

Registration number 06648026

Clarity Informatics Group Limited
CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 September 2015



Clarity Informatics Group Limited

Company information

Directors	I N Purves D J Price M A Sowerby 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

Contents

	Page
Director's report	1
Profit and loss account	2
Balance sheet	3 - 5
Notes to the financial statements	6 - 13

Clarity Informatics Group 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 group is consultancy and development in the field of health informatics software.

Directors

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

I N Purves

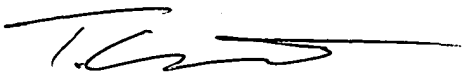
D J Price

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 , and signed on its behalf by:



**T Sewart
Director**

Clarity Informatics Group Limited

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

		2015	2014
	Notes	£	£
Turnover	2	3,719,831	3,514,489
Cost of sales		(2,214,491)	(2,323,060)
Gross profit		1,505,340	1,191,429
Administrative expenses		(1,168,048)	(1,010,556)
Operating profit	3	337,292	180,873
Other interest receivable and similar income		970	528
Interest payable and similar charges		-	(359)
Profit on ordinary activities before taxation		338,262	181,042
Tax on profit on ordinary activities	5	(37,247)	98,236
Profit for the year		301,015	279,278
Accumulated loss brought forward		(468,496)	(747,774)
Reserve Movements		20,466	-
Accumulated loss carried forward		(147,015)	(468,496)

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 2015**

		2015		2014	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	6		1,931,092		1,929,117
Tangible assets	7		<u>119,404</u>		<u>143,590</u>
			2,050,496		2,072,707
Current assets					
Debtors	8	303,970		273,668	
Cash at bank and in hand		<u>1,302,001</u>		<u>837,651</u>	
		1,605,971		1,111,319	
Creditors: amounts falling due within one year	9	<u>(1,259,596)</u>		<u>(1,119,200)</u>	
Net current assets/(liabilities)			<u>346,375</u>		<u>(7,881)</u>
Total assets less current liabilities			2,396,871		2,064,826
Provisions for liabilities	10		(886)		9,678
Accruals and deferred income	11		<u>(43,000)</u>		<u>(43,000)</u>
Net assets			<u>2,352,985</u>		<u>2,031,504</u>
Capital and reserves					
Called up share capital	13		2,500,000		2,500,000
Profit and loss account			<u>(147,015)</u>		<u>(468,496)</u>
Shareholders' funds			<u>2,352,985</u>		<u>2,031,504</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

**Company Balance Sheet
as at 30 September 2015**

		2015		2014	
	Notes	£	£	£	£
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 2015**

For the year ended 30 September 2015 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary 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 , and are signed on their behalf by:



**T Sewart
Director**

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 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).

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.

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 assets acquired, is capitalised and amortised over 20 years from the commencement of the projects to which the goodwill is considered to relate.

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	-
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 2015**

..... 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.

The regular cost of providing retirement pensions and related benefits is charged to the profit and loss account over the employees' service lives on the basis of a constant percentage of earnings.

1.7. Deferred taxation

Clarity Informatics Group Limited

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

..... 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 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.

3. Operating profit

	2015	2014
	£	£
Depreciation		
- written off owned tangible fixed assets	(128,095)	(69,745)
- written off tangible fixed assets on HP/Finance lease	170,488	120,570
Research and development		
- amortised deferred expenditure (inc. above)	(9,070)	-
Operating lease rentals		
- Land and buildings	170,000	170,000
- Motor vehicles	2,668	3,836
Net foreign exchange gain	(278)	-
	<u> </u>	<u> </u>

