

Registration number 06648026

Clarity Informatics Group Limited
CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2012

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Clarity Informatics Group Limited

Company information

| | |
|-------------------|--|
| Directors | Professor I N Purves Mr D J Price Mr M A Sowerby Mr T Sewart |
| Company number | 06648026 |
| Registered office | Clayton House Clayton Road Jesmond Newcastle upon Tyne NE2 1TL |
| Bankers | Barclays Bank Plc Percy Street Newcastle upon Tyne NE1 4QL |

Clarity Informatics Group Limited

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Clarity Informatics Group Limited

**Director's report
for the year ended 30 September 2012**

The directors present their report and the financial statements for the year ended 30 September 2012

Principal activity

The principal activity of the group is consultancy and development in the field of health informatics software

Directors

The directors who served during the year are as stated below

Professor I N Purves

Mr D J Price

Mr M A Sowerby

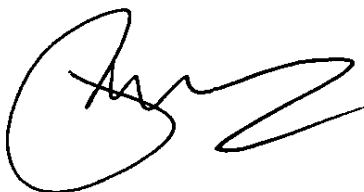
Mr T Sewart

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 and signed on its behalf by

**Professor I N Purves
Director**

26/07/13

A handwritten signature in black ink, appearing to be 'I N Purves', written over a large, loopy circular flourish.

Clarity Informatics Group Limited

**Profit and loss account
for the year ended 30 September 2012**

| | | 2012 | 2011 |
|--|--------------|-------------|-------------|
| | Notes | £ | £ |
| Turnover | 2 | 3,224,723 | 4,228,923 |
| Cost of sales | | (2,774,794) | (3,133,507) |
| Gross profit | | 449,929 | 1,095,416 |
| Administrative expenses | | (1,224,606) | (1,228,770) |
| Operating loss | 3 | (774,677) | (133,354) |
| Other interest receivable and similar income | | 763 | 612 |
| Interest payable and similar charges | | (1,436) | (1,416) |
| Loss on ordinary activities before taxation | | (775,350) | (134,158) |
| Tax on loss on ordinary activities | 5 | (94,542) | 54,481 |
| Loss for the year | 14 | (869,892) | (79,677) |
| Retained profit brought forward | | 2,403 | 82,080 |
| Accumulated (loss)/profit carried forward | | (867,489) | 2,403 |

The notes on pages 6 to 13 form an integral part of these financial statements.

Clarity Informatics Group Limited

Balance sheet as at 30 September 2012

| | | 2012 | | 2011 | |
|--|-------|----------------|------------------|------------------|------------------|
| | Notes | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Intangible assets | 6 | | 2,170,257 | | 2,290,827 |
| Tangible assets | 7 | | 234,696 | | 231,464 |
| | | | <u>2,404,953</u> | | <u>2,522,291</u> |
| Current assets | | | | | |
| Debtors | 8 | 457,354 | | 127,485 | |
| Cash at bank and in hand | | 128,325 | | 978,669 | |
| | | <u>585,679</u> | | <u>1,106,154</u> | |
| Creditors: amounts falling due within one year | 9 | (1,311,859) | | (1,226,598) | |
| Net current liabilities | | | <u>(726,180)</u> | | <u>(120,444)</u> |
| Total assets less current liabilities | | | 1,678,773 | | 2,401,847 |
| Creditors: amounts falling due after more than one year | 10 | | (3,262) | | (12,691) |
| Provisions for liabilities | | | - | | 156,247 |
| Accruals and deferred income | 11 | | <u>(43,000)</u> | | <u>(43,000)</u> |
| Net assets | | | <u>1,632,511</u> | | <u>2,502,403</u> |
| Capital and reserves | | | | | |
| Called up share capital | 13 | | 2,500,000 | | 2,500,000 |
| Profit and loss account | 14 | | <u>(867,489)</u> | | <u>2,403</u> |
| Shareholders' funds | | | <u>1,632,511</u> | | <u>2,502,403</u> |

The notes on pages 6 to 13 form an integral part of these financial statements.

Clarity Informatics Group Limited

**Company Balance Sheet
as at 30 September 2012**

| | Notes | 2012 | | 2011 | |
|-----------------------------|-------|----------|------------------|----------|------------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Investments | | | 2,499,999 | | 2,499,999 |
| Current assets | | | | | |
| Cash at bank and in hand | | 1 | | 1 | |
| | | <u>1</u> | | <u>1</u> | |
| Net assets | | | 2,500,000 | | 2,500,000 |
| Capital and reserves | | | | | |
| Called up share capital | 13 | | 2,500,000 | | 2,500,000 |
| Shareholders' funds | | | <u>2,500,000</u> | | <u>2,500,000</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 13 form an integral part of these financial statements.

