

## **Clarity Informatics Limited**

**Report and Financial Statements**

**Year Ended**

**31 March 2023**

**Company Number 04133376**

SATURDAY



\*ACHI7VDM\*

A06

02/12/2023

#68

COMPANIES HOUSE

# **Clarity Informatics Limited**

## **Report and financial statements for the year ended 31 March 2023**

---

### **Contents**

#### **Page:**

1	Strategic report
3	Directors' report
5	Independent auditor's report
8	Income statement
9	Balance sheet
10	Statement of changes in equity
11	Notes forming part of the financial statements

---

### **Directors**

J Kirkland  
S S Sian  
D R J Taylor  
N K J Laycock

### **Registered office**

Unit 18 Jessops Riverside, 800 Brightside Lane, Sheffield, S9 2RX

### **Company number**

04133376

### **Auditors**

BDO LLP, 55 Baker Street, London, W1U 7EU

# Clarity Informatics Limited

## Strategic report

### for the year ended 31 March 2023

The Directors present their strategic report together with the audited financial statements for the year ended 31 March 2023.

#### Principal activity

The principal activity of the Company is the provision of software services to the healthcare industry.

#### Review of the business and future developments

The directors are satisfied with the financial performance of the Company during the year to 31 March 2023. The Company has traded well throughout what has been a challenging period due to the ongoing macro-economic uncertainty generating an EBITDA £1.4m and holding cash balances of £0.4m.

The Company has continued to grow organically, resulting in an increase in turnover of 22% when compared to the prior period pro-rated results with the gross profit margin remaining stable at 93%. A decrease in operating profit has been noted, which has been driven by an increase in non-recurring costs. The directors are confident that operating profit will revert to historic levels and continue to grow in line with the business.

#### Financial and other key performance indicators

The Company uses a range of performance measures to effectively monitor and manage its business. The Directors and senior management review these KPI's and financial performance on a monthly basis. The financial KPI's used to manage the Company are disclosed below:

	Year ended 31 March 2023	18 months ended 31 March 2022 Restated
	£'000	£'000
Turnover	6,440	7,883
Gross profit	6,017	7,412
EBITDA before non-recurring costs	3,075	2,953
Non-recurring costs	1,632	19
EBITDA after non-recurring costs	1,443	2,934
Operating profit	728	2,617
Cash	381	1,517

The prior period is a long period of account and therefore direct comparison of the current period's results to the prior year will not provide meaningful analysis.

#### Principal risks and uncertainties

The principal risks and uncertainties that have the potential to have the most significant impact on the Company are detailed below:

##### *Market Risk*

Relates primarily to demand for services in the health care services industry and also to general market risk. The Directors review these risks regularly and agree with management the strategies for managing them.

##### *Cash flow and liquidity*

Cash is managed on a daily basis to ensure that the Company has sufficient liquid funds to meet its obligations as they fall due through the use of rolling cash flow forecasts.

**Clarity Informatics Limited**  
**Strategic report**  
**for the year ended 31 March 2023 (continued)**


---

***Credit Risk***

The Company's credit risk arises from the credit exposure to clients and also with banks with which cash is held. The Company's clients are generally of strong financial standing and present low credit risks and the Board ensures that cash is only placed with banks with high credit rating.

**Approval**

This strategic report was approved on behalf of the Board on 26 September 2023

DocuSigned by:  
  
F9E175FC310243F...

**J Kirkland**  
**Director**

## **Clarity Informatics Limited**

### **Directors' report**

### **for the year ended 31 March 2023**

---

The Directors present their report together with the audited financial statements for year ended 31 March 2023.

#### **Results and dividends**

The Income statement is set out on page 8 and shows the result for the year. The prior period is a long period of account and therefore direct comparison of the current period's results to the prior year will not provide meaningful analysis. The Directors have not recommended the payment of a dividend for the year.

#### **Principal activity**

The principal activity of the Company is the provision of software services to the healthcare industry.

#### **Going concern**

The directors continue to adopt the going concern basis of accounting in preparing the Company's financial statements. The directors note that the Company has continued to generate operating profits and cash inflows during the year to March 2023 and is forecast to continue to do so for the foreseeable future.

#### **Directors**

The Directors of the Company during the year and up to the date of signing the financial statements were:

J Kirkland  
T J Sewart (Resigned 30 April 2023)  
S S Sian  
D R J Taylor  
N K J Laycock (Appointed 6 July 2023)

#### **Statement of Directors' responsibilities**

The Directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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. 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.

