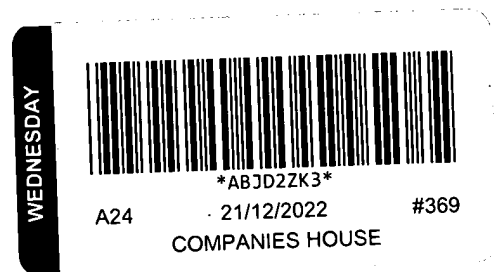


Company Registration No. 04006349 (England and Wales)

**LIQUIDLOGIC LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**



# LIQUIDLOGIC LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	J Harston N Wilson
<b>Company number</b>	04006349
<b>Registered office</b>	The Maidstone Studios Vinters Business Park New Cut Road Maidstone Kent United Kingdom ME14 5NZ
<b>Independent Auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors One Chamberlain Square Birmingham B3 3AX

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**LIQUIDLOGIC LIMITED**

**CONTENTS**

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	<b>Page</b>
Strategic report	1 - 3
Directors' report	4 - 5
Directors' responsibilities statement	6
Independent auditors' report to the members of Liquidlogic Limited	7 - 9
Statement of comprehensive income	10
Balance sheet	11
Statement of changes in equity	12
Notes to the financial statements	13 - 29

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# LIQUIDLOGIC LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 MARCH 2022

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The directors present their strategic report for the year ended 31 March 2022.

#### Principal activities

The principal activity of the Company continued to be the provision of software and associated services for social care in the UK. Through the effective use of technology, customers are helped to reduce costs and improve the quality of the social care services they provide.

#### Business strategy

The business strategy for growth continues to be based on providing multi-agency software solutions facilitating more effective collaboration between socialcare, health, community and education groups.

Recent cross-government policy, bringing together the departments of health, work and pensions, communities and local government, has created further opportunities for the company. This continues to drive strong order bookings, as reflected in the year under review.

The Company benefits from a close working relationship with its parent, System C Healthcare Limited, which has a modern Electronic Patient Record 'EPR' System for the healthcare market.

#### Business Review

Turnover for the year ended 31 March 2022 was £23.0m (year ended 31 March 2021: £23.4m). Profit before tax was £6.0m (year ended 31 March 2021: £2.5m) and total shareholders' funds were £9.4m (2021: £6.8m).

The Company won a number of new customers in the year for its Children's social care system, Adults social care system and Education Management system:

- 91 councils now use the Group's children's social care system
- 75 local authorities use the Group's adults' social care system
- 15 customers use the Group's education management system

#### Key performance indicators

The Directors have identified a number of Key performance indicators ("KPIs") which are monitored to ensure the Company is operating in line with or above expectations. The chief among these are:-

Revenue v's forecast  
Management EBITDA and that EBITDA as a % of revenue  
Cash generation from operating activities

Revenue can be seen in the statement of comprehensive income on page 10. EBITDA is defined as earnings before interest, tax depreciation and amortisation. Management EBITDA includes further add backs for share based payment charges of £0.2m (2021: £nil) and management non-underlying items of £nil (2021: £2.0m). Management EBITDA for the year totalled £6.3m and 27% of revenue (2021: £4.5m, 19% of revenue). The cash generated from operating activities is assessed at a Group level, please see Asclepius Topco Limited's accounts for details. These metrics are reported on a monthly basis for the Group both in relation to actual and forecast performance.

# LIQUIDLOGIC LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### **Approach to risk management**

As with any business, Liquidlogic Limited faces a range of risks and uncertainties in the course of its business. It is essential that we identify and manage these risks effectively in order to deliver on our strategic objectives. The board continually reviews and identifies risk and through its own systems and controls, where possible mitigates the risks that may impact our business, prospects, people and financial results.

#### **Market risk**

Pressure on public spending and structure change within the social care sector continues to present challenges and opportunities to the company and its future revenues. The product portfolio of the company means that it is well positioned to support its customers in delivering quality services within the public sector financial constraints. The sales pipeline remained strong but the procurement periods are often long and complex, making forecasting timing of revenue streams inherently difficult to predict.

