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**CHAMELEON INFORMATION MANAGEMENT SERVICES LIMITED**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2014**

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**CHAMELEON INFORMATION MANAGEMENT SERVICES LIMITED**

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**COMPANY INFORMATION**

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**DIRECTORS**

Marc Warburton  
Sarah Waters  
David Huline-Dickens  
John Nye  
Phillip Burton-Brown  
Nigel Waters  
David Little - Non Executive Director

**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**

Shakespeares  
Somerset House  
Temple Street  
Birmingham  
B2 5DJ

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**CHAMELEON INFORMATION MANAGEMENT SERVICES LIMITED**

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**CONTENTS**

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

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## CHAMELEON INFORMATION MANAGEMENT SERVICES LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2014

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The directors present their report and the financial statements for the year ended 31 March 2014.

#### 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 850 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 expanded its presence in the UK HealthCare market with InfoFlex systems installed in over 80 organisations, mainly NHS Trusts. The Company continues to achieve revenue growth with incremental business from existing customers.

The Directors' are pleased with the overall progress of the business for the year ended 31st March 2014.

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**CHAMELEON INFORMATION MANAGEMENT SERVICES LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2014**

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**DIRECTORS**

The directors who served during the year were:

Marc Warburton  
Sarah Waters  
David Huline-Dickens  
John Nye  
Phillip Burton-Brown  
Nigel Waters  
David Little - Non Executive Director

**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 was approved by the board and signed on its behalf.



**Marc Warburton**  
Director

Date: 25th November 2014

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## **CHAMELEON INFORMATION MANAGEMENT SERVICES LIMITED**

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

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We have audited the financial statements of Chameleon Information Management Services Limited for the year ended 31 March 2014, 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 2014 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.

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**CHAMELEON INFORMATION MANAGEMENT SERVICES LIMITED**

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

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**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: *2 DECEMBER 2014*

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**CHAMELEON INFORMATION MANAGEMENT SERVICES LIMITED**

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**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2014**

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	Note	2014 £	2013 £
<b>TURNOVER</b>	1	<b>3,060,377</b>	<b>2,913,722</b>
Cost of sales		<b>(1,852,886)</b>	<b>(1,812,188)</b>
<b>GROSS PROFIT</b>		<b>1,207,491</b>	<b>1,101,534</b>
Administrative expenses		<b>(1,142,618)</b>	<b>(1,038,312)</b>
<b>OPERATING PROFIT</b>	2	<b>64,873</b>	<b>63,222</b>
Interest receivable and similar income		<b>1,379</b>	<b>1,887</b>
Interest payable and similar charges		<b>(5,181)</b>	<b>(4,862)</b>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>61,071</b>	<b>60,247</b>
Tax on profit on ordinary activities	5	<b>(15,282)</b>	<b>(14,013)</b>
<b>PROFIT FOR THE FINANCIAL YEAR</b>	12	<b>45,789</b>	<b>46,234</b>

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 2014**

	Note	£	2014 £	£	2013 £
<b>FIXED ASSETS</b>					
Tangible assets	6		153,815		111,033
<b>CURRENT ASSETS</b>					
Debtors	7	401,675		745,428	
Cash at bank and in hand		1,060,837		884,481	
		<u>1,462,512</u>		<u>1,629,909</u>	
<b>CREDITORS: amounts falling due within one year</b>	8	<u>(1,157,874)</u>		<u>(1,255,587)</u>	
<b>NET CURRENT ASSETS</b>			<u>304,638</u>		<u>374,322</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>458,453</u>		<u>485,355</u>
<b>CREDITORS: amounts falling due after more than one year</b>	9		(201,588)		(260,123)
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred tax	10		(10,741)		-
<b>NET ASSETS</b>			<u>246,124</u>		<u>225,232</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	11		5,069		5,299
Capital redemption reserve	12		230		-
Profit and loss account	12		240,825		219,933
<b>SHAREHOLDERS' FUNDS</b>			<u>246,124</u>		<u>225,232</u>

The financial statements have been prepared in accordance with the 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 April 2008).

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



**Marc Warburton**  
Director

Date: 25th November 2014



**Sarah Waters**  
Director

Date: 25th November 2014

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 2014**

	£	2014 £	£	2013 £
<b>CASH GENERATED FROM OPERATIONS</b>				
<b>OPERATING PROFIT</b>	<b>64,873</b>		<b>63,222</b>	
Depreciation of tangible fixed assets	65,625		54,628	
(Profit)/loss on disposal of tangible fixed assets	(1,647)		-	
Decrease/(increase) in trade debtors	192,911		(304,860)	
Decrease/(increase) in other debtors	150,414		(126,045)	
Decrease in trade creditors	(8,279)		(6,405)	
(Decrease)/increase in other creditors	(149,484)		471,079	
		<b>314,413</b>		<b>151,619</b>
<b>CASH FROM OTHER SOURCES</b>				
Interest received	1,379		1,887	
Sale of tangible fixed assets	15,000		2,408	
		<b>16,379</b>		<b>4,295</b>
<b>APPLICATION OF CASH</b>				
Interest paid	(95)		(31)	
Hire purchase interest	(5,086)		(4,831)	
Tax paid	(12,292)		(28,490)	
Purchase of own shares	(24,897)		(168,500)	
Principal payment under finance lease	9,694		21,733	
Purchase of tangible fixed assets	(121,760)		(89,500)	
		<b>(154,436)</b>		<b>(269,619)</b>
<b>NET INCREASE IN CASH</b>		<b>176,356</b>		<b>(113,705)</b>
Cash at bank and in hand less overdrafts at beginning of the year		<b>884,481</b>		<b>998,186</b>
<b>CASH AT BANK AND IN HAND LESS OVERDRAFTS AT END OF THE YEAR</b>		<b>1,060,837</b>		<b>884,481</b>
Consisting of:				
Cash at bank and in hand		<b>1,060,837</b>		<b>884,481</b>
		<b>1,060,837</b>		<b>884,481</b>

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

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## CHAMELEON INFORMATION MANAGEMENT SERVICES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

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#### 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 April 2008).

