

Allscripts Healthcare (IT) UK Ltd
Annual report and Financial statements
for the year ended 31 December 2019

Registered number: 07584643



Allscripts Healthcare (IT) UK Ltd

Company Information

Director	R Poulton
Secretary	E L Jacobson
Registered Number	07584643
Registered office	Battersea Studios Unit F6 Bs1 80 Silverthorne Road London SW8 3HE
Auditors	Grant Thornton UK LLP Chartered Accountants & Registered Auditors 4 Hardman Square, Spinningfields Manchester M3 3EB
Bankers	Bank of America Merrill Lynch 2 King Edward Street, London. EC1A 1HQ

Allscripts Healthcare (IT) UK Ltd

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Allscripts Healthcare (IT) UK Ltd**Strategic report****For the year ended 31 December 2019****Business review**

This year has been challenging with a trading loss of £27k (loss of £11,848K). The company's core market sectors remain highly competitive. The revenue is expected to decrease in 2020 compared to 2019 mainly due to Covid.

Principal activity

The principal activity of the company is to provide clinical, financial, connectivity, and information solutions and related professional services that empower hospitals, physician practices, and post-acute organizations.

Key performance indicator

The company's key performance indicators during the year were its new orders taken. The company turnover in 2019 is £17,612k (2018: £14,964k). In 2019 Allscripts UK had an order book of £24.6M compared to £11.4M order book in 2018.

Principal risks and uncertainties

The main risks the company is exposed to are; liquidity risk, price risk, credit and Brexit risk.

Liquidity risk

The company seeks to manage liquidity risk by ensuring sufficient liquidity is available to meet foreseeable needs.

Price risk

The company constantly reviews both prices and supply of appropriately qualified labour, its key productive resource and adopts recruitment and retention policies to ensure that it is competitive and can attract sufficient suitable resources.

Credit risk

The company's credit risk is primarily attributable to trade debtors. The company makes both trade enquiries and credit checks on all companies and institutions where it extends credit facilities.

Brexit risk

Brexit could pose a lot of forex risk due to the intercompany arrangement with the parent entity.

This report was approved by the board on 29/1/2021 and signed on its behalf.

Rick Poulton

R Poulton
Director

Allscripts Healthcare (IT) UK Ltd**Director's report
For the year ended 31 December 2019**

The director presents his report and the audited financial statements of the company for the year ended 31 December 2019.

Results and dividends

The company made a loss for the year of £27k (2018 : loss of £11,848k). No dividends were paid or proposed.

Going Concern

After reviewing the company's forecasts and projections, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, being a period of not less than 12 months from the date of approval of these financial statements. On this basis, and on the confirmation that continued financial support will be available from Allscripts Healthcare Solutions Inc., the director has concluded that it is appropriate to prepare the financial statements on a going concern basis. The support has been formally notified to the director.

Covid-19 Impact

The global outbreak of the novel coronavirus (COVID-19) has severely restricted the level of economic activity around the world and the degrees of any economic recovery in various jurisdictions have not been linear. We have been carefully monitoring the COVID-19 pandemic in UK & its impact on the wider group. We are conducting business with certain modifications to employee travel, employee work locations, and cost reduction initiatives, among other modifications. We will continue to actively monitor the situation and may take further actions that alter our business operations.

The COVID-19 pandemic negatively impacted revenue in the quarters post year end as we saw delays in deals with upfront software revenue and professional services implementations across our inpatient and outpatient base. We also implemented cost actions that included headcount reductions and temporary salary measures. We believe our cost reduction actions and liquidity serve to position us appropriately and provide operating and financial flexibility to assist us in navigating through this uncertain environment.

The extent to which the COVID-19 outbreak impacts the Company's results of operations and financial condition will depend on future developments that are highly uncertain and cannot be predicted. Allscripts UK has received the letter of support from the parent company Allscripts Healthcare Solutions Inc which pledges support for a 12 months from the date of signing of the financial statements which has formed the basis of our going concern assessment

Directors

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

R Poulton (appointed on 30 Apr 2020)

D Olis (resigned on 31st Mar 2020)

Director's responsibilities statement

The directors are responsible for preparing the Strategic Report and 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 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 period. 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;
- 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.

Qualifying third party indemnity provisions

The Company has indemnified, by means of directors' and officers' liability insurance, one or more directors of the Company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third-party indemnity provision was in force during the year and is in force as at the date of approving the director's report.

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.