#### **Product delivery risk**

The Company has built a strong reputation for the successful delivery of its software and services to the UK social care market. However, product development and successful implementation and support pose substantial continuing challenges. Failure to deliver on time to the required quality can result in financial penalties and reputational damage, as well as potential implications for candidate and client safety and confidentiality.

#### **Business systems risk**

The Company needs to ensure that it has appropriate customer facing and internal systems that enable it to transact its business effectively. Best of breed suppliers are used to ensure systems are of appropriate quality. There are also third party audits which review the effectiveness of the Company's systems.

To mitigate this risk, performance is continually monitored against contracted commitments and expectations, and wide range of experienced personnel are deployed to evaluate performance. A project board is appointed for any high risk projects utilising a combination of expertise as appropriate from technical, delivery, finance and commercial resources.

#### **Foreign exchange risk**

The Company is exposed to minimal translation and transaction foreign exchange risk. The Company regularly reviews its exposure to translation risk and where appropriate would minimise this risk by the use of the forward hedge market.

#### **Credit risk**

The Company's principal financial assets are bank balances, and cash, trade and other receivables, and investments.

The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

#### **Liquidity risk**

The Group of which Liquidlogic Limited is a member maintains both short term and long term financial forecasts to monitor its expected liquidity. These forecasts encompass profit and loss account, balance sheet and cashflow statement and are reviewed by the board. They are prepared on both an expected case as well as a downside case which builds in the financial impact of downside risk events. Currently both the expected case and downside case forecasts indicate that the Group expects to make a trading profit, has sufficient cashflow to meet its financial obligations as they fall due, and indicate an appropriate level of headroom in the Group's external debt covenants. Under the terms of the bank loan there are targets based on net debt as a ratio of last twelve months EBITDA. The group also has revolving credit facility in place for any short term liquidity risks.

## **LIQUIDLOGIC LIMITED**

### **STRATEGIC REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2022***

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#### **Modern Slavery**

The Company is committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business. The Anti-slavery policy reflects a commitment to acting ethically and with integrity in all business relationships and to implementing and enforcing effective systems and controls to ensure slavery and human trafficking is not taking place anywhere in the Company's supply chains. The full statement is published on the System C Healthcare Limited website.

On behalf of the board

DocuSigned by:



72DAG662C8C241D.....

J Harston

**Director**

20/12/2022.....

# **LIQUIDLOGIC LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2022**

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The directors present their annual report and the audited financial statements for the year ended 31 March 2022.

#### **Principal activities**

See page 1 for details of the principal activities.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were, unless otherwise stated, as follows:

M Bolton	(Resigned 9 May 2022)
I Denley	(Resigned 9 May 2022)
A Smith	(Resigned 9 May 2022)
J Harston	(Appointed 9 May 2022)
N Wilson	(Appointed 9 May 2022)

#### **Results and dividends**

The results for the year are set out on page 10.

Ordinary dividends were paid amounting to £2,500,000 (2021: £2,500,000). The directors do not recommend payment of a further dividend.

#### **Qualifying third party indemnity provisions**

The Company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date and up to the date of signing.

#### **Research and development**

The Company continues to heavily invest in its product portfolio. Research and development costs were £5.0m during the year (2021: £5.0m) relating to software development.

#### **Future developments**

The Company is dedicated to supporting social care providers in the UK and enabling our partners to achieve their digital strategies. The Company monitors new legislation and ensures its software is developed to support it.

#### **Independent Auditors**

PricewaterhouseCoopers LLP have indicated their willingness to continue in office as auditors of the company and will be proposed for reappointment at the forthcoming Annual General Meeting.

