
CITADEL GROUP AUSTRALIA HOLDINGS II LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

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CITADEL GROUP AUSTRALIA HOLDINGS II LIMITED

COMPANY INFORMATION

Directors	R Miller S Gulab J Martin S Avery M McConnell
Company secretary	J Martin S Chipperfield
Registered Number	12458801
Registered Office	12 Mansfield Hamilton Court Oakham Business Park Mansfield United Kingdom NG18 5FB
Independent Auditor	Grant Thornton UK LLP Chartered Accountant & Statutory Auditor No1 Whitehall Riverside Leeds West Yorkshire LS1 4BN

CITADEL GROUP AUSTRALIA HOLDINGS II LIMITED

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CITADEL GROUP AUSTRALIA HOLDINGS II LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

The directors of Citadel Group Australia Holdings II Limited ("the Company") present their report and the financial statements for the year ended 30 June 2022.

The Company had changed its accounting reference date to 30 June to bring the financial year in line with its ultimate parent company in the previous financial statements, therefore the results for the current year reflect 12 months of activity and the comparative period 17 months.

Within the UK the Company is headed by Citadel Group Australia Holdings I Limited ("Citadel I"), (together "Wellbeing" or "the Group"), with the Group being controlled by Pacific Group Topco Limited ("PGT"), a company incorporated in Australia, on the basis that it holds an indirect controlling interest in the voting rights of the share capital of Citadel I.

Both the Group and PGT share a vision to transform healthcare through world-class technology and innovation and the provision of first-class customer service. Together, they are committed to working in partnership with their customers to make this a reality.

The Group will continue to expand on and enhance its vision to deliver connected healthcare solutions across UK and Ireland healthcare organisations, whilst also supporting international growth in its core specialty areas of radiology, maternity, electronic patient health records and data management. At the same time, it has allowed the Group to successfully widen its existing portfolio into complementary areas, through the addition of market leading pathology and oncology systems from other PGT controlled subsidiaries. Further, this allows the Group to market its core products internationally, opening up new international channels to market.

Over the past 12 months, the Group has further invested in the development of its core software products, whilst also offering customers proven solutions in other critical healthcare disciplines, from a single specialist vendor.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

Results and dividends

The profit for the year, after taxation, amounted to £9,727,452 (2021: £9,202,848).
The directors have not proposed a dividend for the year (2021: £nil).

Directors

The directors who served during the year and to the date of this report were:

R Miller (appointed 1 May 2022)
S Gulab
J Martin
S Avery (appointed 3 January 2022)
M McConnell
C Yeowart (resigned 1 April 2022)

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, including FRS 101 'Reduced Disclosure Framework'). 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 and profit or loss of the Company for that year.

CITADEL GROUP AUSTRALIA HOLDINGS II LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

Directors' responsibilities statement (continued)

In preparing these financial statements, the directors are required to:

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Post balance sheet events

There have been no significant events affecting the Company since the year end other than the on-going impact of the Covid-19 pandemic. In the period since 30 June, the impact remains minimal and the Company continues to deliver consistently high service levels to its customers.

Going concern

The financial statements have been prepared on a going concern basis. The directors have taken note of the guidance issued by the Financial Reporting Council on Going Concern Assessment in determining that this is the appropriate basis of preparation of the financial statements and have considered a number of factors.

The directors have considered the ongoing impact of the Covid-19 outbreak on the Group, the Group's cash position and the Group's net assets position, making appropriate assessments and reviewing forecasts of future trading levels and cash flows covering at least 12 months from the date of approval of these accounts. Given the nature of the business and the close alignment to the NHS and its strategic objectives, its strong cash position and the limited impact experienced to date, the directors believe the impact to be minimal. Staff have all worked flexibly and communication with customers and suppliers has continued on-line. There has been no material impact on the Company to date. Due to the nature of the service in supporting population health management and risk stratification, demand has been strong and is expected to continue. The nature of the revenue is that there is a large recurring revenue stream with strong positive cash flow in the service provided to existing customers which has had minimal impact from the ongoing impact of the Covid-19 outbreak.

