

**The Sowerby Centre for Health
Informatics at Newcastle Limited
(a company limited by guarantee)**

FINANCIAL STATEMENTS

for the year ended

30 September 2011



The Sowerby Centre for Health Informatics at Newcastle Limited
(a company limited by guarantee)
OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Professor I N Purves
Mr D J Price
Mr M A Sowerby
Mr T Sewart

REGISTERED OFFICE

Clayton House
Clayton Road
Jesmond
Newcastle upon Tyne
Tyne and Wear
NE2 1TL

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
1 St James' Gate
Newcastle upon Tyne
NE1 4AD

BANKERS

Barclays Bank plc
Percy Street
Newcastle upon Tyne
NE1 4QL

The Sowerby Centre for Health Informatics at Newcastle Limited

(a company limited by guarantee)

DIRECTORS' REPORT

The directors submit their report and financial statements of The Sowerby Centre for Health Informatics at Newcastle Limited (a company limited by guarantee) for the year ended 30 September 2011

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was to improve the health of the public by promoting the development and use of informatics products and services

DIRECTORS

The directors who served the company during the year were as follows

Professor I N Purves
Mr D J Price
Mr M A Sowerby
Mr T Sewart

Mr T Sewart was appointed as a director on 14 February 2011

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor

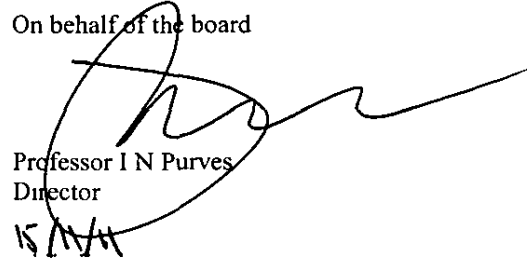
AUDITOR

Baker Tilly UK Audit LLP has indicated its willingness to continue in office

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption

On behalf of the board



Professor I N Purves
Director

15/11/11

The Sowerby Centre for Health Informatics at Newcastle Limited

(a company limited by guarantee)

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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 those financial statements, the directors are required to

- a select suitable accounting policies and then apply them consistently,
- b make judgements and accounting estimates that are reasonable and prudent,
- c 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF THE SOWERBY
CENTRE FOR HEALTH INFORMATICS AT NEWCASTLE LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

We have audited the financial statements on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's member, 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 member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 3, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 30 September 2011 and of its loss 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.

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 take advantage of the small companies exemption in preparing the directors' report.

Baker Tilly UK Audit LLP

CLAIRE LEECE (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

1 St James' Gate

Newcastle upon Tyne

NE1 4AD

16/11/11

The Sowerby Centre for Health Informatics at Newcastle Limited
(a company limited by guarantee)
PROFIT AND LOSS ACCOUNT
for the year ended 30 September 2011

	<i>Notes</i>	2011 £	2010 £
TURNOVER		1,024,008	2,159,225
Cost of sales		<u>711,543</u>	<u>1,513,333</u>
Gross profit		312,465	645,892
Administrative expenses		<u>405,410</u>	<u>597,395</u>
OPERATING (LOSS)/PROFIT	1	(92,945)	48,497
Interest receivable		<u>44</u>	<u>88</u>
		(92,901)	48,585
Interest payable and similar charges		(316)	(5,873)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(93,217)</u>	<u>42,712</u>
Taxation	3	-	(11,000)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	12	<u>(93,217)</u>	<u>53,712</u>

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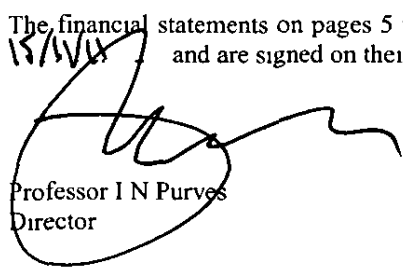
BALANCE SHEET

30 September 2011

	Notes	2011 £	2010 £
FIXED ASSETS			
Tangible assets	4	<u>106,447</u>	<u>—</u>
CURRENT ASSETS			
Debtors	5	44,010	148,634
Cash at bank and in hand		<u>21,879</u>	<u>391,419</u>
		65,889	540,053
CREDITORS			
Amounts falling due within one year	7	<u>195,009</u>	<u>438,784</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(129,120)</u>	<u>101,269</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(22,673)</u>	<u>101,269</u>
PROVISIONS FOR LIABILITIES	8	<u>—</u>	<u>30,725</u>
		<u>(22,673)</u>	<u>70,544</u>
RESERVES			
Profit and loss account	12	<u>(22,673)</u>	<u>70,544</u>
		<u>(22,673)</u>	<u>70,544</u>

These financial statements 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)

The financial statements on pages 5 to 11 were approved by the board of directors and authorised for issue on 15/11/11 and are signed on their behalf by


Professor I N Purves
Director

The Sowerby Centre for Health Informatics at Newcastle Limited

(a company limited by guarantee)

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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)

The company reported a loss before tax for the year of £93,217 (2010 profit before tax of £42,712) and as at the balance sheet date had net current liabilities of £129,120 (2010 net current assets of £101,269) and net liabilities of £22,673 (2010 net assets of £70,544). The company had minimal activity ongoing at the year end however it is actively pursuing opportunities in its existing field and the directors are confident of its future success. The company's fellow subsidiary, Clarity Informatics Limited, has confirmed its intention to provide such support to the company as may be necessary to ensure that it is able to meet its liabilities as they fall due for the foreseeable future.