#### **Statement of disclosure to the auditors**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

# LIQUIDLOGIC LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### Going Concern

The Directors have considered the appropriateness of adopting the going concern adoption in preparing these financial statements. Financial forecasts to 31 March 2024 have been prepared for the Asclepius Topco Group of Companies ('the Group'), which encompass a profit and loss account, balance sheet and cashflow statement. A Group forecast has been used for this purpose as the external debt is held at the Group level. At the year end the Group had cash available of £22.2m, and access to a further £10m through a revolving credit facility ("RCF") until 2 December 2027. The Group has external debt of £150m which is subject to various covenant conditions, and on which variable rate interest is payable. This debt is repayable on 2 June 2028. In addition the Group holds shareholder debt totalling £333m of which interest is payable at 10%, but is rolled up into the principal.

The forecasts have been prepared on both an expected case as well as a downside case which builds in the financial impact of downside risk events (such as loss of a significant contracts and reduced new business wins). Both the expected case and downside case forecasts indicate that the group expects to make a trading profit, has sufficient cashflow to meet its financial obligations as they fall due, and indicate an appropriate level of headroom in the Group's external debt covenants and against the available facilities. The RCF is not forecast to be drawn down in either of the base case or downside scenario.

Based on the factors above the Directors consider that the Company has sufficient liquidity for at least the next 15 months post signing the accounts, making it appropriate to adopt the going concern assumption.

On behalf of the board

DocuSigned by:

*Jon Harston*

.....72D7AC882C8C241D.....  
J Harston

Director  
20/12/2022  
.....



# LIQUIDLOGIC LIMITED

## DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2022

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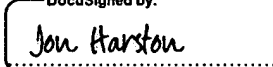
The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 statement of comprehensive income of the company for that year. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 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.

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.

DocuSigned by:  
  
72DAC662C8C241D...

J Harston

Director

20/12/2022  
.....

# **LIQUIDLOGIC LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIQUIDLOGIC LIMITED**

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### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion, Liquidlogic Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Balance sheet as at 31 March 2022; the Statement of comprehensive income and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### **Conclusions relating to going concern**

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## **LIQUIDLOGIC LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIQUIDLOGIC LIMITED (CONTINUED)**

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#### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

#### **Strategic report and Directors' report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 March 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

#### **Responsibilities for the financial statements and the audit**

##### **Responsibilities of the directors for the financial statements**

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

##### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

## **LIQUIDLOGIC LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIQUIDLOGIC LIMITED (CONTINUED)**

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Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to employment legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as UK tax legislation and the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to inappropriate posting of journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluation of management's controls designed to prevent and detect irregularities;
- Review of minutes of meetings of those charged with governance and monthly management reporting;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations which impact revenue, which could manipulate the financial performance of the business; and
- Challenging assumptions and judgements made by management in determining their accounting estimates, in particular in relation to the recognition of contract revenues.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### **Use of this report**

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### **Other required reporting**

##### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

*Matt Palmer*

Matt Palmer (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Birmingham  
20 December 2022

**LIQUIDLOGIC LIMITED****STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	2022 £	2021 £
Turnover	3	23,032,331	23,353,372
Cost of sales		(11,033,695)	(11,154,691)
<b>Gross profit</b>		<b>11,998,636</b>	<b>12,198,681</b>
Administrative expenses		(8,690,394)	(10,631,118)
Other operating income		2,730,978	919,554
<b>Profit before taxation</b>		<b>6,039,220</b>	<b>2,487,117</b>
Tax on profit	6	(1,184,879)	(853,116)
<b>Profit for the financial year</b>		<b>4,854,341</b>	<b>1,634,001</b>

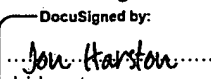
The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