Whilst there is some dependency on third party system suppliers, the nature of their business is core to the NHS and as such have been fully available. Therefore, this has not impacted the Group's business.

The Group therefore has adequate resources both in terms of the cash reserves and facilities available within the PGT group to support the Company over the next 12 months.

CITADEL GROUP AUSTRALIA HOLDINGS II LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

Governance of tax matters

All transactions undertaken by the Company have a business purpose and a commercial rationale. The Company does not engage in aggressive tax planning and does not implement structures purely for tax planning purposes. In relation to tax compliance, it is the policy of the Company to comply fully with all of the applicable tax rules, regulations and disclosure requirements in all territories in which it operates; submit all tax returns by their due dates in line with local laws; and pay all applicable taxes as they fall due. The Company uses appropriately qualified and trained employees to look after the Company's tax affairs and uses external advisors as appropriate.

Financial instruments

The Group's operations expose it to a variety of financial risks including the effects of changes in interest rates, foreign currency exchange rates, credit risk and liquidity risk.

The Group's principal financial instruments comprise cash and loans together with trade receivables and trade payables that arise directly from its operations.

Information about the use of financial instruments by the Group is given in note 23 of the consolidated financial statements included within Citadel I.

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors 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 the Company's auditor is aware of that information.

Auditor

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

This report was approved by the board on 2 November 2022 and signed on its behalf.

Suryash Gulab

S Gulab
Director

CITADEL GROUP AUSTRALIA HOLDINGS II LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CITADEL GROUP AUSTRALIA
HOLDINGS II LIMITED

Opinion

We have audited the financial statements of Citadel Group Australia Holdings II Limited (the 'Company') for the year ended 30 June 2022, which comprise Statement of Profit and Loss and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

CITADEL GROUP AUSTRALIA HOLDINGS II LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CITADEL GROUP AUSTRALIA
HOLDINGS II LIMITED (CONTINUED)**

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

CITADEL GROUP AUSTRALIA HOLDINGS II LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CITADEL GROUP AUSTRALIA
HOLDINGS II LIMITED (CONTINUED)**

Responsibilities of 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 and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

Auditor's 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 auditor's 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (United Kingdom Generally Accepted Accounting Practice and the Companies Act 2006) and the relevant tax regulations.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to:
 - o journal entries that reclassified costs from the income statement to the balance sheet;
 - o potential management bias in determining accounting estimates, especially in relation to their assessment of the valuation of investments; and
 - o transactions with related parties.

CITADEL GROUP AUSTRALIA HOLDINGS II LIMITED


INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CITADEL GROUP AUSTRALIA
HOLDINGS II LIMITED (CONTINUED)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

- Assessment of the appropriateness of the collective competence and capabilities of the engagement team including consideration of the engagement team's:
 - o understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
 - o knowledge of the industry in which the client operates;
 - o understanding of the legal and regulatory requirements specific to the entity including:
 - the provisions of the applicable legislation
 - guidance issued by relevant authorities that interprets those rules
 - the applicable statutory provisions
- Team communications in respect of potential non-compliance with laws and regulations and fraud.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - o the entity's operations, including the nature of its revenue sources, products and services and of its objectives and strategies to understand the classes of transactions; account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement;
 - o the applicable statutory provisions;
 - o the entity's control environment, including the policies and procedures implemented to comply with the requirements of its regulator, including the adequacy of the training to inform staff of the relevant legislation, rules and other regulations of the regulator, the adequacy of procedures for authorisation of transactions, internal review procedures over the entity's compliance with regulatory requirements, the authority of, and procedures to ensure that possible breaches of requirements are appropriately investigated and reported.
- these audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

Use of our report

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.