As a result, the directors have a reasonable expectation that the company 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.

TURNOVER

Turnover is recognised at the fair value of the consideration received or receivable for sale of services in the ordinary nature of the business, and is shown net of Value Added Tax. Amounts received in advance of the provision of the services to which they relate are included within other creditors.

FIXED ASSETS

All fixed assets are initially recorded at cost.

DEPRECIATION

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

Equipment	-	10% - 33% straight line per annum
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OPERATING LEASE AGREEMENTS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

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.

PROVISIONS

Provision is made for liabilities arising in respect of events occurring prior to the balance sheet date for which a legal or constructive obligation exists and where the outcome can be assessed with reasonable certainty.

DEFERRED TAXATION

Deferred taxation 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.

The Sowerby Centre for Health Informatics at Newcastle Limited
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ACCOUNTING POLICIES

FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

The Sowerby Centre for Health Informatics at Newcastle Limited
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2011

1 OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging

	2011	2010
	£	£
Depreciation of owned fixed assets	4,546	–
Operating lease costs – land and buildings	192,753	156,000
Auditor's fees	<u>6,500</u>	<u>7,500</u>

Turnover for each year shown relates solely to sales in the United Kingdom

2 DIRECTORS' REMUNERATION

The directors' aggregate remuneration in respect of qualifying services was

	2011	2010
	£	£
Aggregate remuneration	<u>184,811</u>	<u>230,661</u>

The number of directors accruing contributions under money purchase pension schemes in the year was four (2010 four)

3 TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

	2011	2010
	£	£
Deferred tax		
Origination and reversal of timing differences	<u>-</u>	<u>(11,000)</u>

Items affecting the tax charge for the year (and subsequent years) are that there are tax losses available to carry forward amounting to approximately £147,000 (2010 £40,000)

4 TANGIBLE FIXED ASSETS

	Equipment £
Cost	
Additions	110,993
At 30 September 2011	<u>110,993</u>
Depreciation	
Charge for the year	4,546
At 30 September 2011	<u>4,546</u>
Net book value	
At 30 September 2011	<u>106,447</u>
At 30 September 2010	<u>-</u>

The Sowerby Centre for Health Informatics at Newcastle Limited
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2011

5 DEBTORS

	2011	2010
	£	£
Trade debtors	—	67
Other debtors	33,010	137,567
Deferred taxation (note 6)	11,000	11,000
	<u>44,010</u>	<u>148,634</u>

6 DEFERRED TAXATION

The deferred taxation included in the balance sheet is as follows

	2011	2010
	£	£
Included in debtors (note 5)	<u>11,000</u>	<u>11,000</u>

The movement in the deferred taxation account during the year was

	2011
	£
Balance brought forward	11,000
Profit and loss account movement arising during the year	-
Balance carried forward	<u>11,000</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	2011	2010
	£	£
Tax losses available	<u>11,000</u>	<u>11,000</u>
	<u>11,000</u>	<u>11,000</u>

7 CREDITORS Amounts falling due within one year

	2011	2010
	£	£
Trade creditors	18,243	47,214
Amounts owed to group undertakings (note 10)	85,416	197,199
Other taxation and social security costs	—	53,953
Other creditors	91,350	140,418
	<u>195,009</u>	<u>438,784</u>

8 PROVISIONS FOR LIABILITIES

	2011	2010
	£	£
Dilapidation provision	<u>-</u>	<u>30,725</u>

The provision brought forward related to the company's previous head office which was vacated and the corresponding liability settled during the year

The Sowerby Centre for Health Informatics at Newcastle Limited
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 September 2011

9 COMMITMENTS UNDER OPERATING LEASES

At 30 September 2011 the company had aggregate annual commitments under non-cancellable operating leases as set out below

	2011 £	2010 £
Operating leases which expire		
Within 1 year	-	156,000
After more than 5 years	200,000	-
	<u>200,000</u>	<u>156,000</u>

10 RELATED PARTY TRANSACTIONS

The directors consider that the company's immediate controlling party is Clarity Informatics Group Limited, the sole member of the company. No individual shareholder 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% parent company and fellow 100% subsidiary.

Clarity Informatics Group Limited, a company incorporated in England and Wales, is the parent entity of the largest and smallest group for which consolidated financial statements incorporating the company are drawn up. Copies of the group accounts are available from this company's registered office.

11 COMPANY LIMITED BY GUARANTEE

The company was incorporated on 3 May 2001, is limited by guarantee and has no share capital. In the event of winding up, the member undertakes to contribute such amounts as may be required for the payment of liabilities, not exceeding a total of £1.

12 PROFIT AND LOSS ACCOUNT

	2011 £
At the beginning of the year	70,544
(Loss)/profit for the financial year	(93,217)
At the end of the year	<u>(22,673)</u>