Clarity Informatics Group Limited

Balance sheet (continued)

**Director's statements required by Sections 475(2) and (3)
for the year ended 30 September 2012**

In approving these financial statements as directors of the company we hereby confirm

- (a) that for the year stated above the company was entitled to the exemption conferred by Section 477 of the Companies Act 2006 ,
- (b) that no notice has been deposited at the registered office of the company pursuant to Section 476 requesting that an audit be conducted for the year ended 30 September 2012 , and
- (c) that we acknowledge my responsibilities for
 - (1) ensuring that the company keeps accounting records which comply with Section 386 , and
 - (2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the year then ended in accordance with the requirements of Section 393 and which otherwise comply with the provisions of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

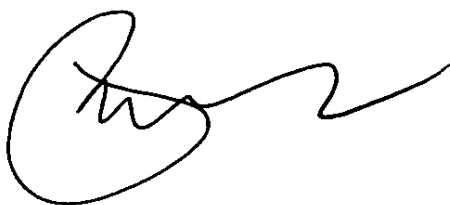
These accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board on and signed on its behalf by

I N Purves
Director

26/07/13

Registration number 06648026



The notes on pages 6 to 13 form an integral part of these financial statements.

Clarity Informatics Group Limited

Notes to the financial statements for the year ended 30 September 2012

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)

The directors have a reasonable expectation that the group 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

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate those of Clarity Informatics Group Limited and all of its subsidiary undertakings for the year. Subsidiaries acquired are consolidated using the acquisition method with their results being incorporated from the date that control passes. The differences between the cost of acquisition of shares in subsidiaries and the fair value of the separable net assets acquired is capitalised as purchased goodwill. All financial statements are made up to 30 September 2012

All intra-group transactions, balances and unrealised gains on transactions are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year and derives from the provision of goods falling within the company's ordinary activities.

1.3. Goodwill

Purchased goodwill arising on consolidation, representing the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired, is capitalised and amortised over 20 years from the commencement of the projects to which the goodwill is considered to relate.

1.4. Tangible fixed assets and depreciation

All fixed assets are initially recorded at cost

Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the expected useful life of that asset as follows

| | | |
|-------------------------------------|---|-------------------------|
| Fixtures, fittings and equipment | - | 10% - 33% Straight Line |
| Office Equipment | - | 10% - 33% Straight Line |

Clarity Informatics Group Limited

**Notes to the financial statements
for the year ended 30 September 2012**

continued

1.5. Leasing and hire purchase commitments

HIRE PURCHASE AGREEMENTS

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

OPERATING LEASE AGREEMENTS

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.

1.7. Deferred taxation

Clarity Informatics Group Limited

Notes to the financial statements for the year ended 30 September 2012

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.

1.8. 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.

2. Turnover

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

An analysis of turnover is given below:

| | 2012 | 2011 |
|---|------|------|
| | % | % |
| Percentage of turnover relating to non-UK markets | 0.1% | 0.4% |

3. Operating loss

| | 2012 | 2011 |
|---|---------|---------|
| | £ | £ |
| Operating loss is stated after charging | | |
| Amortisation of Goodwill | 120,570 | 120,570 |
| Depreciation | | |
| - written off owned tangible fixed assets | 39,010 | 11,732 |
| - written off tangible fixed assets on HP/Finance lease | 3,915 | 2,936 |
| Operating lease rentals | | |
| - Land and buildings | 170,000 | 192,753 |
| - Motor vehicles | 327 | - |
| Auditors' remuneration (Note) | 700 | 16,000 |

4. Pension costs

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 Group Limited

Notes to the financial statements for the year ended 30 September 2012

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5. Tax on loss on ordinary activities

| Analysis of charge in period | 2012 £ | 2011 £ |
|--|-----------------|-----------------|
| Current tax | | |
| UK corporation tax | (1) | 19,894 |
| Adjustments in respect of previous periods | (61,704) | - |
| | <u>(61,705)</u> | <u>19,894</u> |
| Total current tax charge | <u>(61,705)</u> | <u>19,894</u> |
| Deferred tax | | |
| Timing differences, origination and reversal | 64,440 | (74,375) |
| Effect of changes in tax rates | (10,687) | - |
| Prior period adjustments | 102,494 | - |
| Total deferred tax | <u>156,247</u> | <u>(74,375)</u> |
| Tax on loss on ordinary activities | <u>94,542</u> | <u>(54,481)</u> |

6. Intangible fixed assets

| | Goodwill £ |
|------------------------|------------------|
| Cost | |
| At 1 October 2011 | 2,290,827 |
| At 30 September 2012 | <u>2,290,827</u> |
| Amortisation | |
| Charge for year | 120,570 |
| At 30 September 2012 | <u>120,570</u> |
| Net book values | |
| At 30 September 2012 | <u>2,170,257</u> |
| At 30 September 2011 | <u>2,290,827</u> |