Absence of Director

During the period of March 31, 2020 through April 30, 2020, Allscripts Healthcare UK IT Limited erroneously did not have a named Director. This was identified and resolved by appointing Rick Poulton as a Director in Allscripts Healthcare UK IT Limited as soon as it was practical (30th Apr 2020). During this period there were no decisions required for Director. Oversight & governance was provided by Allscripts Healthcare Solutions Inc as Allscripts Healthcare UK IT Limited is a wholly owned subsidiary of Allscripts Healthcare Solutions Inc.

Future developments

The future developments of the company have been described in the business review section in the strategic report. The projection for next year is low on revenue mainly due to Covid.

Independent Auditors

The auditors, 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 29/1/2021 and signed on its behalf.

Rick Poulton

R Poulton
Director

Allscripts Healthcare (IT) UK Ltd**Independent auditor's report to the members of Allscripts Healthcare (IT) UK Ltd****Opinion**

We have audited the financial statements and Statement of changes in Equity of Allscripts Healthcare (IT) UK Ltd (the 'company') for the year ended 31 December 2019, which comprise Statement of Income and Retained Earnings, Statement of Financial Position 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 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (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 31 December 2019 and of its loss 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.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardized firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you were:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual 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 strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

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

In the 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 strategic report or the director's 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.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 6, 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.

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.

Grant Thornton UK LLP

Michael Lowe

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

Manchester

Date 29/1/2021

Allscripts Healthcare (IT) UK Ltd
Statement of Income and Retained Earnings

for the year ended 31 December 2019

		2019	2018
	Note	£000	£000
Turnover	2	17,612	14,964
Cost of sales		<u>(8,220)</u>	<u>(8,637)</u>
		9,392	6,327
Gross profit			
Administrative expenses		<u>(8,483)</u>	<u>(17,427)</u>
Operating profit / (loss) on ordinary activities before Interest	3	909	(11,100)
Interest Income		117	-
Interest Expense	12	<u>(1,053)</u>	<u>(748)</u>
Profit / (Loss) before tax		(27)	(11,848)
Tax on loss on ordinary activities	6	<u>-</u>	<u>-</u>
Loss for the financial year		<u>(27)</u>	<u>(11,848)</u>
Retained Earnings:			
Retained earnings at 1 January		(24,188)	(12,340)
Loss for the year		<u>(27)</u>	<u>(11,848)</u>
Retained earnings as at 31 December		<u>(24,215)</u>	<u>(24,188)</u>

The notes on pages 14 to 27 form part of these financial statements.

Allscripts Healthcare (IT) UK Ltd

Registered number: 07584643

Statement of Financial Position

as at 31 December 2019

	Note	2019 £000	2018 £000
Fixed assets			
Tangible assets	7	94	188
Intangible assets	8	8	27
		<u>102</u>	<u>215</u>
Current assets			
Debtors due within one year	9	12,923	13,203
Debtors amount after one year	9	1,276	16
Cash at bank	10	<u>1,472</u>	<u>463</u>
		15,671	13,682
Creditors amounts falling due within one year	11	<u>(20,350)</u>	<u>(10,909)</u>
Net current assets (liabilities)		(4,678)	2,773
Total assets less current liabilities		<u>(4,576)</u>	<u>2,988</u>
Creditors amounts falling due after more than one year	12	<u>(17,505)</u>	<u>(27,176)</u>
Net liabilities		<u>(22,081)</u>	<u>(24,188)</u>
Capital and reserves			
Called up share capital			
Capital Contribution	13	2,134	
Retained deficit	14	<u>(24,215)</u>	<u>(24,188)</u>
Shareholders' deficit		<u>(22,081)</u>	<u>(24,188)</u>

The financial statements were approved and authorized for issue by the board and were signed on its behalf on
29/1/2021

Rick Poulton

R Poulton
Director

The notes on pages 14 to 27 form part of these financial statements.

Allscripts Healthcare (IT) UK Ltd**Statement of Changes in Equity****for the year ended 31 December 2019**

	Note	Capital contribution £000	Retained earnings £000	Total equity £000
At 1 January 2019		-	(24,188)	(24,188)
Comprehensive income for the year				
Loss for the year		-	(27)	(27)
Total comprehensive income for the year		-	(27)	(27)
Capital contribution	13	2,134	-	2,134
At 31 December 2019		2,134	(24,215)	(22,081)

During the year, £2,134k of loans owed to Allscripts Healthcare Solutions LLC were waived. This has been accounted for as a capital contribution and so recognised directly in equity.

for the year ended 31 December 2018

	Note	Capital contribution £000	Retained earnings £000	Total equity £000
At 1 January 2018		-	(12,340)	(12,340)
Comprehensive income for the year				
Loss for the year		-	(11,848)	(11,848)
Total comprehensive income for the year		-	(11,848)	(11,848)
At 31 December 2018		-	(24,188)	(24,188)

The notes on pages 14 to 27 form part of these financial statements.