**LIQUIDLOGIC LIMITED****BALANCE SHEET****AS AT 31 MARCH 2022**

	Note	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Intangible assets	8		678		-
Tangible assets	9		62,951		57,182
Investments	10		1		1
			<u>63,630</u>		<u>57,183</u>
<b>Current assets</b>					
Debtors	12	23,208,544		12,760,835	
Cash at bank and in hand		5,736,497		13,192,658	
		<u>28,945,041</u>		<u>25,953,493</u>	
<b>Creditors: amounts falling due within one year</b>	13	(19,566,402)		(19,125,116)	
<b>Net current assets</b>			<u>9,378,639</u>		<u>6,828,377</u>
<b>Total assets less current liabilities</b>			<u>9,442,269</u>		<u>6,885,560</u>
<b>Provisions for liabilities</b>	14		(84,540)		(84,540)
<b>Net assets</b>			<u><u>9,357,729</u></u>		<u><u>6,801,020</u></u>
<b>Capital and reserves</b>					
Called up share capital	18		1,380,291		1,380,291
Share premium account			102,482		102,482
Capital Contribution Reserve			2,002,311		2,002,311
Profit and loss account			5,872,645		3,315,936
<b>Total equity</b>			<u><u>9,357,729</u></u>		<u><u>6,801,020</u></u>

The notes are on pages 13 to 29.

The financial statements were approved by the board of directors and authorised for issue on 20/12/2022 and are signed on its behalf by:

DocuSigned by:  
  
 Jon Harston  
 Director

Company Registration No. 04006349

**LIQUIDLOGIC LIMITED****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	Called up Share Capital £	Share premium account £	Capital contribution reserve £	Profit and Loss Account £	Total Equity £
<b>Balance at 1 April 2020</b>		1,380,291	102,482	-	4,181,935	5,664,708
<b>Year ended 31 March 2021:</b>						
Profit and total comprehensive income for the year		-	-	-	1,634,001	1,634,001
Dividends	7	-	-	-	(2,500,000)	(2,500,000)
Capital Contribution		-	-	2,002,311	-	2,002,311
<b>Balance at 31 March 2021</b>		1,380,291	102,482	2,002,311	3,315,936	6,801,020
<b>Year ended 31 March 2022:</b>						
Profit and total comprehensive income for the year		-	-	-	4,854,341	4,854,341
Dividends	7	-	-	-	(2,500,000)	(2,500,000)
Share based payment		-	-	-	202,368	202,368
<b>Balance at 31 March 2022</b>		1,380,291	102,482	2,002,311	5,872,645	9,357,729

# LIQUIDLOGIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 Accounting policies

##### Company information

LiquidLogic Limited is a private Company limited by shares incorporated in the UK. The registered office is The Maidstone Studios, Vinters Business Park, New Cut Road, Maidstone, Kent, United Kingdom, ME14 5NZ.

The principal activity of the Company continued to be the provision of software and associated services for social care in the UK. Through the effective use of technology, customers are helped to reduce costs and improve the quality of the social care services they provide.

##### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Research and development costs are included within administration costs.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This Company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The Company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the Company as an individual entity and not about its Group.

LiquidLogic Limited is a wholly owned subsidiary of Asclepius Topco Limited and the results of LiquidLogic Limited are included in the consolidated financial statements of Asclepius Topco Limited which are available from 27-28 Clements Lane, London, United Kingdom, EC4N 7AE.



# LIQUIDLOGIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

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#### 1 Accounting policies

(Continued)

##### 1.2. Going concern

The Directors have considered the appropriateness of adopting the going concern adoption in preparing these financial statements. Financial forecasts to 31 March 2024 have been prepared for the Asclepius Topco Group of Companies ('the Group'), which encompass a profit and loss account, balance sheet and cashflow statement. A Group forecast has been used for this purpose as the external debt is held at the Group level. At the year end the Group had cash available of £22.2m, and access to a further £10m through a revolving credit facility ("RCF") until 2 December 2027. The Group has external debt of £150m which is subject to various covenant conditions, and on which variable rate interest is payable. This debt is repayable on 2 June 2028. In addition the Group holds shareholder debt totalling £333m of which interest is payable at 10%, but is rolled up into the principal.