Andrew Wood
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Leeds
2 November 2022

CITADEL GROUP AUSTRALIA HOLDINGS II LIMITED

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

		12 months ended 30 June 2022 £	17 months ended 30 June 2021 £
	Note		
Other income		1,268	-
Underlying operating profit		1,268	-
Exceptional administrative income/ (expenses)	3	1,257,199	(653,789)
Total administrative income/ (expenses)		1,258,467	(653,789)
Operating profit/ (loss)	3	1,258,467	(653,789)
Interest receivable and similar income	5	9,845,203	11,173,831
Interest payable and similar income	6	(1,376,218)	(1,317,194)
Profit before tax		9,727,452	9,202,848
Tax on profit	7	-	-
Profit after tax		9,727,452	9,202,848
Other comprehensive income:			
Total comprehensive income for the year		9,727,452	9,202,848

The notes on pages 11 to 19 form part of these financial statements.

CITADEL GROUP AUSTRALIA HOLDINGS II LIMITED

BALANCE SHEET
AS AT 30 JUNE 2022

	Note	30 June 2022 £	30 June 2021 £
Fixed assets			
Investments	8	4,640,448	4,640,448
Current assets and liabilities			
Debtors	9	119,236,447	109,391,244
Creditors: amounts falling due within one year	10	<u>(4,944,169)</u>	<u>(3,144,504)</u>
Net current assets		114,292,278	106,246,740
Total assets less current liabilities		118,932,726	110,887,188
Creditors: amounts falling due after more than one year	11	<u>(19,493,120)</u>	<u>(21,175,034)</u>
Net assets		99,439,606	89,712,154
Capital and reserves			
Called up share capital	12	80,509,305	80,509,305
Retained earnings	13	<u>18,930,301</u>	<u>9,202,849</u>
		99,439,606	89,712,154

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 2 November 2022.

Srinivas Gulab

S Gulab
Director

The notes on pages 11 to 19 form part of these financial statements.

CITADEL GROUP AUSTRALIA HOLDINGS II LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Called up share capital £	Retained earnings £	Total Equity £
As at 1 July 2021	80,509,305	9,202,849	89,712,154
Total comprehensive income for the year	-	9,727,452	9,727,452
As at 30 June 2022	80,509,305	18,930,301	99,439,606

	Called up share capital £	Retained earnings £	Total Equity £
As at incorporation	100	-	100
Citadel Health Limited acquisition share issue	80,509,205	-	80,509,205
Total comprehensive income for the period	-	9,202,849	9,202,849
As at 30 June 2021	80,509,305	9,202,849	89,712,154

The notes on pages 11 to 19 form part of these financial statements.

CITADEL GROUP AUSTRALIA HOLDINGS II LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

1. General Information

The Company was incorporated in England and Wales as a holding company. The registered office of the Company during the financial year was I2 Mansfield Hamilton Court, Oakham Business Park, Mansfield, United Kingdom, NG18 5FB.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company's functional and presentational currency is GBP.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 2.15).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 101 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Citadel Group Australia Holdings I Limited as at 30 June 2022 and these financial statements may be obtained from I2 Mansfield Hamilton Court, Oakham Business Park, Mansfield, United Kingdom, NG18 5FB.

2.3 Exemption from preparing consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of a parent undertaking, Citadel Group Australia Holdings I Limited, established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

CITADEL GROUP AUSTRALIA HOLDINGS II LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

2. Accounting policies (continued)

2.4 Going concern

The financial statements have been prepared on a going concern basis. The directors have taken note of the guidance issued by the Financial Reporting Council on Going Concern Assessment in determining that this is the appropriate basis of preparation of the financial statements and have considered a number of factors.

