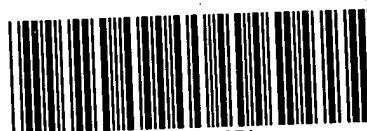


Registration number 04133376

Clarity Informatics Limited
Director's report and financial statements
for the year ended 30 September 2015

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Clarity Informatics Limited

Company information

Directors	I N Purves D J Price M A Sowerby T Sewart
Company number	04133376
Registered office	Clayton House Clayton Road Jesmond Newcastleupon Tyne NE2 1TL
Bankers	Barclays Bank plc Percy Street Newcastle upon Tyne NE1 4QL

Clarity Informatics Limited

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Clarity Informatics Limited

**Director's report
for the year ended 30 September 2015**

The directors present their report and the financial statements for the year ended 30 September 2015.

Principal activity

The principal activity of the company during the year was that of software development and consultancy work.

Directors

The directors who served during the year are as stated below:

I N Purves

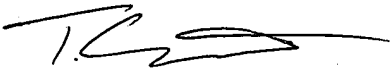
D J Price

M A Sowerby

T Sewart

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the Board on 22 June 2016, and signed on its behalf by:



**T Sewart
Director**

Clarity Informatics Limited

**Profit and loss account
for the year ended 30 September 2015**

		2015	2014
	Notes	£	£
Turnover	2	3,683,840	3,471,099
Cost of sales		(2,193,217)	(2,327,321)
Gross profit		1,490,623	1,143,778
Administrative expenses		(1,041,019)	(822,611)
Operating profit	3	449,604	321,167
Other interest receivable and similar income		868	513
Interest payable and similar charges		-	(359)
Profit on ordinary activities before taxation		450,472	321,321
Tax on profit on ordinary activities	5	(14,865)	105,341
Profit for the year	14	435,607	426,662
Retained profit/(loss) brought forward		197,298	(229,364)
Reserve Movements		20,466	-
Retained profit carried forward		653,371	197,298

The notes on pages 5 to 11 form an integral part of these financial statements.

Clarity Informatics Limited

**Balance sheet
as at 30 September 2015**

		2015		2014	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	6		122,545		-
Tangible assets	7		94,444		107,907
			<u>216,989</u>		<u>107,907</u>
Current assets					
Debtors	8	459,575		266,522	
Cash at bank and in hand		1,211,029		836,236	
		<u>1,670,604</u>		<u>1,102,758</u>	
Creditors: amounts falling due within one year	9	(1,186,947)		(970,292)	
Net current assets			<u>483,657</u>		<u>132,466</u>
Total assets less current liabilities			700,646		240,373
Provisions for liabilities	10		(4,200)		-
Accruals and deferred income	11		(43,000)		(43,000)
Net assets			<u>653,446</u>		<u>197,373</u>
Capital and reserves					
Called up share capital	13		70		70
Other reserves	14		5		5
Profit and loss account	14		653,371		197,298
Shareholders' funds			<u>653,446</u>		<u>197,373</u>

The directors' statements required by Sections 475(2) and (3) are shown on the following page which forms part of this Balance Sheet.

The notes on pages 5 to 11 form an integral part of these financial statements.

Clarity Informatics Limited

Balance sheet (continued)

**Director's statements required by Sections 475(2) and (3)
for the year ended 30 September 2015**

For the year ended 30 September 2015 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's 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; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These accounts were approved by the directors on 22 June 2016, and are signed on their behalf by:



**T Sewart
Director**

Registration number 04133376

The notes on pages 5 to 11 form an integral part of these financial statements.

Clarity Informatics Limited

Notes to the financial statements for the year ended 30 September 2015

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.2. Turnover

Turnover is recognised at the fair value of the consideration received or receivable for the sale of goods and services in the ordinary nature of the business. Turnover is shown net of Value Added Tax. Amounts received in advance of the provision of the services to which they relate are included within other creditors.

1.3. Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of - years.

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same year unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period from which the company is expected to benefit.

1.4. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Plant and machinery	-	10% - 33% straight line per annum
Fixtures, fittings and equipment	-	10% - 33% straight line per annum
Office Equipment	-	10% - 33% straight line per annum

1.5. Leasing

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payment is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6. Pensions

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Clarity Informatics Limited

Notes to the financial statements for the year ended 30 September 2015

..... continued

1.7. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However, deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred taxation is measured on a non discounted basis at the average tax rate that would apply when the timing differences are expected to reverse, based on tax rates and laws that have been enacted by the balance sheet date.