**Clarity Informatics Limited**  
**Directors' report (*continued*)**  
**for the year ended 31 March 2023**

---

**Directors' Indemnities**

Agilio Software Bidco Limited has procured insurance on behalf of the Group to protect directors and officers from claims arising from negligent acts, errors or omissions occurring in relation the execution of their duties.

**Auditors**

All of the current Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

**On behalf of the Board:**

DocuSigned by:  
  
F9E175FC310243F...

**J Kirkland**  
**Director**

26 September 2023

# **Clarity Informatics Limited**

## **Independent auditor's report**

---

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLARITY INFORMATICS LIMITED**

#### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2023 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.

We have audited the financial statements of Clarity Informatics Limited ("the Company") for the year ended 31 March 2023 which comprise the Income statement, the balance sheet, the statement of changes in equity, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Clarity Informatics Limited**  
**Independent auditor's report (*continued*)**

---

**Other Companies Act 2006 reporting**

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 year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- 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; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of Directors**

As explained more fully in the Statement of Directors Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

*Extent to which the audit was capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company. We determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting framework (United Kingdom Generally Accepted Accounting Practice), the Companies Act 2006 and relevant tax compliance legislation.



## **Clarity Informatics Limited**

### **Independent auditor's report (*continued*)**

---

#### **Auditor's responsibilities for the audit of the financial statements (*continued*)**

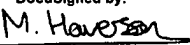
- We understood how the Company is complying with those legal and regulatory frameworks by making enquiries of management. We corroborated our enquiries through our review of board minutes and discussion with management.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management from various parts of the business to understand where it is considered there was a susceptibility of fraud.
- Our audit planning identified fraud risks in relation to management override of controls and inappropriate or incorrect recognition of revenue (revenue recognition assessed for each stream regardless of materiality). We reviewed the revenue recognition process per stream and identified potential gaps in the process to identify what could go wrong and how it could result in incorrect revenue recognition. We obtained an understanding of the processes and controls that the Company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how management monitors that processes and controls.
- With regards to the fraud risk in management override, our procedures included journal transaction testing, with a focus on unusual transactions based on our knowledge of the business. We also performed an assessment on the appropriateness of key judgements and estimates which are subject to management's judgement and estimation, and could be subject to potential bias.
- We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:  
  
036EB033AB07430...

Matthew Haverson (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
London, UK

26 September 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**Clarity Informatics Limited**  
**Income statement**  
**for the year ended 31 March 2023**

	Note	Year ended 31 March 2023  £'000	18 months ended 31 March 2022 Restated £'000
<b>Turnover</b>	3	<b>6,440</b>	<b>7,883</b>
<b>Cost of sales</b>		<b>(423)</b>	<b>(471)</b>
<b>Gross profit</b>		<b>6,017</b>	<b>7,412</b>
<b>Other operating income</b>		<b>474</b>	<b>33</b>
<b>Administrative expenses</b>		<b>(5,763)</b>	<b>(4,828)</b>
<b>Operating profit</b>	4	<b>728</b>	<b>2,617</b>
<b>Interest receivable</b>		<b>-</b>	<b>30</b>
<b>Profit before taxation</b>		<b>728</b>	<b>2,647</b>
<b>Tax credit / (charge)</b>	7	<b>117</b>	<b>(23)</b>
<b>Profit for the financial year/period</b>		<b>845</b>	<b>2,624</b>


All amounts relate to continuing activities.  
There was no other comprehensive income in the current or prior period.

Notes 1 to 19 form part of these financial statements.

**Clarity Informatics Limited****Balance sheet  
at 31 March 2023**

<b>Company number 04133376</b>	<b>Note</b>	<b>2023</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
		<b>£'000</b>	<b>£'000</b>	<b>Restated £'000</b>	<b>Restated £'000</b>
<b>Fixed assets</b>					
Tangible assets	8		2,640		1,614
<b>Current assets</b>					
Debtors	9	6,533		6,135	
Cash at bank and in hand		381		1,517	
		<u>6,914</u>		<u>7,652</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(4,727)</u>		<u>(5,156)</u>	
<b>Net current assets</b>			<b>2,187</b>		<b>2,496</b>
<b>Total assets less current liabilities</b>			<b>4,827</b>		<b>4,110</b>
<b>Creditors: amounts falling due more than one year</b>	11		<b>(580)</b>		<b>(591)</b>
<b>Provision for liabilities</b>					
Deferred tax	12		-		(117)
<b>Net assets</b>			<b>4,247</b>		<b>3,402</b>
<b>Capital and reserves</b>					
Called up share capital	13		-		-
Capital contribution			20		20
Profit and loss account			4,227		3,382
<b>Shareholders' funds</b>			<b>4,247</b>		<b>3,402</b>

The financial statements were approved by the Board of Directors and authorised for issue on 26 September 2023

DocuSigned by:  
  
 F8E175FC310243F...