The forecasts have been prepared on both an expected case as well as a downside case which builds in the financial impact of downside risk events (such as loss of a significant contracts and reduced new business wins). Both the expected case and downside case forecasts indicate that the group expects to make a trading profit, has sufficient cashflow to meet its financial obligations as they fall due, and indicate an appropriate level of headroom in the Group's external debt covenants and against the available facilities. The RCF is not forecast to be drawn down in either of the base case or downside scenario.

Based on the factors above the Directors consider that the Company has sufficient liquidity for at least the next 15 months post signing the accounts, making it appropriate to adopt the going concern assumption.

# LIQUIDLOGIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 1 Accounting policies

(Continued)

##### 1.3 Turnover

The Company's business is derived from software licence sales, installation fees, maintenance and support fees. Each element of the customer contract is reviewed for its fair value and recognised in line with the Company's revenue recognition policy, the recognition points are detailed below:

##### **Hosting**

Hosting support revenue is recognised over the term of the contract, any deployment costs associated with hosting set up is recognised in line with the implementation fees.

##### **Implementation fees**

Turnover represents the proportion of contract value applicable to the activity in the year, ascertained by reference to the stage of completion in terms of the manpower required to fulfil the contract.

##### **Support and maintenance**

Support and facilities management services are provided on fixed fee management fees contracts. Turnover is recognised over the period of the contract.

Turnover which has been recognised by the company but has not been invoiced as at the year end is included within accrued income.

Invoices raised in advance of the provision of goods/services to customers are recorded in the balance sheet as deferred income and included within trade payables. Such amounts are recognised in the statement of comprehensive income as those goods/services are provided to the customer.

All turnover arose from the provision of services relating to healthcare information systems.

##### **Software license sales**

For large projects revenue from the sale of software is recognised on a percentage of completion basis according to the proportion of implementation work completed. Typically the revenue will match the project implementation timescale in accordance with specified contract milestones.

##### **Accruals and deferred income**

Any timing between invoice and revenue recognition is recognised on the balance sheet as accrued or deferred income.

##### **Other operating income**

Other operating income is recognised on an accruals basis and consists of cost recharges to its subsidiary entity and R&D tax credit income.

##### 1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Own and contract software

3 to 5 years

# LIQUIDLOGIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 1 Accounting policies (Continued)

##### 1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	3-5 years
Computers	3-5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

##### 1.6 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the Company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

##### 1.7 Impairment of fixed assets

At each balance sheet date investments and other non-financial assets are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset.

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset. Fair value less costs to sell is defined as the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the statement of comprehensive income.

If an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the statement of comprehensive income.

##### 1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand.

# LIQUIDLOGIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 1 Accounting policies

(Continued)

#### 1.9 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

#### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through the statement of comprehensive income, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

# LIQUIDLOGIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 1 Accounting policies

(Continued)

Basic financial liabilities, including creditors, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

### 1.10 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

### 1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

The tax currently payable is based on taxable profit for the financial year. Taxable profit differs from net profit as reported in the Statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset is realised. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

# LIQUIDLOGIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 1 Accounting policies

(Continued)

#### 1.12 Provisions

Provisions are recognised when the Company has a legal or constructive present obligation as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in the statement of comprehensive income in the year in which it arises.

#### 1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the year in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.15 Share-based payments

The group gave senior management the opportunity to invest Asclepius Topco Limited. These shares cannot be traded and must be transferred back to the Company on leaving employment in line with the terms of the Investment and Shareholders' deed. The shares are redeemed on sale of the Group. The fair value of shares is measured at the issue date and is recognised in equity in the share based payment reserve. The number of shares expected to vest is estimated based on the non-market vesting conditions. The estimates are revised at the end of each reporting period and adjustments are recognised in profit or loss and the share based payment reserve. Where shares are forfeited due to failure by the employee to satisfy the service conditions any expenses previously recognised in relation to such shares are reversed effective from the date of the forfeiture. The share based payments are treated as equity settled as there is no obligation for the entity to repurchase the shares.

#### 1.16 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### 1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the Statement of comprehensive income for the year.

# LIQUIDLOGIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 2 Judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The directors do not consider that there are any critical estimates, defined as those estimates where there is a significant risk of a material change in the next twelve months, relevant to these financial statements.