##### 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.

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## CHAMELEON INFORMATION MANAGEMENT SERVICES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

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#### 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:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the company	48,805	39,983
- held under finance leases	16,820	14,645
Auditor's remuneration	6,250	6,000
Pension costs	19,830	19,196
	<u>          </u>	<u>          </u>

#### 3. DIRECTORS' REMUNERATION

	2014 £	2013 £
Aggregate remuneration	538,734	432,787
	<u>          </u>	<u>          </u>

During the year retirement benefits were accruing to 2 directors (2013 - 2) in respect of defined contribution pension schemes.

#### 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.

**CHAMELEON INFORMATION MANAGEMENT SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014**

**5. TAXATION**

	2014 £	2013 £
<b>ANALYSIS OF TAX CHARGE IN THE YEAR</b>		
<b>CURRENT TAX</b>		
UK corporation tax charge on profit for the year	4,112	12,292
<b>DEFERRED TAX</b> (see note 10)		
Origination and reversal of timing differences	11,170	1,721
<b>TAX ON PROFIT ON ORDINARY ACTIVITIES</b>	<u>15,282</u>	<u>14,013</u>

**6. TANGIBLE FIXED ASSETS**

	S/Term Leasehold Property £	Motor vehicles £	Fixtures & fittings £	Total £
<b>COST</b>				
At 1 April 2013	21,016	118,588	494,750	634,354
Additions	4,161	41,952	75,647	121,760
Disposals	-	(48,043)	-	(48,043)
At 31 March 2014	<u>25,177</u>	<u>112,497</u>	<u>570,397</u>	<u>708,071</u>
<b>DEPRECIATION</b>				
At 1 April 2013	21,016	65,597	436,708	523,321
Charge for the year	342	19,088	46,195	65,625
On disposals	-	(34,690)	-	(34,690)
At 31 March 2014	<u>21,358</u>	<u>49,995</u>	<u>482,903</u>	<u>554,256</u>
<b>NET BOOK VALUE</b>				
At 31 March 2014	<u>3,819</u>	<u>62,502</u>	<u>87,494</u>	<u>153,815</u>
At 31 March 2013	<u>-</u>	<u>52,991</u>	<u>58,042</u>	<u>111,033</u>

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

	2014 £	2013 £
Motor vehicles	<u>55,712</u>	<u>43,933</u>

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**CHAMELEON INFORMATION MANAGEMENT SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014**

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**7. DEBTORS**

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>361,525</b>	554,436
Other debtors	<b>40,150</b>	190,563
Deferred tax asset (see note 10)	<b>-</b>	429
	<u><b>401,675</b></u>	<u><b>745,428</b></u>

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

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Net obligations under finance leases and hire purchase contracts	<b>13,000</b>	13,143
Trade creditors	<b>58,514</b>	66,793
Corporation tax	<b>4,112</b>	12,292
Other taxation and social security	<b>261,121</b>	125,076
Deferred income	<b>585,107</b>	648,193
Other creditors	<b>236,020</b>	390,090
	<u><b>1,157,874</b></u>	<u><b>1,255,587</b></u>

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

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Net obligations under finance leases and hire purchase contracts	<b>40,133</b>	30,296
Accruals and deferred income	<b>161,455</b>	229,827
	<u><b>201,588</b></u>	<u><b>260,123</b></u>

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

**CHAMELEON INFORMATION MANAGEMENT SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014**

**10. DEFERRED TAXATION**

	2014 £	2013 £
At beginning of year	429	2,150
Charged for year (P&L)	(11,170)	(1,721)
At end of year	<u>(10,741)</u>	<u>429</u>

The deferred taxation balance is made up as follows:

	2014 £	2013 £
Accelerated capital allowances	<u>10,741</u>	<u>429</u>

**11. SHARE CAPITAL**

	2014 £	2013 £
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
5,069 (2013 - 5,299) Ordinary shares of £1 each	<u>5,069</u>	<u>5,299</u>

During the year the company purchased 230 (4%) of its own shares with nominal value of £1 per share. The consideration paid was £108.25 per share and the agreement was dated on 13 December 2013. The shares were purchased by the company to buy out David Little's entire shareholding.

**12. RESERVES**

	Capital redempt'n reserve £	Profit and loss account £
At 1 April 2013		219,933
Profit for the financial year		45,789
Purchase of own shares		(24,897)
Transfer on purchase of own shares	230	
At 31 March 2014	<u>230</u>	<u>240,825</u>

**13. PENSION COMMITMENTS**

The pension cost charge represents contributions payable by the company to the fund and amounted to £19,830 (2013: £19,196). This has been paid into both the company's defined contribution scheme and into personal pension schemes.

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**CHAMELEON INFORMATION MANAGEMENT SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2014**

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**14. OPERATING LEASE COMMITMENTS**

At 31 March 2014 the company had annual commitments under non-cancellable operating leases as follows:

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
<b>EXPIRY DATE:</b>		
After more than 5 years	<b>41,667</b>	<b>41,667</b>

**15. RELATED PARTY TRANSACTIONS**

During the year the company incurred costs of £780,000 (2013: £780,000) to Flex Software Limited in licence fees, a company related due to common directorship.

During the year the company received £90,000 (2013: £90,000) from Flex Software Limited for administration services rendered.

As at 31 March 2014, £nil (2013: £183,794) 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.