**J Kirkland**  
**Director**

Notes 1 to 19 form part of these financial statements.

**Clarity Informatics Limited**  
**Statement of changes in equity**  
**at 31 March 2023**

	Share capital £'000	Capital Contribution £'000	Profit and loss account £'000	Total £'000
<b>At 1 October 2020</b>	-	20	758	778
Profit for the period (as restated)	-	-	2,624	2,624
<b>Total comprehensive income for the year (as restated)</b>	-	-	2,624	2,624
<b>Total contributions by and distributions to owners</b>	-	-	-	-
<b>At 31 March 2022 (as restated)</b>	-	20	3,382	3,402
Profit for the year	-	-	845	845
<b>Total comprehensive income for the year</b>	-	-	845	845
<b>Total contributions by and distributions to owners</b>	-	-	-	-
<b>At 31 March 2023</b>	-	20	4,227	4,247

Notes 1 to 19 form part of these financial statements.

**Clarity Informatics Limited**  
**Notes forming part of the financial statements**  
**for the year ended 31 March 2023**

---

**1 Accounting policies**

Clarity Informatics Limited is a private company incorporated in England & Wales under the Companies Act. The address of the registered office is Unit 18 Jessops Riverside, 800 Brightside Lane, Sheffield, S9 2RX and its principal activities are the provision of software services to the healthcare industry.

*Basis of preparation*

The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom. The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. In the case of Clarity Informatics Limited, the critical accounting estimates used in the preparation of these financial statements are included in note 2.

The Company has taken advantage of the exemption allowed under FRS102 and has not presented its own statement of cash flows in these financial statements, as these are reflected in the parent company consolidated financial statements.

The following principal accounting policies have been applied:

*Going concern*

The directors continue to adopt the going concern basis of accounting in preparing the Company's financial statements. The directors consider that the following factors support this position:

- The Company generated a profit before tax of £728,000 for the year ended March 2023 and has continued to generate operating profits and cash inflows from operating activities;
- The directors have assessed the Company's cash flow forecasts for the period to 30 September 2024 and note that the Company is expected to generate sufficient operating profits and cash inflows to be able to pay its debts as they fall due between the date of approval of the financial statements and 30 September 2024.
- The Company's parent company Agilio Software Topco Limited has confirmed that it will provide continued financial support to the Company in the event this should be required to enable the Company to pay its debts as they fall due for a period of at least twelve months from the date of approval of these financial statements.

Accordingly, on the basis of their assessment of the Company's financial position, the directors consider the going concern basis of accounting is appropriate and the Company remains a going concern at the time of approval of the financial statements.

*Revenue*

Software subscription sales are made by the company for its training and HR software platforms. Revenue is recognised in line with the service provided being available for use by the customers. Any income received for services which have not yet been provided is recognised as deferred revenue at the year end.

*Holiday pay accrual*

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

**Clarity Informatics Limited**  
**Notes forming part of the financial statements**  
**for the year ended 31 March 2023 (continued)**

**1 Accounting policies (continued)**

*Tangible fixed assets and depreciation*

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimate residual value of each asset over its expected useful life, as follows:

Property improvements	-	2% straight line
Product development	-	33% straight line
Fixtures, fittings and equipment	-	33% straight line
Computers equipment	-	10% - 33% straight line
Other fixed assets	-	25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income or losses' in the Income Statement.

*Current and deferred taxation*

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income statement, except that a charge attributable to an item of income or 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 UK where the company operates and generates taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except 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.

Deferred income tax is determined based on the rates expected to apply at the date of reversal, using tax rates and laws that have been enacted or substantively enacted by the reporting date.

*Leased assets*

Annual rentals for operating leases are charged to the Income statement on a straight-line basis over the term of the lease.

*Pension costs*

Contributions to the Company's defined contribution pension scheme are charged to the Income statement in the period in which they become payable.

*Financial assets*

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost, less any impairment.

*Financial liabilities and equity*

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (after deducting transaction costs) and subsequently held at amortised cost.

**Clarity Informatics Limited**  
**Notes forming part of the financial statements**  
**for the year ended 31 March 2023 (continued)**

**2 Judgements in applying accounting policies and key sources of estimation uncertainty**

In preparing these financial statements, the Directors have made the following judgements:

- Determine whether expenditure incurred by the business and capitalised in respect of development costs meets the recognition criteria under the accounting standard to be capitalised or whether it should be expensed as a research cost to the Income statement.

**3 Turnover**

Turnover is wholly attributable to the principal activity of the Company and arises wholly within the United Kingdom.