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 2015

..... continued

5. Tax on profit on ordinary activities

Analysis of charge in period	2015 £	2014 £
Current tax		
UK corporation tax	26,683	9,712
Adjustments in respect of previous periods	-	(105,444)
	<u>26,683</u>	<u>(95,732)</u>
Total current tax charge	<u>26,683</u>	<u>(95,732)</u>
Deferred tax		
Timing differences, origination and reversal	3,872	(2,504)
Prior period adjustments	6,692	-
	<u>10,564</u>	<u>(2,504)</u>
Total deferred tax	<u>10,564</u>	<u>(2,504)</u>
Tax on profit on ordinary activities	<u>37,247</u>	<u>(98,236)</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>338,262</u>	<u>181,042</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.00% (30 September 2014 : 20.00%)	67,652	36,208
Effects of:		
Expenses not deductible for tax purposes	33,268	-
Capital allowances for period in excess of depreciation	5,146	-
Utilisation of tax losses	(60,158)	-
Timing Differences, Origination and Reversal	2,986	(2,504)
Income not taxable for tax purposes	(29,202)	-
Pre-acquisition adjustment	6,991	-
Current tax charge for period	<u>26,683</u>	<u>33,704</u>

Clarity Informatics Group 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	1,929,117	2,042,419
Additions	-	163,393	163,393
At 30 September 2015	113,302	2,092,510	2,205,812
Amortisation			
At 1 October 2014	104,232	-	104,232
Charge for year	9,070	161,418	170,488
At 30 September 2015	113,302	161,418	274,720
Net book values			
At 30 September 2015	-	1,931,092	1,931,092
At 30 September 2014	9,070	1,929,117	1,938,187

7. Tangible fixed assets	Plant and machinery	Fixtures, fittings and equipment	Office Equipment	Total
	£	£	£	£
Cost				
At 1 October 2014	150	2,631	306,071	308,852
Additions	-	-	13,515	13,515
At 30 September 2015	150	2,631	319,586	322,367
Depreciation				
At 1 October 2014	125	2,576	157,869	160,570
Charge for the year	25	55	42,313	42,393
At 30 September 2015	150	2,631	200,182	202,963
Net book values				
At 30 September 2015	-	-	119,404	119,404
At 30 September 2014	25	55	148,202	148,282

Clarity Informatics Group Limited

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

..... continued

8. Debtors	2015	2014
	£	£
Trade debtors	151,965	73,780
Other debtors	8,797	14,502
Prepayments and accrued income	143,208	185,386
	<u>303,970</u>	<u>273,668</u>
9. Creditors: amounts falling due within one year	2015	2014
	£	£
Trade creditors	116,018	184,644
Corporation tax	26,625	(95,733)
Other taxes and social security costs	189,047	92,404
Other creditors	6,150	-
Accruals and deferred income	911,827	928,748
Pension contributions	9,929	9,137
	<u>1,259,596</u>	<u>1,119,200</u>
10. Provisions for liabilities	Deferred taxation (Note 12)	Total
	£	£
At 1 October 2014	(9,678)	(9,678)
Movements in the year	10,564	10,564
At 30 September 2015	<u>886</u>	<u>886</u>

Clarity Informatics Group 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	<u>43,000</u>	<u>43,000</u>
12. Provision for deferred taxation	2015	2014
	£	£
Accelerated capital allowances	8,756	5,804
Other timing differences	(8,986)	44,345
Tax losses carried forward	<u>(101,564)</u>	<u>(59,827)</u>
Undiscounted provision for deferred tax	(101,794)	(9,678)
Deferred tax not provided	<u>102,680</u>	<u>-</u>
Provision for deferred tax	<u>886</u>	<u>(9,678)</u>
Provision at 1 October 2014	(9,678)	
Deferred tax charge in profit and loss account	<u>10,564</u>	
Provision at 30 September 2015	<u>886</u>	
13. Share capital	2015	2014
	£	£
Authorised		
2,500,000 Ordinary shares of £1 each	<u>2,500,000</u>	<u>2,500,000</u>
Allotted, called up and fully paid		
2,500,000 Ordinary shares of £1 each	<u>2,500,000</u>	<u>2,500,000</u>
Equity Shares		
2,500,000 Ordinary shares of £1 each	<u>2,500,000</u>	<u>2,500,000</u>

Clarity Informatics Group Limited

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

..... continued

14. Financial commitments

At 30 September 2015 the company had annual commitments under non-cancellable operating leases as follows:

	2015	2014
	£	£
Expiry date:		
In over five years	<u>200,000</u>	<u>200,000</u>

15. 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.