The directors have considered the ongoing impact of the Covid-19 outbreak on the Group, the Group's cash position and the Group's net assets position, making appropriate assessments and reviewing forecasts of future trading levels and cash flows covering at least 12 months from the date of approval of these accounts. Given the nature of the business and the close alignment to the NHS and its strategic objectives, its strong cash position and the limited impact experienced to date, the directors believe the impact to be minimal. Staff have all worked flexibly and communication with customers and suppliers has continued on-line. There has been no material impact on the Company to date. Due to the nature of the service in supporting population health management and risk stratification, demand has been strong and is expected to continue. The nature of the revenue is that there is a large recurring revenue stream with strong positive cash flow in the service provided to existing customers which has had minimal impact from the ongoing impact of the Covid-19 outbreak.

Whilst there is some dependency on third party system suppliers, the nature of their business is core to the NHS and as such have been fully available. Therefore, this has not impacted the Group's business.

Intercompany debt is recoverable on demand and management have confirmed with the corresponding company that dependant on the Group's cash requirements that these will not be called upon in the 12 months from the date of signing these accounts.

The Group therefore has adequate resources both in terms of the cash reserves and facilities available within the PGT group to support the Company over the next 12 months.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of no more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

CITADEL GROUP AUSTRALIA HOLDINGS II LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

2. Accounting policies (continued)**2.8 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not market rate, or in case of a short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary shares are measured:

- at fair value with changes recognised in the Statement of Profit and Loss and Other Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting year for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Profit and Loss and Other Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the Balance Sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

CITADEL GROUP AUSTRALIA HOLDINGS II LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

2. Accounting policies (continued)

2.10 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Profit and Loss and Other Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.11 Finance costs

Finance costs are charged to the Statement of Profit and Loss and Other Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 Interest income

Interest income is recognised in the Statement of Profit and Loss and Other Comprehensive Income using the effective interest method.

2.13 Borrowing costs

All borrowing costs are recognised in the Statement of Profit and Loss and Other Comprehensive Income in the year in which they are incurred.

2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Profit and Loss and Other Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date in the countries where the Company operates and generates income.

2.15 Judgements in applying accounting policies and key sources of estimation uncertainty

Exceptional items

The Company discloses exceptional items being those material items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, merit separate presentation to allow shareholders to understand better the elements of financial performance in the year, so as to facilitate comparison with prior years and to better assess trends in financial performance.

CITADEL GROUP AUSTRALIA HOLDINGS II LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022**3. Operating loss**

The operating loss is stated after charging:

	12 months ended 30 June 2022 £	17 months ended 30 June 2021 £
Exceptional item - Release of outstanding intercompany balances	(1,257,199)	-
Exceptional item - Integration costs	-	653,789

Exceptional item - Release of outstanding intercompany balances relates to the release of intercompany loan balances through the ongoing corporate structure reorganisation undertaken by the Group.

Exceptional item - Integration costs include costs that relate to work that was required to be performed purely as a result of the Citadel I & PGT acquisition of the Group.

The audit and tax advisory fees for the Company have been borne by another Company in the Group headed by Citadel Group Australia Holdings I Limited, incorporated in England and Wales.

4. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2021 - £nil).

5. Interest receivable and similar income

	12 months ended 30 June 2022 £	17 months ended 30 June 2021 £
Interest receivable from group companies	<u>9,845,203</u>	<u>11,173,831</u>

6. Interest payable and similar expenses

	12 months ended 30 June 2022 £	17 months ended 30 June 2021 £
Interest payable to group companies	236,937	-
Loan interest payable	<u>1,139,281</u>	<u>1,317,194</u>
	<u>1,376,218</u>	<u>1,317,194</u>

Loan interest payable includes £1,139,281 (2021: £657,358) which relates to intercompany loan interest payable.