**4 Operating profit**

	Year ended 31 March 2023 £'000	18 months ended 31 March 2022 £'000
Operating profit is stated after charging:		
Auditor remuneration for statutory audit services	43	30
Remuneration for taxation services	10	5
Depreciation of fixed assets (note 8)	715	317
Defined contribution pension cost (note 5)	170	363
	<hr/>	<hr/>

**Clarity Informatics Limited**  
**Notes forming part of the financial statements**  
**for the year ended 31 March 2023 (continued)**

<b>5 Employees</b>	<b>Year ended 31 March 2023 £'000</b>	<b>18 months ended 31 March 2022 £'000</b>
Staff costs (including Directors) consist of:		
Wages and salaries	4,300	3,871
Social security costs	513	422
Cost of defined contribution scheme (note 16)	170	363
	<hr/> 4,983 <hr/>	<hr/> 4,656 <hr/>
	<b>2023 Number</b>	<b>2022 Number</b>
The average number of employees (including Directors) during the year was as follows:		
	29	27
Clinical service and support	44	32
Administration and sales	<hr/> 73 <hr/>	<hr/> 59 <hr/>

**6 Directors' remuneration**

The Directors are considered to be the key management personnel and their remuneration is set out below:

	<b>Year ended 31 March 2023 £'000</b>	<b>18 months ended 31 March 2022 £'000</b>
Directors' emoluments	1,482	412
Company contributions to pension schemes	33	35
	<hr/> 1,515 <hr/>	<hr/> 447 <hr/>

Certain Directors' salaries and cost are paid out of Agilio Software Bidco Limited. The total amount payable to the highest paid Director was £879,000 (2022 - £199,000). Contributions to the defined contribution scheme for the highest paid Director amounted to £10,000 (2022 - £26,000). There was one Director (2022 – one) in the Company's defined contribution scheme during the year.



**Clarity Informatics Limited**  
**Notes forming part of the financial statements**  
**for the year ended 31 March 2023 (continued)**

**7 Taxation**

	Year ended 31 March 2023 £'000	Year ended 31 March 2023 £'000	18 months ended 31 March 2022 Restated £'000	18 months ended 31 March 2022 Restated £'000
<i>Current tax</i>				
Adjustments in respect of prior periods		-		(70)
<i>Deferred tax</i>				
Origination and reversal of timing differences (note 12)	(117)		86	
Effect of tax rate changes	-		7	
Total deferred tax (as restated)	<u>          </u>	<u>(117)</u>	<u>          </u>	<u>93</u>
Taxation (credit) / charge on ordinary activities		<u>(117)</u>		<u>23</u>

The tax assessed for the year differs from the standard rate of corporation tax in the UK. The differences are explained below:

	Year ended 31 March 2023 £'000	18 months ended 31 March 2022 Restated £'000
Profit on ordinary activities before tax	728	2,647
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2022 - 19%)	138	503
Effects of:		
Fixed asset difference	(1)	65
Expenses not deductible for tax purposes	38	4
Deferred tax not recognised	(348)	1
Adjustments in respect of previous periods	-	(70)
Remeasurement of deferred tax for changes in tax rates	56	20
Other permanent differences	-	(500)
Current tax (credit) / charge for the year/period	<u>(117)</u>	<u>23</u>

**Clarity Informatics Limited**  
**Notes forming part of the financial statements**  
**for the year ended 31 March 2023 (continued)**

**8 Tangible assets**

	Property Improvements £'000	Product Development £'000	Fixtures, fittings and equipment £'000	Computer Equipment £'000	Other £'000	Total £'000
<i>Cost</i>						
At 1 April 2022	503	1,192	104	342	17	2,158
Additions	-	1,558	10	173	-	1,741
Disposals	-	-	(9)	(12)	(9)	(30)
At 31 March 2023	503	2,750	105	503	8	3,869
<i>Depreciation</i>						
At 1 April 2022	78	193	75	182	16	544
Charge for year	14	569	12	119	1	715
Disposals	-	-	(9)	(12)	(9)	(30)
At 31 March 2023	92	762	78	289	8	1,229
<i>Net book value</i>						
At 31 March 2023	411	1,988	27	214	-	2,640
At 31 March 2022	425	999	29	160	1	1,614

**Clarity Informatics Limited**  
**Notes forming part of the financial statements**  
**for the year ended 31 March 2023 (continued)**

**9 Debtors**

	2023 £'000	2022 £'000
Trade debtors	966	1,204
Prepayments and other debtors	100	124
Amounts owed by group undertakings	5,423	4,807
Corporation tax	44	-
	<u>6,533</u>	<u>6,135</u>

Amounts owed to group undertakings are non-interest bearing for both periods.