1.8. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

1.9. Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

1.10. Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

3. Operating profit

	2015	2014
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off intangible assets	49,918	-
Depreciation and other amounts written off tangible assets	31,670	27,327
Operating lease rentals		
- Motor vehicles	2,668	3,836
Net foreign exchange gain	(278)	-

4. Pension costs

The company operates a defined contribution pension scheme in respect of the employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £76,599 (2014 - £94,106).

Clarity Informatics Limited
Notes to the financial statements
for the year ended 30 September 2015

..... continued

5. Tax on profit on ordinary activities

Analysis of charge in period	2015	2014
	£	£
Current tax		
UK corporation tax	10,665	103
Adjustments in respect of previous periods	-	(105,444)
	<u>10,665</u>	<u>(105,341)</u>
Total current tax charge	<u>10,665</u>	<u>(105,341)</u>
Deferred tax		
Timing differences, origination and reversal	4,200	-
Total deferred tax	<u>4,200</u>	<u>-</u>
Tax on profit on ordinary activities	<u>14,865</u>	<u>(105,341)</u>

Factors affecting tax charge for period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (20.00 per cent). The differences are explained below:

	2015	2014
	£	£
Profit on ordinary activities before taxation	<u>450,472</u>	<u>321,321</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.00% (30 September 2014 : 20.00%)	90,094	64,264
Effects of:		
Expenses not deductible for tax purposes	9,135	2,863
Capital allowances for period in excess of depreciation	4,819	3,304
Utilisation of tax losses	(60,158)	(12,888)
Pre acquisition adjustment	6,991	-
Adjustments to tax charge in respect of previous periods	-	(105,444)
Transfer Pricing Adjustment	(14,000)	(14,000)
Short term timing differences	2,986	3,958
Effect of R & D Expenditure	-	(47,398)
Income not taxable for tax purposes	<u>(29,202)</u>	<u>-</u>
Current tax charge for period	<u>10,665</u>	<u>(105,341)</u>

Clarity Informatics Limited

Notes to the financial statements for the year ended 30 September 2015

..... continued

6. Intangible fixed assets	Develop- ment costs £	Goodwill £	Total £
Cost			
At 1 October 2014	113,302	-	113,302
Additions	-	163,393	163,393
At 30 September 2015	113,302	163,393	276,695
Amortisation			
At 1 October 2014	104,232	-	104,232
Charge for year	9,070	40,848	49,918
At 30 September 2015	113,302	40,848	154,150
Net book values			
At 30 September 2015	-	122,545	122,545
At 30 September 2014	9,070	-	9,070

7. Tangible fixed assets	Plant and machinery £	Fixtures, fittings and equipment £	Office Equipment £	Total £
Cost				
At 1 October 2014	150	2,631	195,078	197,859
Additions	-	-	13,515	13,515
At 30 September 2015	150	2,631	208,593	211,374
Depreciation				
At 1 October 2014	125	2,576	82,559	85,260
Charge for the year	25	55	31,590	31,670
At 30 September 2015	150	2,631	114,149	116,930
Net book values				
At 30 September 2015	-	-	94,444	94,444
At 30 September 2014	25	55	112,519	112,599

Clarity Informatics Limited

**Notes to the financial statements
for the year ended 30 September 2015**

..... continued

8. Debtors	2015	2014
	£	£
Trade debtors	139,148	69,288
Amounts owed by group undertakings	179,208	63,319
Other debtors	12,331	11,236
Prepayments and accrued income	128,888	122,679
	<u>459,575</u>	<u>266,522</u>
9. Creditors: amounts falling due within one year	2015	2014
	£	£
Bank overdraft	12,560	-
Trade creditors	96,650	102,594
Corporation tax	10,607	(105,341)
Other taxes and social security costs	179,332	92,404
Other creditors	(5,744)	-
Accruals and deferred income	883,613	871,498
Pension contributions	9,929	9,137
	<u>1,186,947</u>	<u>970,292</u>
10. Provisions for liabilities	Deferred taxation (Note 12)	Total
	£	£
Movements in the year	4,200	4,200
At 30 September 2015	<u>4,200</u>	<u>4,200</u>

