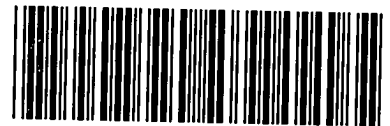


Registration number 04133376

Clarity Informatics Limited
Director's report and financial statements
for the year ended 30 September 2014

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Clarity Informatics Limited

Company information

Directors	Professor I N Purves Mr D J Price Mr M A Sowerby Mr 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 2014

The directors present their report and the financial statements for the year ended 30 September 2014.

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:

Professor I N Purves

Mr D J Price

Mr M A Sowerby

Mr T Sewart

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

This report was approved by the Board on 22 June 2015 and signed on its behalf by



T Sewart
Director

Clarity Informatics Limited

**Profit and loss account
for the year ended 30 September 2014**

		2014	2013
	Notes	£	£
Turnover	2	3,471,099	3,659,000
Cost of sales		(2,327,321)	(2,457,929)
Gross profit		1,143,778	1,201,071
Administrative expenses		(822,611)	(962,294)
Operating profit	3	321,167	238,777
Other interest receivable and similar income		513	264
Interest payable and similar charges		(359)	(1,436)
Profit on ordinary activities before taxation		321,321	237,605
Tax on profit on ordinary activities	5	105,341	-
Profit for the year	12	426,662	237,605
Accumulated loss brought forward		(229,364)	(466,969)
Retained profit/(loss) carried forward		197,298	(229,364)

The notes on pages 6 to 12 form an integral part of these financial statements.

Clarity Informatics Limited

**Balance sheet
as at 30 September 2014**

		2014		2013	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	6		107,907		131,121
Current assets					
Debtors	7	266,522		585,857	
Cash at bank and in hand		836,236		492,353	
		<u>1,102,758</u>		<u>1,078,210</u>	
Creditors: amounts falling due within one year	8	<u>(970,292)</u>		<u>(1,395,620)</u>	
Net current assets/(liabilities)			<u>132,466</u>		<u>(317,410)</u>
Total assets less current liabilities			240,373		(186,289)
Accruals and deferred income	9		<u>(43,000)</u>		<u>(43,000)</u>
Net assets/(liabilities)			<u>197,373</u>		<u>(229,289)</u>
Capital and reserves					
Called up share capital	11		70		70
Other reserves	12		5		5
Profit and loss account	12		<u>197,298</u>		<u>(229,364)</u>
Shareholders' funds			<u>197,373</u>		<u>(229,289)</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 6 to 12 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 2014**

For the year ended 30 September 2014 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 2015, and are signed on their behalf by:



T Sewart
Director

Registration number 04133376

The notes on pages 6 to 12 form an integral part of these financial statements.

Clarity Informatics Limited

Cash flow statement for the year ended 30 September 2014

	2014		2013	
	£	£	£	£
Operating profit	321,167		238,777	
Reconciliation to cash generated from operations:				
Depreciation	27,327		26,260	
Decrease in trade debtors	384,443		(149,273)	
(Increase) in other debtors	(65,108)		(1,574)	
Increase in trade creditors	22,541		(35,195)	
(Decrease) in other creditors	(339,265)		260,941	
		351,105		339,936
Cash from other sources				
Interest received	513		264	
Tax repaid	-		61,705	
		513		61,969
Application of cash				
Interest paid	(359)		(1,436)	
Purchase of tangible fixed assets	(7,376)		(15,152)	
Capital element of hire purchase contracts	-		(3,262)	
		(7,735)		(19,850)
Net increase in cash in the year		343,883		382,055
Cash at bank and in hand less overdrafts at beginning of year		492,353		110,298
Cash at bank and in hand less overdrafts at end of year		836,236		492,353
Consisting of:				
Cash at bank and in hand		836,236		492,353

Clarity Informatics Limited

Notes to the financial statements for the year ended 30 September 2014

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. 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:

Fixtures, fittings and equipment	- 10% - 33% straight line per annum
-------------------------------------	-------------------------------------

Office Equipment	- 10% - 33% straight line per annum
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1.4. Leasing and hire purchase commitments

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.

1.5. 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.

1.6. Deferred taxation

Clarity Informatics Limited
Notes to the financial statements
for the year ended 30 September 2014

..... continued

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.

1.7. 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.

1.8. 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. Overseas turnover amounted to 0.0% (2013 - 0.00%) of the total for the year.

3. Operating profit

	2014	2013
	£	£
Operating profit is stated after charging:		
Depreciation		
- of owned tangible fixed assets	27,327	22,345
- of tangible fixed assets on HP/Finance lease	-	3,915
Operating lease rentals		
- Motor vehicles	3,836	4,075
	<u> </u>	<u> </u>

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 £94,106 (2013 - £97,366).