Allscripts Healthcare (IT) UK Ltd**Notes to the financial statements****for the year ended 31 December 2019****1. Accounting policies****Legal status**

Allscripts Healthcare (IT) UK Ltd is a Limited company incorporated in England. Its registered office is Battersea Studios, Unit F6 Bs1, 80 Silverthorne Road, London , SW8 3HE. Its principal activity of the company is to provide clinical, financial, connectivity, and information solutions and related professional services that empower hospitals, physician practices, and post-acute organizations.

Basis of preparation of financial statements

The financial statements have been prepared on the going concern basis under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in Sterling, the functional currency.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

Financial reporting standard 102- reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements as permitted by the FRS102 "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 33 Related Party Disclosures paragraph 33.7

This information is included in the consolidated financial statements of Allscripts Healthcare Solutions Inc. as at 31 December 2019.

Allscripts Healthcare (IT) UK Ltd
Notes to the financial statements
for the year ended 31 December 2019

1. Accounting policies (continued)

Going Concern

After reviewing the company's forecasts and projections, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, being a period of not less than 12 months from the date of approval of these financial statements. On this basis, and on the confirmation that continued financial support will be available from Allscripts Healthcare Solutions Inc., the director has concluded that it is appropriate to prepare the financial statements on a going concern basis. The support has been formally notified to the director.

Turnover and revenue recognition

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

Revenue from licensing arrangements in some products is recognized when the contractual obligations have been met.

Revenue from maintenance and support services is recognized over the term of the support agreement. Revenue from the sale of equipment and software is recognized when the economic risks and rewards are transferred to the third party.

Allscripts Healthcare (IT) UK Ltd**Notes to the financial statements****for the year ended 31 December 2019****1. Accounting policies (continued)****Tangible fixed assets**

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets over their expected useful lives, using the straight-line method. The rates applicable are:

- Leasehold improvements – Useful life of the lease 3-4 years (33.33% -25%)
- Plant & machinery – 7 years (14.28%)
- Computer Equipment – 3-5 years (33.33 % - 20%)

Debtors

Trade receivables are non-interest bearing and are generally on 30 to 60 days terms. They are recognized at their original invoice amounts which represent their value on initial recognition. Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment records.

Cash

Cash & cash equivalents comprise cash and bank balances. Cash is denominated in GBP.

Creditors

Trade payables are non-interest bearing and are generally on 30 to 60 days terms. They are recognized at their original invoice amounts which represent their value on initial recognition

Intangible assets

Intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses.

Amortization is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortized over the following useful economic lives:

- Software – 3 years (33.33%)

Allscripts Healthcare (IT) UK Ltd**Notes to the financial statements****for the year ended 31 December 2019****1. Accounting policies (continued)****Impairment of assets**

At each reporting date assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Operating lease

Rentals under operating leases are charged to the statement of income and retained earnings on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognized on a straight-line basis over the length of the lease term.

Investments

Investments held as fixed assets are held at cost less any provision for impairment.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange gains and losses are recognized in profit and loss.

Pensions

The company operates a defined contribution scheme for its employees. The assets of the scheme are held in separately administered funds held independently of the company. Contributions paid in the period are charged to profit and loss.

Allscripts Healthcare (IT) UK Ltd**Notes to the financial statements****for the year ended 31 December 2019****1. Accounting policies (continued)****Taxation and Deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognized in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognized as other comprehensive income or to an item recognized directly in equity is also recognized 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 reporting date in the countries where the company operates and generates income

Deferred taxation is recognized for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Deferred tax is recognized in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognized to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is recognized when income or expenses from a subsidiary or associate have been recognized, and will be assessed for tax in a future period, except where:

- the company is able to control the reversal of the timing difference; and
- it is probable that the timing difference will not reverse in the foreseeable future.

A deferred tax liability or asset is recognized for the additional tax that will be paid or avoided in respect of assets and liabilities that are recognized in a business combination. The amount attributed to goodwill is adjusted by the amount of deferred tax recognized.

With the exception of changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Allscripts Healthcare (IT) UK Ltd
Notes to the financial statements
for the year ended 31 December 2019

1. Accounting policies (continued)

Taxation and Deferred taxation

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if the group has a legally enforceable right to set off current tax assets against current tax liabilities, and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously.