Clarity Informatics Limited

**Notes to the financial statements
for the year ended 30 September 2015**

..... continued

11. Accruals and deferred income	2015	2014
	£	£
Government grants		
At 1 October 2014	43,000	43,000
At 30 September 2015	43,000	43,000
12. Provision for deferred taxation	2015	2014
	£	£
Accelerated capital allowances	12,070	15,482
Other timing differences	(8,986)	48,553
Tax losses carried forward	(101,564)	(64,035)
Undiscounted provision for deferred tax	(98,480)	-
Deferred tax not provided	102,680	-
Provision for deferred tax	4,200	-
Deferred tax charge in profit and loss account	4,200	
Provision at 30 September 2015	4,200	
13. Share capital	2015	2014
	£	£
Authorised		
70 Ordinary shares of £1 each	70	70
Allotted, called up and fully paid		
70 Ordinary shares of £1 each	70	70
Equity Shares		
70 Ordinary shares of £1 each	70	70

Clarity Informatics Limited

Notes to the financial statements for the year ended 30 September 2015

..... continued

14. Reserves	Capital redemption reserve £	Profit and loss account £
At 1 October 2014	5	197,303
Profit for the year		435,607
Other movements	-	20,466
At 30 September 2015	5	653,376

15. Transactions with directors

Advances to directors

The following directors had interest free loans during the year:

	Amount owing	
	2015 £	2014 £
M A Sowerby	310	250

16. Related party transactions

The directors consider that the company's immediate controlling party is Clarity Informatics Group Limited, the sole member of the company. No individual shareholder holds a controlling interest in Clarity Informatics Group Limited.

The company has taken advantage of the exemption conferred to it under the Financial Reporting for Smaller Entities (effective April 2008) from disclosure of transactions with its 100% parent company and fellow subsidiary.

Clarity Informatics Group Limited, a company incorporated in England and Wales, is the parent entity of the largest and smallest group for which consolidated financial statements incorporating the company are drawn up. Copies of the group accounts are available from the company's registered office.

During the financial year, Clarity Informatics Limited acquired 100% shareholding in Radcliffe Solutions Limited, a company incorporated in England and Wales.

Clarity Informatics Limited

The following pages do not form part of the statutory accounts.

Clarity Informatics Limited

**Detailed trading profit and loss account
for the year ended 30 September 2015**

	2015		2014	
	£	£	£	£
Sales		3,683,840		3,471,099
		<u>3,683,840</u>		<u>3,471,099</u>
Cost of sales				
Materials	4,747		407	
Direct costs	199,378		135,109	
Wages and salaries	1,727,408		1,903,277	
Employer's NI contributions	185,085		194,422	
Staff pension scheme costs	76,599		94,106	
	<u>2,193,217</u>		<u>2,327,321</u>	
		<u>(2,193,217)</u>		<u>(2,327,321)</u>
Gross profit	40%	1,490,623	33%	1,143,778
Administrative expenses		<u>1,041,019</u>		<u>822,611</u>
		<u>(1,041,019)</u>		<u>(822,611)</u>
Operating profit	12%	449,604	9%	321,167
Interest receivable				
Bank deposit interest		<u>868</u>		<u>513</u>
		868		513
Interest payable				
HP interest and fin. lease charges		<u>-</u>		<u>359</u>
		-		(359)
Net profit for the year		<u><u>450,472</u></u>		<u><u>321,321</u></u>

Clarity Informatics Limited

**Administrative expenses
for the year ended 30 September 2015**

	2015	2014
	£	£
ESTABLISHMENT EXPENSES		
Rent, rates and water	200,891	201,820
Insurance	53,594	47,311
	<u>254,485</u>	<u>249,131</u>
GENERAL EXPENSES		
Travel and subsistence	68,800	47,118
Telephone	15,746	12,200
Subscriptions	20,214	18,700
Printing, stationery and postage	10,847	11,197
Sundry expenses	64,140	52,524
IT Support	160,981	146,474
Advertising	51,349	82,788
Entertaining	6,444	7,621
Legal and professional fees	285,557	147,476
Auditor remuneration	-	-
Contract Hire	2,668	3,836
Depreciation	81,587	27,327
	<u>768,333</u>	<u>557,261</u>
FINANCIAL COSTS		
Bad debts written off	-	-
Bank charges	18,201	16,219
	<u>18,201</u>	<u>16,219</u>
	<u>1,041,019</u>	<u>822,611</u>
INTEREST RECEIVABLE		
Bank interest receivable	<u>868</u>	<u>513</u>