##### Critical judgements

##### Impairment of financial assets

As per the requirements of Section 11 an entity should carry out an assessment to determine if there are objective indicators of impairment of any financial assets, such as significant financial difficulty of the counterparty, a breach of contract or it becomes probable that the debtor will enter bankruptcy. If there is an indicator of impairment a review should be undertaken and provisions recognised as appropriate. Management have performed an assessment for financial assets and noted no requirement for material provisions.

#### 3 Turnover

An analysis of the company's turnover is as follows:

	2022 £	2021 £
<b>Turnover analysed by class of business</b>		
Software & hardware	4,273,107	4,419,059
Services	4,744,861	6,077,526
Support & maintenance	14,014,363	12,856,787
	<u>23,032,331</u>	<u>23,353,372</u>
 Other Operating income	 <u>2,730,978</u>	 <u>919,554</u>
	 2022 £	 2021 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	<u>23,032,331</u>	<u>23,353,372</u>

Included within other operating income is the recharge of expenses incurred by the Company to its subsidiary undertaking Liquidlogic (Australia) Pty Limited of £2,714,269 (2021:£897,602).

**LIQUIDLOGIC LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022****4 Profit before taxation**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Profit for the year is stated after (crediting)/charging		
Exchange (losses)/gains	6,417	(2,801)
Depreciation of owned tangible fixed assets	27,190	48,507
Amortisation of intangible assets	298	842
Share-based payments	202,368	-
Operating lease charges	164,634	263,267

The Group audit fee is borne by System C Healthcare Limited. The group fee for the year ended 31 March 2022 was £203,500 of which £24,000 is relating to the Company and has not been recharged (2021: £180,000). In accordance with SI 2008/489 the company has not disclosed the fees payable to the company's auditors for 'Other services' as this information is included in the consolidated financial statements of Asclepius Topco Limited.

R&D costs for the year were £5,021,021 (2021: £5,045,618).

**5 Employees and directors remuneration**

The average monthly number of persons (including directors) employed by the Company during the year was:

	<b>2022</b>	<b>2021</b>
	<b>Number</b>	<b>Number</b>
Developers and Deployment Services	163	164
Sales, Marketing and Admin	17	18
	<u>180</u>	<u>182</u>

Their aggregate remuneration comprised:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	9,200,696	11,365,835
Social security costs	838,140	1,085,623
Other pension costs	628,912	627,761
	<u>10,667,748</u>	<u>13,079,219</u>

The directors of the company are remunerated by the immediate parent company System C Healthcare Limited. No charges are made to the Company.

Three directors (2021: none) received shares under a long term incentive scheme.



**LIQUIDLOGIC LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022****6 Tax on profit**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax on profits for the current year	1,182,637	862,722
<b>Deferred tax</b>		
Deferred tax adjustments in respect of prior years	2,242	(9,608)
<b>Total tax charge</b>	<b>1,184,879</b>	<b>853,116</b>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit and the standard rate of tax as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Profit before taxation	6,039,220	2,487,117
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	1,147,452	472,552
Tax effect of expenses that are not deductible in determining taxable profit	265	381,987
Permanent capital allowances in excess of depreciation	(3,530)	8,185
Share based payment charge	38,450	-
Deferred tax adjustments in respect of prior years	2,242	(9,608)
<b>Tax charge for the year</b>	<b>1,184,879</b>	<b>853,116</b>

The government announced that the Corporation Tax main rate (for all profits except ring fence profits) for the years starting 1 April 2020, 2021 and 2022 would remain at 19%.

The UK Chancellor of the Exchequer announced on 3 March 2021 as part of the 2021 Budget that the UK Government would be increasing the rate of UK Corporation Tax to 25% from 1 April 2023.

The deferred tax assets of the Company have been calculated based on these assets and liabilities reversing at 25% as this rate was substantively enacted on 24 May 2021, in advance of the Balance Sheet Date.