CITADEL GROUP AUSTRALIA HOLDINGS II LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

7. Taxation

	12 months ended 30 June 2022 £	17 months ended 30 June 2021 £
Total current tax	-	-
Origination and reversal of timing differences	-	-
Adjustments in respect of prior periods	-	-
Total deferred tax	-	-

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	12 months ended 30 June 2022 £	17 months ended 30 June 2021 £
Profit on ordinary activities before tax	<u>9,727,452</u>	<u>9,202,848</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	<u>1,848,216</u>	<u>1,748,541</u>
Effects of:		
Expenses not deductible for tax purposes	(238,868)	(2,123,028)
Group relief not paid for	<u>(1,609,348)</u>	<u>374,487</u>
Total tax charge for the year	<u>-</u>	<u>-</u>

CITADEL GROUP AUSTRALIA HOLDINGS II LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

8. Fixed asset investments

Investments
in subsidiary
companies
£

Cost or valuation

At 1 July 2021/ at 30 June 2022

4,640,448

Net book value

At 30 June 2022/ at 30 June 2021

4,640,448

Direct subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Citadel Group Australia Holdings III Limited	Ordinary	100%	Holding company

Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Citadel Health Limited	Ordinary	100%	Holding company
Wellbeing Software Holdings Limited	Ordinary	100%	Holding company
0869053 Limited	Ordinary	100%	Holding company
Wellbeing Software Group Ltd	Ordinary	100%	Holding company
Wellbeing Software Limited	Ordinary	100%	Provision and maintenance of computer software
Apollo Medical Software Solutions Ltd	Ordinary	100%	Provision and maintenance of computer software
EuroKing Maternity Software Solutions Ltd	Ordinary	100%	Provision and maintenance of computer software
e-Health Innovations Ltd	Ordinary	100%	Provision and maintenance of computer software

The registered office of all direct and indirect subsidiary undertakings during the year was 12 Mansfield Hamilton Court, Oakham Business Park, Mansfield, United Kingdom, NG18 5FB.

CITADEL GROUP AUSTRALIA HOLDINGS II LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022

9. Debtors: amounts falling due within one year

	30 June 2022 £	30 June 2021 £
Amounts owed by group undertakings	119,236,347	109,391,144
Other debtors	100	100
	<u>119,236,447</u>	<u>109,391,244</u>

Amounts owed by group undertakings are unsecured, accrue interest at a rate of 5.5% (2021: 5.5%) and are repayable on demand. Loan balance outstanding with Citadel Group Australia Holdings III Limited accrues interest at a rate of 9% (2021: 9%).

10. Creditors: Amounts falling due within one year

	30 June 2022 £	30 June 2021 £
Amounts owed to group undertakings	4,544,885	2,487,146
Other creditors	399,284	657,358
	<u>4,944,169</u>	<u>3,144,504</u>

Amounts owed to group undertakings are unsecured, accrue interest at a rate of 5.5% (2021: 5.5%) and are repayable on demand.

Other creditors balance relates to loan interest payable.

11. Creditors: Amounts falling due after more than one year

	30 June 2022 £	30 June 2021 £
Loan notes	<u>19,493,120</u>	<u>21,175,034</u>

The loan notes are intercompany and accrue at an interest rate of 5% + BBSY (2021: 5% + BBSY).

CITADEL GROUP AUSTRALIA HOLDINGS II LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2022**12. Share capital**

	30 June 2022 £	30 June 2021 £
Share classified as equity		
Allotted, called up and fully paid		
80,509,305 Ordinary shares of £1 each	<u>80,509,305</u>	<u>80,509,305</u>

13. Reserves**Retained earnings**

This includes all current and prior year retained profits and losses.

14. Controlling party

The Group is controlled by Pacific Group Topco Limited on the basis that it indirectly held a controlling interest in the voting rights of the share capital of Citadel Group Australia Holdings I Limited.

The immediate parent company is Citadel Group Australia Holdings I Limited, a company incorporated in England and Wales, by virtue of its 100% ownership of the Company's ordinary share capital. The ultimate parent undertaking is Pacific Group Topco Limited, a company incorporated in Australia. The financial statements of Pacific Group Topco Limited include Citadel Group Australia Holdings I Limited, and copies of these financial statements can be obtained from Level 31, 126-130 Phillip Street, Sydney NSW 2000, Australia.