Financial Instruments

Basic financial assets, including trade, other receivables, cash and bank balances are initially recognized at transaction price, 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.

Basic financial liabilities, including trade and other payables and loans from parent company are initially recognized at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgement and estimate. The items in the financial statements where these judgements and estimates have been made include:

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes.

Revenue from the rendering of services is recognized by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs. Revenue is only recognized to the extent of recoverable expenses when the outcome of a contract cannot be estimated reliably.

Allscripts Healthcare (IT) UK Ltd**Notes to the financial statements****for the year ended 31 December 2019****1. Accounting policies (continued)****Depreciation/ amortization**

Tangible assets are measured at cost less accumulated depreciation and any impairment losses.

Intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses.

2. Turnover

All the company's turnover is attributable to its principal activity and arose within the United Kingdom. In respect of long-term contracts and contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognized by reference to the stage of completion.

The amount attributable to the provision for services are £5,746k (2018: £5,029k) and for products are £11,866k (2018: £9,935k).

3. Operating Profit

The Operating Profit is stated after charging / (crediting):

	2019	2018
	£000	£000
Auditors' remuneration- fees payable to the company's auditor for the audit of the company's financial statements.	43	22
Depreciation of tangible fixed assets	70	200
Amortization of intangibles	19	798
Operating lease charges: Land and buildings	467	676
Impairment of goodwill	-	2,225
Impairment of other tangibles	-	4,487
Difference on foreign exchange	(324)	523

Allscripts Healthcare (IT) UK Ltd**Notes to the financial statements****for the year ended 31 December 2019****4. Directors' remuneration**

The directors did not receive or waive any remuneration in respect of their services to the company (2018: £nil). The directors were remunerated by Allscripts Healthcare Solutions Inc. the ultimate parent company, and no amounts will be recharged to the company.

5. Staff costs

Staff costs were as follows:

	2019	2018
	£000	£000
Wages and salaries	7,167	7,788
Social security costs	1,017	1,000
Pension cost	344	370
	<u>8,528</u>	<u>9,158</u>

The average monthly number of employees expressed as full-time equivalents during the year was as follows:

	2019	2018
	No.	No.
Selling	16	17
Administration	4	4
Services	85	88
	<u>105</u>	<u>109</u>

Allscripts Healthcare (IT) UK Ltd**Notes to the financial statements****for the year ended 31 December 2019****6. Taxation**

	2019	2018
	£000	£000
Current tax:		
UK corporation tax (credit) / charge for the year	-	-
Deferred tax		
Total deferred tax	-	-
Tax on (loss) on ordinary activities	<u>-</u>	<u>-</u>

Factors affecting tax charge for the period

The standard rate of corporation tax in the UK was 19%. Accordingly, the company's results for this financial year are taxed at an effective rate of 19%. The tax assessed for the year is lower than the standard rate of UK corporation tax of 19% (2018: 19%) and the differences are explained below.

	2019	2018
	£000	£000
Profit/(Loss) on ordinary activities before tax	<u>(27)</u>	<u>(11,848)</u>
Profit/(Loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 – 19%)	(5)	(2,251)
<i>Effects of:</i>		
Expenses not deductible	45	1,036
Tax rate changes	-	-
Deferred tax not provided	(40)	1,215
Rounding	<u>-</u>	<u>-</u>
Total tax credit for the period (see note above)	<u>-</u>	<u>-</u>

Allscripts Healthcare (IT) UK Ltd**Notes to the financial statements****for the year ended 31 December 2019****7. Tangible fixed assets**

	Building and short term leasehold improvements £000	Computer equipment, plant and machinery £000	Total £000
Cost:			
At 1 January 2019	262	1,106	1,368
Additions		50	50
Disposals		(125)	(125)
At 31 December 2019	<u>261</u>	<u>1,032</u>	<u>1,293</u>
Depreciation:			
At 1 January 2019	261	919	1,180
Charged during the year		70	70
Disposals		(51)	(51)
At 31 December 2019	<u>261</u>	<u>938</u>	<u>1,199</u>
Net book value:			
At 31 December 2019		94	94
At 31 December 2018	<u>1</u>	<u>187</u>	<u>188</u>

Allscripts Healthcare (IT) UK Ltd**Notes to the financial statements****for the year ended 31 December 2019****8. Intangible assets and goodwill**