Had the 25% been substantively enacted on or before 31 March 2021 it would have had the effect of increasing the deferred tax asset by £1,842.

**LIQUIDLOGIC LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022****7 Dividends**

	2022 £	2021 £
Final paid £1.81 per share (2021: £1.81 per share)	2,500,000	2,500,000

**8 Intangible assets**

	Own and contract software £
<b>Cost</b>	
At 1 April 2021	7,921
Additions - separately acquired	976
At 31 March 2022	8,897
<b>Amortisation and impairment</b>	
At 1 April 2021	7,921
Amortisation charged for the year	298
At 31 March 2022	8,219
<b>Carrying amount</b>	
At 31 March 2022	678
At 31 March 2021	-

**9 Tangible assets**

	Fixtures and fittings £	Computers £	Total £
<b>Cost</b>			
At 1 April 2021	270,541	129,191	399,732
Additions	2,036	30,923	32,959
At 31 March 2022	272,577	160,114	432,691
<b>Depreciation and impairment</b>			
At 1 April 2021	242,780	99,770	342,550
Depreciation charged in the year	17,614	9,576	27,190
At 31 March 2022	260,394	109,346	369,740
<b>Carrying amount</b>			
At 31 March 2022	12,183	50,768	62,951
At 31 March 2021	27,761	29,421	57,182

**LIQUIDLOGIC LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022****10 Fixed asset investments**

	<b>Notes</b>	<b>2022 £</b>	<b>2021 £</b>
Investments in subsidiaries	<b>11</b>	<b>1</b>	<b>1</b>
		<b>==</b>	<b>==</b>

**Movements in fixed asset investments**

	<b>Shares in group undertakings £</b>
<b>Cost or valuation</b>	
At 1 April 2021 & 31 March 2022	<b>1</b>
	<b>—</b>
<b>Carrying amount</b>	
At 31 March 2022	<b>1</b>
	<b>==</b>
At 31 March 2021	<b>1</b>
	<b>==</b>

## LIQUIDLOGIC LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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#### 11 Subsidiaries

Details of the company's subsidiaries at 31 March 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
Liquidlogic (Australia) Pty Limited	Australia	Ordinary	100.00	

The registered office of Liquidlogic Australia Pty Limited is KPMG Tower 3, International Towers, Sydney, 300 Barangaroo Avenue, Sydney, NSW 2000.

**LIQUIDLOGIC LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2022****12 Debtors**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	7,799,119	7,920,206
Corporation tax recoverable	11,936	21,052
Amounts owed by group undertakings	12,065,168	1,657,937
Prepayments and accrued income	3,328,730	3,155,807
	<u>23,204,953</u>	<u>12,755,002</u>
Deferred tax asset (note 15)	3,591	5,833
	<u>23,208,544</u>	<u>12,760,835</u>

Amounts owed by group undertakings are non-interest bearing and repayable on demand.

Trade debtors is stated after provisions of £2,935 (2021: £15,945).

**13 Creditors: amounts falling due within one year**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade creditors	1,487,446	1,245,358
Corporation tax	-	123,242
Other taxation and social security	2,226,816	2,957,354
Accruals and deferred income	15,852,140	14,799,162
	<u>19,566,402</u>	<u>19,125,116</u>

Amounts owed to group undertakings are non-interest bearing and repayable on demand.

**14 Provisions for liabilities**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Property dilapidations	<u>84,540</u>	<u>84,540</u>

Movements on provisions:

	<b>Property dilapidations £</b>
At 31 March 2021 and 31 March 2022	<u>84,540</u>

# LIQUIDLOGIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

### 14 Provisions for liabilities

(Continued)

A dilapidations provision is recognised for the present value of costs to be incurred to return the leasehold property to its original form at the date of the next break clause as set out in the relevant lease. The lease relates to the Company's leased office property in Leeds.

### 15 Deferred taxation

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax liability is settled.