In respect of amounts owed by group undertakings, to the extent the counter parties are unable to do so, the Company does not intend to recall the amounts due, within one year. The balances are due on demand and the value is not materially different to the fair value.

**10 Creditors: amounts falling due within one year**

	2023 £'000	2022 Restated £'000
Trade creditors	68	173
Deferred income	3,625	3,403
Accruals and other creditors	418	305
Social security and other taxes	366	505
Amounts due to group undertakings	250	770
	<u>4,727</u>	<u>5,156</u>

**11 Creditors: amounts falling due more than one year**

	2023 £'000	2022 £'000
Deferred income	580	591
	<u>580</u>	<u>591</u>

**Clarity Informatics Limited**  
**Notes forming part of the financial statements**  
**for the year ended 31 March 2023 (continued)**

**12 Deferred taxation**

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>Restated £'000</b>
At beginning of year/period	117	23
(Credit)/charge to profit or loss (note 7)	(117)	94
	<hr/>	<hr/>
At end of year/period	-	117
	<hr/>	<hr/>

The provision for deferred taxation is made up as follows:

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>Restated £'000</b>
Accelerated capital allowances	-	110
Effect of tax rate change	-	7
	<hr/>	<hr/>
	-	117
	<hr/>	<hr/>

**13 Share capital and reserves**

	<b>Authorised, allotted, called up and fully paid</b>			
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>Number</b>	<b>£</b>	<b>£</b>
Ordinary shares of £1 each	70	70	70	70
	<hr/>	<hr/>	<hr/>	<hr/>

**Clarity Informatics Limited**  
**Notes forming part of the financial statements**  
**for the year ended 31 March 2023 (continued)**

**14 Financial instruments**

	2023 £'000	2022 £'000
<b>Financial assets</b>		
Measured at amortised cost	6,770	7,652
<b>Financial liabilities</b>		
Measured at amortised cost	485	1,248

Financial assets comprise of cash held by the Company, trade debtors, other debtors and amounts owed from group undertakings.

Financial liabilities comprise of trade creditors, other creditors and amounts owed to group companies.

**15 Related party transactions**

The Company is a wholly owned subsidiary of Agilio Software Bidco Limited and has taken advantage of the exemption not to disclose transactions with wholly owned subsidiaries within the Group.

**16 Pension commitments**

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £170,000 (2022 - £363,000). There are £24,000 (2022 - £22,000) of contributions payable to the fund at the year end included in creditors.

**17 Ultimate parent company**

The ultimate controlling party of the Company at year end are certain funds advised by August Equity LLP.

The Company is owned by Agilio Software Bidco Limited, a company incorporated in England and Wales. The largest Group in which this entity is consolidated is Agilio Software Topco Limited. The consolidated financial statements of the Group are publicly available from Companies House.

**18 Post balance sheet events**

There are no post balance sheet events which require disclosure in the financial statements.

**19 Restatement of 2022 results and position**

The prior period financial statements have been restated to correct the corporation tax liability and deferred tax liability of Clarity Informatics Limited. The accounts have been restated following the finalisation of the tax computations, giving rise to a tax deduction for share options which vested prior to the company being acquired. This resulted in a decreased in the corporation tax liability of £279,000, an increase in the deferred tax liability of £34,000 and an increase in the profit and loss account reserve of £245,000 as at 31 March 2022.

**Clarity Informatics Limited**  
**Notes forming part of the financial statements**  
**for the year ended 31 March 2023 (continued)**

**19 Restatement of 2022 results and position (continued)**

	<b>Profit and loss account 31 March 2022 £'000</b>	<b>Profit for the period ended 31 March 2022 £'000</b>
As previously stated	3,137	2,379
Restatement – corporation tax liability	279	279
Restatement – deferred tax liability	(34)	(34)
	<hr/>	<hr/>
As restated	3,382	2,624
	<hr/>	<hr/>

	<b>2022 £'000</b>	<b>Adjustment £'000</b>	<b>2022 Restated £'000</b>
<b>Current liabilities</b>			
Trade creditors	173		173
Deferred income	3,403		3,403
Accruals and other creditors	305		305
Social security and other taxes	505		505
Corporation tax	279	(279)	-
Amounts due to group undertakings	770		770
	<hr/>	<hr/>	<hr/>
<b>Total current liabilities</b>	<b>5,435</b>	<b>(279)</b>	<b>5,156</b>
	<hr/>	<hr/>	<hr/>
<b>Provision for liabilities</b>			
Deferred tax	83	34	117
	<hr/>	<hr/>	<hr/>