	Software £000	Customer relationship £000	Acquired technology £000	Goodwill £000	Total £000
Cost:					
At 1 January 2019	67	3,008	2,475	2,781	8,331
Additions	-	-	-	-	-
At 31 December 2019	67	3,008	2,475	2,781	8,331
Amortisation					
At 1 January 2019	40	3,008	2,475	2,781	8,304
Provided during the year	19	-	-	-	19
At 31 December 2019	59	3,008	2,475	2,781	8,323
Net book value:					
At 31 December 2019	8	-	-	-	8
At 31 December 2018	27	-	-	-	27

9. Debtors

	2019 £000	2018 £000
Amounts falling due within one year		
Trade debtors	4,174	4,190
Other debtors	98	98
Prepayments and accrued income	1,189	866
Amounts recoverable on long-term contracts	7,462	8,049
	<u>12,923</u>	<u>13,203</u>
Amounts falling due after one year		
Other Debtors	-	16
Amounts recoverable on long term contracts	1,276	-
	<u>1,276</u>	<u>16</u>

An impairment loss of £nil (2018: Nil) has been recognized in the statement of income and retained earnings during the period in respect of irrecoverable debtors.

Allscripts Healthcare (IT) UK Ltd**Notes to the financial statements****for the year ended 31 December 2019****10. Cash**

	2019	2018
	£000	£000
Cash	<u>1,472</u>	<u>463</u>

11. Creditors: Amounts falling due within one year

	2019	2018
	£000	£000
Trade creditors	1,090	952
Amounts owed to group undertakings	13,039	1,685
Taxation	400	171
Accruals and deferred income	<u>5,821</u>	<u>8,101</u>
	<u>20,350</u>	<u>10,909</u>

12. Creditors: amounts falling due after more than one year

	2019	2018
	£000	£000
Other creditors	85	83
Amounts owed to group undertakings	<u>17,420</u>	<u>27,093</u>
	<u>17,505</u>	<u>27,176</u>

Amounts owed to group undertakings are unsecured. The interest rate per annum is equal to the Blended Annual Rate promulgated by the U.S. Internal Revenue Service, or 1.09%. Interest incurred during the year ended 31 December 2019 was £1,053k (2018: £748k). As of 31 December 2018, the company obtained a confirmation related to the intercompany loan balance of £10,000k stating that it will be due after more than one year, this confirmation was not obtained as of 31 December 2019 which the balance was £10,517k and is classified as due within one year, being £10,000k principal and £517k cumulative interest. Other loans totalling £ 17,363 are due for repayment in September 2028 (£ 10963K) and July 2027 (£ 6,400K)

Allscripts Healthcare (IT) UK Ltd
Notes to the financial statements
for the year ended 31 December 2019

13. Share capital

	2019	2018
	£000	£000
Allotted, called up and fully paid		
100 ordinary shares of £1 each	100	100
	<u>2,234</u>	<u>100</u>

14. Reserves

Retained deficit include all current and prior period retained profits and losses.

During the year, £ 2,134k of loans owed to Allscripts Healthcare Solutions LLC were waived. This has been accounted for as a capital contribution and so recognised directly in equity.

15. Operating lease commitments

The company had total amounts payable under FRS 102 as follows:

	Land and buildings	
	2019	2018
	£000	£000
Operating leases which expire:		
Within one year	267	370
Between one and five years	199	474
	<u>466</u>	<u>844</u>

Allscripts Healthcare (IT) UK Ltd**Notes to the financial statements****for the year ended 31 December 2019****16. Related party transactions**

The company, being a wholly owned subsidiary undertaking, has taken advantage of the exemption available under FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 33 Related party disclosures from disclosing transactions or balances with group companies on the grounds the consolidated accounts are publicly available. The aggregate cost of key management personnel for 2019 was £1,040k (2018: £895k).

17. Pensions

The contributions paid and charged to the profit and loss account during the year amount to £344k. At year end there are £30k of outstanding contributions and no prepaid contributions.

18. Immediate parent company and controlling party

The immediate parent undertaking is Allscripts Healthcare International Holdings LLC, a company incorporated in the United States of America. The ultimate parent undertaking and controlling party is Allscripts Healthcare Solutions Inc. a company incorporated in the United States of America. Allscripts Healthcare Solutions Inc is the parent undertaking of the smallest and largest group to consolidate these financial statements and copies of its consolidated financial statements can be obtained from the company at 15 Oxford Court Manchester, M2 3WQ.

19. Covid-19

As at 31st December 2019, China had alerted the World Health Organization of several cases of an unusual form of pneumonia in Wuhan. However, substantive information about what has now been identified as coronavirus (Covid-19) only came to light in early 2020, therefore this is considered as a non adjusting event as at 31st December 2019. The effects of Covid-19 and the unnecessary associated with it on customers and trade has been assessed as part of the going concern assessment of the company.