	Assets 2022 £	Assets 2021 £
<b>Balances:</b>		
Accelerated capital allowances	(9,840)	(5,425)
Provisions	13,431	11,258
	<u>3,591</u>	<u>5,833</u>
<b>Movements in the year:</b>		£
Asset at 1 April 2021		(5,833)
Charge to profit or loss		2,242
Asset at 31 March 2022		<u>(3,591)</u>

### 16 Retirement benefit schemes

	2022 £	2021 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>628,912</u>	<u>627,761</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

# LIQUIDLOGIC LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2022

#### 17 Share-based payment transactions

The ultimate parent Company Asclepius Topco Group grants certain senior managers the opportunity to buy A3 Ordinary equity shares in Asclepius Topco Limited as an incentivisation mechanism to benefit from an appreciation in enterprise value of the Group. Shares are issued at market value, which is determined annually through a valuation carried out for tax purposes by a third-party firm. The Company uses an EBT which holds the A3 shares on behalf of its employees. The EBT is directed by Company Directors in relation to any purchase or sale of such shares according to the scheme rules. The shares can only be redeemed at market value as the result of a sale of the Company, or if an employee is deemed a "good leaver" when exiting employment with the Group, a status that is at the discretion of the Group's directors. Exiting as a "bad leaver" results in shares being redeemed at cost.

These shares fall under the definition of share based payments under FRS102. A charge of £202,368 has been recognised within administration charges in the accounts. The share based payments are equity settled. The share based payment charge has been allocated across the group based on the divisions the senior managers are employed.

The fair value of the shares issued are £7.15 per share. This has been calculated using the Black Scholes Model based on the future market value of the company, discounted, over a forecast 4 year maturity period using a volatility rate of 25%. The share price on issue was £1.

#### 18 Called up share capital

	2022 £	2021 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
1,339,072 Ordinary, 41,219 A Ordinary shares - 2022 & 2021	1,380,291	1,380,291
<b>Rights attaching to A Ordinary Shares</b>		
Upon issue, the A ordinary shares shall rank pari passu with the ordinary shares as though they were ordinary shares.		

#### 19 Operating lease commitments

##### Lessee

At the reporting end date the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	1,276,243	1,324,980
Between two and five years	1,292,155	2,201,655
	<u>2,568,398</u>	<u>3,526,635</u>

## **LIQUIDLOGIC LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 MARCH 2022**

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#### **20 Related party transactions**

The Company has taken advantage of the exemptions conferred by section 33.1A "Related Party Disclosures" not to make disclosures concerning transactions with entities that are part of the Asclepius Topco Limited group, on the basis that the company is a wholly owned subsidiary of Asclepius Topco Limited Group whose financial statements are publicly available.

During the year services of £824k was supplied to Graphnet Health Limited (2021: purchased £138k) . The balance due from Graphnet Health Limited as at 31 March 2022 is £191k (2021 £24k).

#### **21 Ultimate controlling party**

The Company's immediate parent undertaking is System C Healthcare Limited. The Company's ultimate parent undertaking is Asclepius Holdings Jersey Limited.

The Company's controlling party is CVC Fund VII (Jersey) which consists of the following entities: CVC Capital Partners VII Limited acting in its capacity as general partner of CVC Capital Partners VII (A) L.P., CVC Capital Partners VII Associates L.P. and CVC Partners Investment Europe VII L.P.

The smallest and largest group of which Liquidlogic Limited is a member and for which group financial statements are prepared is that headed by Asclepius Topco Limited, a Company incorporated in England.

The consolidated financial statements for Asclepius Topco Limited are available to the public and may be obtained from its registered office 107 Cheapside, London, EC2V 6DN.

#### **22 Contingent liability**

LiquidLogic Limited is a current Guarantor/provides Security over bank loans provided to Asclepius Bidco Limited, part of the SystemC Healthcare Group of Companies. Guarantors have provided fixed security over shares held in Obligors, material bank accounts and material intra-group receivables, together with an all-assets English law floating charge. The amount of the liability as at 31 March 2022 was £150m.