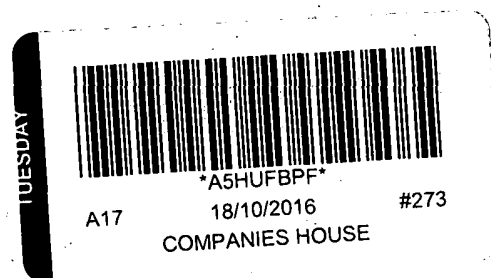

CHAMELEON INFORMATION MANAGEMENT SERVICES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016



CHAMELEON INFORMATION MANAGEMENT SERVICES LIMITED

COMPANY INFORMATION

DIRECTORS

Marc Warburton
Sarah Waters
David Huline-Dickens
John Nye
Phillip Burton-Brown
Nigel Waters
David Little - Non Executive Director (resigned 22 October 2015)

REGISTERED NUMBER

03072160

REGISTERED OFFICE

59-61 High Street
Rickmansworth
Hertfordshire
WD3 1RH

INDEPENDENT AUDITOR

Hillier Hopkins LLP
Chartered Accountants & Statutory Auditor
Radius House
51 Clarendon Road
Watford
Herts
WD17 1HP

BANKERS

HSBC Bank plc
1st Floor, Sunningdale
The Belfry Business Park
Colonial Way
Watford
Hertfordshire
WD24 4LG

SOLICITORS

Shakespeare Martineau
Somerset House
Temple Street
Birmingham
B2 5DJ

CHAMELEON INFORMATION MANAGEMENT SERVICES LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditor's report	3 - 4
Profit and loss account	5
Balance sheet	6
Cash flow statement	7
Notes to the financial statements	8 - 13

CHAMELEON INFORMATION MANAGEMENT SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2016

The directors present their report and the audited financial statements for the year ended 31 March 2016.

DIRECTORS' RESPONSIBILITIES STATEMENT

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 year. 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 judgments and accounting estimates that are reasonable and prudent;
- 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.

PRINCIPAL ACTIVITIES

The principal activities of the Company are the marketing, distribution and implementation of the InfoFlex product, principally within the National Health Service environment. The Company uses the InfoFlex product as the basis for all of its clinical and information systems. The Company also provides support services, training and consultancy related to the use of the InfoFlex product.

The Company remains committed to improved business processes and continues to hold accreditation for ISO 9001 and ISO 27001 and the Business Professional Certificate (BPC) awarded by TechUK (formerly Intellect). TechUK is the leading trade association which serves to represent its members in the UK technology industry. It's formed by some 900 SME and multinational member companies. TechUK was formed in 2002 from the merger of a number of trade associations to provide a voice for the technology sector. The Company became one of the first organisations to have met the ten criteria required for TechUK's BPC.

The Company once again expanded its presence in the UK HealthCare market with InfoFlex systems installed in over 95 organisations, mainly NHS Trusts. The Company continues to achieve revenue growth with incremental business from existing customers, and the acquisition of new customers..

The Directors' are pleased with the overall progress of the business for the year ended 31st March 2016.

DIRECTORS

The directors who served during the year were:

Marc Warburton
Sarah Waters
David Huline-Dickens

CHAMELEON INFORMATION MANAGEMENT SERVICES LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2016**

John Nye
Phillip Burton-Brown
Nigel Waters
David Little - Non Executive Director (resigned 22 October 2015)

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AUDITOR

The auditor, Hillier Hopkins LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

This report was approved by the board and signed on its behalf.



Marc Warburton
Director

Date: 29th September 2016

CHAMELEON INFORMATION MANAGEMENT SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CHAMELEON INFORMATION MANAGEMENT SERVICES LIMITED

We have audited the financial statements of Chameleon Information Management Services Limited for the year ended 31 March 2016, set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON 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 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

CHAMELEON INFORMATION MANAGEMENT SERVICES LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CHAMELEON INFORMATION
MANAGEMENT SERVICES LIMITED**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Directors' report.

Hillier Hopkins LLP

Phillip Collins FCA (Senior statutory auditor)

for and on behalf of
Hillier Hopkins LLP

Chartered Accountants
Statutory Auditor

Radius House
51 Clarendon Road
Watford
Herts
WD17 1HP

Date:

5 OCTOBER 2016

CHAMELEON INFORMATION MANAGEMENT SERVICES LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2016**

	Note	2016 £	2015 £
TURNOVER	1	3,623,946	3,214,554
Cost of sales		<u>(2,309,360)</u>	<u>(2,153,972)</u>
GROSS PROFIT		1,314,586	1,060,582
Administrative expenses		<u>(1,118,256)</u>	<u>(1,002,439)</u>
OPERATING PROFIT	2	196,330	58,143
Interest receivable and similar income		1,714	1,023
Interest payable and similar charges		<u>(28,279)</u>	<u>(11,678)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		169,765	47,488
Tax on profit on ordinary activities	5	<u>(34,123)</u>	<u>(7,797)</u>
PROFIT FOR THE FINANCIAL YEAR	12	<u>135,642</u>	<u>39,691</u>

The notes on pages 8 to 13 form part of these financial statements.