Clarity Informatics Group Limited

**Notes to the financial statements
for the year ended 30 September 2012**

continued

| 7. Tangible fixed assets | Fixtures, fittings and equipment £ | Office Equipment £ | Total £ |
|--------------------------|---|--------------------------|----------------|
| Cost | | | |
| At 1 October 2011 | 950 | 245,182 | 246,132 |
| Additions | 1,681 | 44,476 | 46,157 |
| At 30 September 2012 | <u>2,631</u> | <u>289,658</u> | <u>292,289</u> |
| Depreciation | | | |
| At 1 October 2011 | 105 | 14,563 | 14,668 |
| Charge for the year | 822 | 42,103 | 42,925 |
| At 30 September 2012 | <u>927</u> | <u>56,666</u> | <u>57,593</u> |
| Net book values | | | |
| At 30 September 2012 | <u>1,704</u> | <u>232,992</u> | <u>234,696</u> |
| At 30 September 2011 | <u>845</u> | <u>230,619</u> | <u>231,464</u> |

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

| Asset description | 2012 Net book value £ | Depreciation charge £ | 2011 Net book value £ | Depreciation charge £ |
|-------------------|--------------------------------|-----------------------------|--------------------------------|-----------------------------|
| Equipment | <u>32,300</u> | <u>6,851</u> | <u>36,215</u> | <u>2,936</u> |

| 8. Debtors | 2012 £ | 2011 £ |
|--------------------------------|----------------|----------------|
| Trade debtors | 304,458 | 67,832 |
| Other debtors | 66,715 | 14,251 |
| Prepayments and accrued income | 86,181 | 45,402 |
| | <u>457,354</u> | <u>127,485</u> |

Clarity Informatics Group Limited

Notes to the financial statements

for the year ended 30 September 2012

continued

| | | |
|--|------------------|------------------|
| 9. Creditors: amounts falling due within one year | 2012 | 2011 |
| | £ | £ |
| Net obligations under finance leases and hire purchase contracts | 13,051 | 13,051 |
| Trade creditors | 140,226 | 149,767 |
| Other taxes and social security costs | 157,612 | 184,182 |
| Other creditors | 381 | - |
| Accruals and deferred income | 993,656 | 873,940 |
| Pension contributions | 6,933 | 5,658 |
| | <u>1,311,859</u> | <u>1,226,598</u> |
| 10. Creditors: amounts falling due after more than one year | 2012 | 2011 |
| | £ | £ |
| Net obligations under finance leases and hire purchase contracts | <u>3,262</u> | <u>12,691</u> |
| 11. Accruals and deferred income | 2012 | 2011 |
| | £ | £ |
| Government grants | | |
| At 1 October 2011 | <u>43,000</u> | <u>43,000</u> |
| At 30 September 2012 | <u>43,000</u> | <u>43,000</u> |

Clarity Informatics Group Limited

Notes to the financial statements for the year ended 30 September 2012

continued

| | | |
|--|-------------|--|
| 12. Provision for deferred taxation | 2012 | 2011 |
| | £ | £ |
| Accelerated capital allowances | 21,390 | 19,381 |
| Deferred tax not provided | 233,391 | |
| Other timing differences | (741) | (644) |
| Tax losses carried forward | (254,040) | (174,984) |
| Provision for deferred tax | - | (156,247) |
| | | |
| Provision at 1 October 2011 | (156,247) | |
| Deferred tax charge in profit and loss account | 156,247 | |
| Provision at 30 September 2012 | - | |
| | | |
| 13. Share capital | 2012 | 2011 |
| | £ | £ |
| Authorised | | |
| 2,500,000 Ordinary shares of £1 each | 2,500,000 | 2,500,000 |
| Allotted, called up and fully paid | | |
| 2,500,000 Ordinary shares of £1 each | 2,500,000 | 2,500,000 |
| Equity Shares | | |
| 2,500,000 Ordinary shares of £1 each | 2,500,000 | 2,500,000 |
| | | |
| 14. Reserves | | Profit and loss account £ |
| At 1 October 2011 | | 2,403 |
| Loss for the year | | (869,892) |
| At 30 September 2012 | | (867,489) |

Clarity Informatics Group Limited

**Notes to the financial statements
for the year ended 30 September 2012**

continued

15. Financial commitments

At 30 September 2012 the company had annual commitments under non-cancellable operating leases as follows

| | 2012 | 2011 |
|----------------------------|----------------|----------------|
| | £ | £ |
| Expiry date: | | |
| Within one year | 3,928 | - |
| Between one and five years | 3,601 | - |
| In over five years | 200,000 | 200,000 |
| | <u>207,529</u> | <u>200,000</u> |

16. Related party transactions

No individual holds a controlling interest in Clarity Informatics Group Limited

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