Clarity Informatics Limited

Notes to the financial statements for the year ended 30 September 2014

..... continued

5. Tax on profit on ordinary activities

Analysis of charge in period	2014 £	2013 £
Current tax		
UK corporation tax	103	-
Adjustments in respect of previous periods	(105,444)	-
	<u>(105,341)</u>	<u>-</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:

	2014 £	2013 £
Profit on ordinary activities before taxation	<u>321,321</u>	<u>237,605</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.00% (30 September 2013 : 23.50%)	64,264	55,837
Effects of:		
Expenses not deductible for tax purposes	2,863	6,614
Capital allowances for period in excess of depreciation	3,304	4,910
Utilisation of tax losses	(12,888)	65,322
Adjustments to tax charge in respect of previous periods	(105,444)	-
Transfer Pricing Adjustment	(14,000)	-
Short term timing differences	3,958	(116,234)
Effect of R & D Expenditure	(47,398)	-
Income not taxable for tax purposes	-	(16,449)
Current tax charge for period	<u>(105,341)</u>	<u>-</u>

Clarity Informatics Limited

Notes to the financial statements for the year ended 30 September 2014

..... continued

6. Tangible fixed assets	Fixtures, fittings and equipment £	Office Equipment £	Total £
Cost			
At 1 October 2013	2,631	184,030	186,661
Additions	-	4,113	4,113
At 30 September 2014	<u>2,631</u>	<u>188,143</u>	<u>190,774</u>
Depreciation			
At 1 October 2013	1,805	53,735	55,540
Charge for the year	771	26,556	27,327
At 30 September 2014	<u>2,576</u>	<u>80,291</u>	<u>82,867</u>
Net book values			
At 30 September 2014	<u>55</u>	<u>107,852</u>	<u>107,907</u>
At 30 September 2013	<u>826</u>	<u>130,295</u>	<u>131,121</u>

Included above are assets held under finance leases or hire purchase contracts as follows:

Asset description	2014		2013	
	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Office Equipment	<u>-</u>	<u>-</u>	<u>28,385</u>	<u>3,915</u>

7. Debtors	2014 £	2013 £
Trade debtors	69,288	453,731
Amounts owed by group undertakings	63,319	35,478
Other debtors	11,236	5,836
Prepayments and accrued income	<u>122,679</u>	<u>90,812</u>
	<u>266,522</u>	<u>585,857</u>

Clarity Informatics Limited

Notes to the financial statements
for the year ended 30 September 2014

..... continued

8. Creditors: amounts falling due within one year	2014	2013
	£	£
Net obligations under finance leases and hire purchase contracts	-	3,263
Trade creditors	102,594	80,053
Corporation tax	(105,341)	-
Other taxes and social security costs	92,404	240,082
Other creditors	-	301
Accruals and deferred income	871,498	1,061,709
Pension contributions	9,137	10,212
	<u>970,292</u>	<u>1,395,620</u>
9. Accruals and deferred income	2014	2013
	£	£
Government grants		
At 1 October 2013	<u>43,000</u>	<u>43,000</u>
At 30 September 2014	<u>43,000</u>	<u>43,000</u>
10. Provision for deferred taxation	2014	2013
	£	£
Accelerated capital allowances	15,482	18,786
Other timing differences	48,553	134,137
Tax losses carried forward	(64,035)	(152,923)
Provision for deferred tax	<u>-</u>	<u>-</u>

Clarity Informatics Limited

Notes to the financial statements for the year ended 30 September 2014

..... continued

11. Share capital	2014 £	2013 £
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

12. Reserves	Profit and loss account £
At 1 October 2013	(229,364)
Profit for the year	426,662
At 30 September 2014	197,298

13. Financial commitments

At 30 September 2014 the company had annual commitments under non-cancellable operating leases as follows:

	2014 £	2013 £
Expiry date:		
Within one year	-	3,601

14. Transactions with directors

	Amount owing 2014 £
M A Sowerby	250

Clarity Informatics Limited

Notes to the financial statements for the year ended 30 September 2014

..... continued

15. 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.

Clarity Informatics Limited

**Detailed trading profit and loss account
for the year ended 30 September 2014**

	2014		2013	
	£	£	£	£
Sales				
Sales		3,471,099		3,629,000
Other income		-		30,000
		<u>3,471,099</u>		<u>3,659,000</u>
Cost of sales				
Materials	407		50	
Direct costs	135,109		181,559	
Wages and salaries	1,903,277		1,965,706	
Employer's NI contributions	194,422		213,248	
Staff pension scheme costs	94,106		97,366	
	<u>2,327,321</u>		<u>2,457,929</u>	
		(2,327,321)		(2,457,929)
Gross profit	33%	1,143,778	33%	1,201,071
Administrative expenses	<u>822,611</u>		<u>962,294</u>	
		(822,611)		(962,294)
Operating profit	9%	321,167	7%	238,777
Other income and expenses				
Interest receivable				
Bank deposit interest	<u>513</u>		<u>264</u>	
		513		264
Interest payable				
HP interest and fin. lease charges	<u>359</u>		<u>1,436</u>	
		(359)		(1,436)
Net profit for the year		<u><u>321,321</u></u>		<u><u>237,605</u></u>

Clarity Informatics Limited

Administrative expenses for the year ended 30 September 2014

	2014 £	2013 £
ESTABLISHMENT EXPENSES		
Rent, rates and water	201,820	201,633
Insurance	47,311	36,464
	<u>249,131</u>	<u>238,097</u>
GENERAL EXPENSES		
Travel and subsistence	47,118	66,828
Telephone	12,200	15,348
Subscriptions	18,700	20,937
Printing, stationery and postage	11,197	15,687
Sundry expenses	52,524	50,185
IT Support	146,474	160,333
Advertising	82,788	88,780
Entertaining	7,621	5,996
Legal and professional fees	147,476	255,179
Auditor remuneration	-	-
Contract Hire	3,836	4,075
Depreciation	27,327	26,260
	<u>557,261</u>	<u>709,608</u>
FINANCIAL COSTS		
Bad debts written off	-	-
Bank charges	16,219	14,589
	<u>16,219</u>	<u>14,589</u>
	<u>822,611</u>	<u>962,294</u>
INTEREST RECEIVABLE		
Bank interest receivable	<u>513</u>	<u>264</u>