CHAMELEON INFORMATION MANAGEMENT SERVICES LIMITED
REGISTERED NUMBER: 03072160

BALANCE SHEET
AS AT 31 MARCH 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	6		131,666		171,209
CURRENT ASSETS					
Debtors	7	914,895		822,310	
Cash at bank and in hand		1,291,095		1,186,392	
		<u>2,205,990</u>		<u>2,008,702</u>	
CREDITORS: amounts falling due within one year	8	<u>(1,719,347)</u>		<u>(1,612,591)</u>	
NET CURRENT ASSETS			<u>486,643</u>		<u>396,111</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>618,309</u>		<u>567,320</u>
CREDITORS: amounts falling due after more than one year	9		(191,821)		(271,458)
PROVISIONS FOR LIABILITIES					
Deferred tax	10		<u>(5,030)</u>		<u>(10,046)</u>
NET ASSETS			<u><u>421,458</u></u>		<u><u>285,816</u></u>
CAPITAL AND RESERVES					
Called up share capital	11		5,069		5,069
Capital redemption reserve	12		230		230
Profit and loss account	12		<u>416,159</u>		<u>280,517</u>
SHAREHOLDERS' FUNDS			<u><u>421,458</u></u>		<u><u>285,816</u></u>

The financial statements have been prepared in accordance with the special provisions applicable to small companies within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Marc Warburton
Director

Sarah Waters
Director

Date: 29th September 2016

Date: 29th September 2016

The notes on pages 8 to 13 form part of these financial statements.

CHAMELEON INFORMATION MANAGEMENT SERVICES LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016**

	£	2016 £	£	2015 £
CASH GENERATED FROM OPERATIONS				
OPERATING PROFIT	196,330		58,143	
Depreciation of tangible fixed assets	82,042		74,236	
Increase in trade debtors	(75,574)		(424,411)	
(Increase)/decrease in other debtors	(17,010)		3,820	
Decrease in trade creditors	(5,788)		(12,551)	
Increase in other creditors	201,982		140,998	
		381,982		(159,765)
CASH FROM OTHER SOURCES				
Interest received	1,714		1,023	
New secured loans	-		375,258	
Sale of tangible fixed assets	-		44,818	
		1,714		421,099
APPLICATION OF CASH				
Interest paid	(25,692)		(8,554)	
Hire purchase interest	(2,587)		(3,124)	
Tax paid	(8,492)		(4,112)	
Repayment of loans	(187,629)		-	
Principal payment under finance lease	(12,094)		16,460	
Purchase of intangible fixed assets	-		(136,449)	
Purchase of tangible fixed assets	(42,499)		-	
		(278,993)		(135,779)
NET INCREASE IN CASH		104,703		125,555
Cash at bank and in hand less overdrafts at beginning of the year		1,186,392		1,060,837
CASH AT BANK AND IN HAND LESS OVERDRAFTS AT END OF THE YEAR		1,291,095		1,186,392
Consisting of:				
Cash at bank and in hand		1,291,095		1,186,392
		1,291,095		1,186,392

The notes on pages 8 to 13 form part of these financial statements.

CHAMELEON INFORMATION MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with the *Financial Reporting Standard for Smaller Entities* (effective January 2015).

1.2 TURNOVER

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Turnover from projects is recognised based on the proportion of work carried out at year end.

Licence fees are recognised in the period in which they are sold. Support fees are recognised over the contracted period of cover.

1.3 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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

S/Term Leasehold Property	-	33% straight line
Motor vehicles	-	33% straight line
Fixtures & fittings	-	33% straight line

1.4 LEASING AND HIRE PURCHASE

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. 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 a constant periodic rate of charge on the net obligation outstanding in each period.

1.5 OPERATING LEASES

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

CHAMELEON INFORMATION MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

1. ACCOUNTING POLICIES (continued)

1.6 DEFERRED TAXATION

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.7 PENSIONS

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

2. OPERATING PROFIT

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the company	64,467	59,583
- held under finance leases	17,575	14,654
Auditor's remuneration	6,000	6,250
Pension costs	27,893	20,385
	<u>115,935</u>	<u>100,872</u>

3. DIRECTORS' REMUNERATION

	2016 £	2015 £
Aggregate remuneration	<u>409,743</u>	<u>424,669</u>

During the year retirement benefits were accruing to 2 directors (2015 - 2) in respect of defined contribution pension schemes.

