year ended 31 October 2017
	Note	£	£
Depreciation	10	13,766	29,184
Amortisation	11	8,138	21,531
Loss on disposal		1,578	-
Impairment of trade debtors		(7,530)	76,439
Operating leases - Land and buildings		-	199,270
Exceptional items		-	291,819
		<hr/> <hr/>	<hr/> <hr/>

Prior year exceptional costs relate to impairment of investment in subsidiaries.

CLEARSKY ACCOUNTANCY AND PAYROLL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. Tax on Profit

	Year ended 31 October 2018 £	Year ended 31 October 2017 £
Current tax		
UK corporation tax at 19%	27,371	(6,693)
Adjustments in respect of prior years	97	(21,588)
	<u>27,468</u>	<u>(28,281)</u>
Deferred tax		
Origination and reversal of timing differences	16,699	(21,967)
Adjustments in respect of prior years	(1,034)	1,021
Effect of changes in tax rates	(1,758)	2,731
	<u>13,907</u>	<u>(18,215)</u>
Tax on Profit on ordinary activities	<u>41,375</u>	<u>(46,496)</u>

The tax assessed for the year is different to the standard rate of corporation tax in the UK of 19% (2017: 20%). The differences are explained as follows:

	Year ended 31 October 2018 £	Year ended 31 October 2017 £
Profit on ordinary activities before tax	<u>229,402</u>	<u>(440,299)</u>
Profit on ordinary activities multiplied by the standard rate	43,587	(85,478)
of corporation tax in the UK of 19.0% (2017: 19.4%)		
Effects of:		
Expenses not deductible	483	56,818
Rate changes	(1,758)	2,731
Adjustments in respect of prior years	(937)	(20,567)
Total tax on profit on ordinary activities	<u>41,375</u>	<u>(46,496)</u>

CLEARSKY ACCOUNTANCY AND PAYROLL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. Tax on Profit on ordinary activities (continued)

Factors affecting future tax charges

A change to the UK corporation tax rate was announced in the Budget on 16 March 2016 to reduce the rate to 17% from 1 April 2020 and was substantially enacted on 6 September 2016. Changes to reduce the UK corporation tax rate to 19% from 1 April 2018 had already been substantively enacted on 26 October 2015. As the change to 19% and 17% had been substantively enacted at the balance sheet date the effect of this change has been included in the financial statements.

9. Tangible assets

	Fixtures & fittings £	Computer equipment £	Total £
Cost			
At 1 November 2017	24,713	72,146	96,859
Additions			
Disposal	(6,313)	(53,755)	(60,068)
At 31 October 2018	18,400	18,391	36,791
Accumulated depreciation			
At 1 November 2017	12,129	55,670	67,799
Charged during the year	4,600	9,166	13,766
Disposal	(6,313)	(52,177)	(58,490)
At 31 October 2018	10,416	12,659	23,075
Net book value			
At 31 October 2018	7,984	5,732	13,716
At 31 October 2017	12,584	16,476	29,060

At 31 October 2018, the company had no contractual commitments for the acquisition of property, plant and equipment.

CLEARSKY ACCOUNTANCY AND PAYROLL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. Intangible assets

	Computer software £	Website £	Total £
Cost			
At 1 November 2017	28,156	24,415	52,571
Additions			
Disposal	(28,156)	-	(28,156)
At 31 October 2018	-	24,415	24,415
Accumulated amortisation			
At 1 November 2017	28,156	12,987	41,143
Charged during the year	-	8,138	8,138
Disposal	(28,156)	-	(28,156)
At 31 October 2018	-	21,125	21,125
Net book value	-	3,290	3,290
At 31 October 2018			
At 31 October 2017	-	11,428	11,428

11. Investments

	Shares in subsidiary undertakings £
Cost and net book value	
At 1 November 2017	-
Impairment in the year	-
At 31 October 2018	-

The following investments were held at 31 October 2018:

Entity	Class of shares	Proportion held	Country of incorporation	Nature of business
Brian Alfred Associates Limited	Ordinary	100%	England & Wales	Accountancy services
Arnsco Limited	Ordinary	100%	England & Wales	Accountancy services
Arc Licensed Trade Consultancy Services Limited	Ordinary	100%	England & Wales	Accountancy services
Wheatley Pearce Limited	Ordinary	100%	England & Wales	Dormant

The registered office address for all the above entities is Optionis House, 840 Ibis Court, Centre Park, Warrington, Cheshire WA1 1RL

CLEARSKY ACCOUNTANCY AND PAYROLL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. Debtors

		31 October 2018	31 October 2017
	Note	£	£
Non-current			
Deferred tax	15	<u>81,654</u>	<u>95,561</u>
Current			
Trade debtors		58,477	77,792
Amounts due from group undertakings		2,006,837	1,910,318
Corporation Tax		2,629	-
Other debtors		911	1,192
Prepayments and accrued income		<u>6,889</u>	<u>10,247</u>
		<u>2,157,397</u>	<u>2,095,110</u>

Trade debtors are stated net of provisions of £10,536 (2017: £46,633).

Amounts due from group undertakings are unsecured, interest free and repayable on demand.

13. Creditors: amounts falling due in one year

	31 October 2018	31 October 2017
	£	£
Amounts owed to group undertakings	10,357,439	10,315,028
Trade payables	164	386
Other creditors	32,257	28,253
Other taxes and social security	5,214	21,838
Accruals and deferred income	<u>14,275</u>	<u>47,491</u>
	<u>10,409,349</u>	<u>10,412,996</u>

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

CLEARSKY ACCOUNTANCY AND PAYROLL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. Provisions

	Dilapidations	Other Provision	Total
	£	£	£
At 1 November 2017	14,862	115,246	130,108
Additions	-	-	-
Utilised	(14,862)	(76,379)	(91,241)
At 31 October 2018	-	38,867	38,867
At 31 October 2017	14,862	115,246	130,108

Within Other provisions, the Group recognises a provision for the risk of Professional Indemnity claims arising from current or former customers. The provision is measured based on trend analysis of historical claims raised against companies in the group which the directors believe to be appropriate.

15. Deferred taxation

	31 October 2018	31 October 2017
	£	£
Fixed asset timing differences	77,404	-
Short-term timing differences	4,250	95,561
	2018	2017
	£	£
At 31 October 2017	95,561	77,345
Adjustment in respect of prior years	1,034	-
Deferred tax (charge)/ credit	(14,941)	18,216
At 31 October 2018	81,654	95,561

16. Called up share capital

	31 October 2018	31 October 2017
	£	£
Allotted, issued and fully paid		
100 (2017: 100) ordinary shares of £1 (2017: £1) each	100	100

CLEARSKY ACCOUNTANCY AND PAYROLL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. Reserves

Called up share capital – represents the nominal value of shares that have been issued.

Retained earnings – represents all the accumulated profits, losses and distributions of the company.

18. Operating lease commitments

Future minimum lease payments under non-cancellable operating leases are as follows:

	31 October 2018	31 October 2017
	£	£
Other:		
Within one year	83	83
Between two and five years	-	-
	<u>83</u>	<u>83</u>

19. Related parties

The company has taken advantage of the exemption available with FRS102 Section 33 not to disclose transactions with fellow wholly owned group undertakings.

Key management personnel

The directors, who have authority and responsibility for planning, directing and controlling the activities of the company, and are considered to be key management personnel.

20. Ultimate controlling party

At 31 October 2018, the company's immediate parent undertaking is Optionis Bidco Limited, a company incorporated in United Kingdom, by virtue of its shareholding.

In the directors' opinion, the company's ultimate parent undertaking and controlling party is Optionis Limited (formerly Optionis Holdco Limited), a company incorporated in United Kingdom. A copy of the financial statements can be obtained from the Company Secretary at the company's address, being KD Tower, Cotterells, Hemel Hempstead, Hertfordshire, HP1 1FW.

In the opinion of the directors, there is no ultimate controlling party of the Group.