CHAMELEON INFORMATION MANAGEMENT SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

4. SHARE BASED PAYMENTS

The company operates an Enterprise Management Incentive Scheme. Options over 761 ordinary shares to 1 employee of the company have been granted with a grant date of 8 September 2005. The options are undated and become exercisable upon certain trigger events at an exercise price of £6.80 per share.

5. TAXATION

	2016 £	2015 £
ANALYSIS OF TAX CHARGE IN THE YEAR		
CURRENT TAX		
UK corporation tax charge on profit for the year	39,139	8,492
DEFERRED TAX (see note 10)		
Origination and reversal of timing differences	(5,016)	(695)
TAX ON PROFIT ON ORDINARY ACTIVITIES	<u>34,123</u>	<u>7,797</u>

6. TANGIBLE FIXED ASSETS

	S/Term Leasehold Property £	Motor vehicles £	Fixtures & fittings £	Total £
COST				
At 1 April 2015	31,473	104,607	626,488	762,568
Additions	2,896	-	39,603	42,499
At 31 March 2016	<u>34,369</u>	<u>104,607</u>	<u>666,091</u>	<u>805,067</u>
DEPRECIATION				
At 1 April 2015	23,971	29,213	538,175	591,359
Charge for the year	3,748	18,848	59,446	82,042
At 31 March 2016	<u>27,719</u>	<u>48,061</u>	<u>597,621</u>	<u>673,401</u>
NET BOOK VALUE				
At 31 March 2016	<u>6,650</u>	<u>56,546</u>	<u>68,470</u>	<u>131,666</u>
At 31 March 2015	<u>7,502</u>	<u>75,394</u>	<u>88,313</u>	<u>171,209</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2016 £	2015 £
Motor vehicles	<u>52,727</u>	<u>70,302</u>

CHAMELEON INFORMATION MANAGEMENT SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

7. DEBTORS

	2016 £	2015 £
Trade debtors	861,510	785,936
Other debtors	53,385	36,374
	<u>914,895</u>	<u>822,310</u>

**8. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016 £	2015 £
Other loans	187,629	187,623
Net obligations under finance leases and hire purchase contracts	15,320	10,325
Trade creditors	40,175	45,963
Corporation tax	39,139	8,492
Other taxation and social security	332,727	322,298
Deferred income	797,031	692,411
Other creditors	307,326	345,479
	<u>1,719,347</u>	<u>1,612,591</u>

**9. CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2016 £	2015 £
Other loans	-	187,635
Net obligations under finance leases and hire purchase contracts	42,179	59,268
Accruals and deferred income	149,642	24,555
	<u>191,821</u>	<u>271,458</u>

The finance lease and hire purchase liabilities are secured on the assets concerned.

10. DEFERRED TAXATION

	2016 £	2015 £
At beginning of year	10,046	10,741
Released during year (P&L)	(5,016)	(695)
	<u>5,030</u>	<u>10,046</u>

CHAMELEON INFORMATION MANAGEMENT SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

10. DEFERRED TAXATION (continued)

The provision for deferred taxation is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	<u>5,030</u>	<u>10,046</u>

11. SHARE CAPITAL

	2016 £	2015 £
ALLOTTED, CALLED UP AND FULLY PAID		
5,069 Ordinary shares of £1 each	<u>5,069</u>	<u>5,069</u>

12. RESERVES

	Capital redempt'n reserve £	Profit and loss account £
At 1 April 2015	230	280,517
Profit for the financial year		135,642
At 31 March 2016	<u>230</u>	<u>416,159</u>

13. PENSION COMMITMENTS

The pension cost charge represents contributions payable by the company to the fund and amounted to £27,893 (2015: £20,385). This has been paid into both the company's defined contribution scheme and into personal pension schemes.

14. OPERATING LEASE COMMITMENTS

At 31 March 2016 the company had annual commitments under non-cancellable operating leases as follows:

	2016 £	2015 £
EXPIRY DATE:		
After more than 5 years	<u>41,667</u>	<u>41,667</u>

CHAMELEON INFORMATION MANAGEMENT SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

15. RELATED PARTY TRANSACTIONS

During the year the company incurred costs of £960,000 (2015: £870,000) to Flex Software Limited in licence fees, a company related due to common directorship.

During the year the company received £90,000 (2015: £90,000) from Flex Software Limited for administration services rendered.

As at 31 March 2016, £198,626 (2015: £143,069) was included in other creditors as payable to Flex Software Limited.

16. CONTROLLING PARTY

In the opinion of the directors there is no ultimate controlling party.