

Company registration number 07584643 (England and Wales)

ALTERA HEALTHCARE (IT) UK LIMITED
FORMERLY ALLSCRIPTS HEALTHCARE (IT) UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022



ALTERA HEALTHCARE (IT) UK LIMITED
FORMERLY ALLSCRIPTS HEALTHCARE (IT) UK LIMITED
COMPANY INFORMATION

| | | |
|--------------------------|--|--|
| Directors | J Bender T Richardson | (Appointed 2 May 2022) (Appointed 2 May 2022) |
| Secretary | Abagado Nominees Limited | |
| Company number | 07584643 | |
| Registered office | 31 Temple Street Birmingham B2 5DB | |
| Auditor | UHY Hacker Young Manchester LLP St James Building 79 Oxford Street Manchester M1 6HT | |
| Bankers | Bank of America Merrill Lynch 2 King Edward Street London EC1A 1HQ | |

ALTERA HEALTHCARE (IT) UK LIMITED
FORMERLY ALLSCRIPTS HEALTHCARE (IT) UK LIMITED
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ALTERA HEALTHCARE (IT) UK LIMITED
FORMERLY ALLSCRIPTS HEALTHCARE (IT) UK LIMITED
STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

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

Business review

The company's revenues were consistent in 2022, with inflationary increases, compared with the prior year as a result of low turnover within the company's customer base and steady sales. Costs increased in 2022 as a result of investing in the product offering which contributed to the lower margins and to an overall operating profit of £619k.

Key performance indicators

The company's key performance indicators during the year were its new orders taken. The company turnover in 2022 is £15,248k (2021 - £14,596k). In 2022 Altera UK had an order book of £15.4m compared to £8.6m order book in 2021.

Principal Risks and uncertainties

The main risks that the company is exposed to are, liquidity risk, price risk & credit 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 enquires and credit checks on all companies and institutions when it extends credit facilities.

On behalf of the board

Todd Richardson

.....
T Richardson

Director

Date: 12/03/2024

ALTERA HEALTHCARE (IT) UK LIMITED

FORMERLY ALLSCRIPTS HEALTHCARE (IT) UK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

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

Principal activities

The principal activity of the company continued to be that of providing clinical, financial, connectivity and information solutions and related professional services to hospitals, physician practices and post acute organisations.

Results and dividends

The results for the year are set out on page 7.

Directors

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

| | |
|--------------|------------------------|
| J Bender | (Appointed 2 May 2022) |
| T Richardson | (Appointed 2 May 2022) |
| R J Poulton | (Resigned 2 May 2022) |
| E L Jacobson | (Resigned 2 May 2022) |

On 2 May 2022 the hospital and large physician practice business of Allscripts Healthcare (IT) UK Limited was sold to Altera Digital Health Inc, and the ultimate owner is Constellation Software Inc., a publicly listed company in Canada.

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.

Future developments

The company is striving to grow the business focusing on improving our core offerings and delivering software for life. Altera develops and elevates technology to connect and inspire healthier communities.

Auditor

In accordance with the company's articles, a resolution proposing that UHY Hacker Young Manchester LLP be reappointed as auditor of the company will be put at a General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make 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.

ALTERA HEALTHCARE (IT) UK LIMITED
FORMERLY ALLSCRIPTS HEALTHCARE (IT) UK LIMITED
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

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.

Statement of disclosure to auditor

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 auditor is 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 auditor is aware of that information.

On behalf of the board

Todd Richardson

.....
T Richardson
Director

12/03/2024
Date:

ALTERA HEALTHCARE (IT) UK LIMITED
FORMERLY ALLSCRIPTS HEALTHCARE (IT) UK LIMITED
INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ALTERA HEALTHCARE (IT) UK LIMITED

Opinion

We have audited the financial statements of Altera Healthcare (IT) UK Limited (the 'company') for the year ended 31 December 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including 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 2022 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.

Conclusions relating to going concern

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.

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.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 our audit:

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

**ALTERA HEALTHCARE (IT) UK LIMITED
FORMERLY ALLSCRIPTS HEALTHCARE (IT) UK LIMITED
INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

TO THE MEMBERS OF ALTERA HEALTHCARE (IT) UK LIMITED

Matters on which we are required to report by exception

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 directors' report.

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

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.

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

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, we considered the following:

- the nature of the industry and sector, control environment and business performance;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance,
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

**ALTERA HEALTHCARE (IT) UK LIMITED
FORMERLY ALLSCRIPTS HEALTHCARE (IT) UK LIMITED
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF ALTERA HEALTHCARE (IT) UK LIMITED**

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

Our procedures to respond to risks identified included the following:

- review of the financial statement disclosures to underlying supporting documentation,
- review of correspondence, enquiries of management and evaluating whether there was evidence of bias by the director that represented a risk of material misstatement due to fraud,
- challenging assumptions and judgements made by management in their significant accounting estimates,
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or posted by senior management,
- discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. 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 is available on the Financial Reporting Council's website at: <https://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.

UHY Hacker Young

**Ryan Wear BSc ACA
Senior Statutory Auditor
For and on behalf of UHY Hacker Young Manchester LLP**

Date: 12/03/2024

**Chartered Accountants
Statutory Auditor**

St James Building
79 Oxford Street
Manchester
M1 6HT

ALTERA HEALTHCARE (IT) UK LIMITED
FORMERLY ALLSCRIPTS HEALTHCARE (IT) UK LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

| | Notes | 2022 £'000 | 2021 £'000 |
|--|----------|---------------|---------------|
| Turnover | 3 | 15,248 | 14,596 |
| Cost of sales | | (7,060) | (5,597) |
| Gross profit | | 8,188 | 8,999 |
| Administrative expenses - share-based payments | | (103) | (427) |
| Administrative expenses - other | | (7,084) | (6,538) |
| Administrative expenses - total | | (7,187) | (6,965) |
| Exceptional item | 4 | (382) | - |
| Operating profit | 5 | 619 | 2,034 |
| Interest income | 7 | 22 | 24 |
| Interest expense | 8 | (594) | (813) |
| Profit before taxation | | 47 | 1,245 |
| Tax on profit | 9 | (228) | 228 |
| (Loss)/profit for the financial year | | (181) | 1,473 |

The profit and loss account has been prepared on the basis that all operations are continuing operations.

ALTERA HEALTHCARE (IT) UK LIMITED
FORMERLY ALLSCRIPTS HEALTHCARE (IT) UK LIMITED
BALANCE SHEET

AS AT 31 DECEMBER 2022

| | | 2022 | 2021 |
|--|-------|------------------------|------------------------|
| | Notes | £'000 | £'000 |
| Fixed assets | | | |
| Tangible assets | 11 | 50 | 70 |
| Current assets | | | |
| Debtors falling due after more than one year | 12 | 3,092 | 4,070 |
| Debtors falling due within one year | 12 | 4,861 | 4,821 |
| Cash at bank and in hand | | 8,984 | 5,186 |
| | | <u>16,937</u> | <u>14,077</u> |
| Creditors: amounts falling due within one year | 13 | <u>(22,999)</u> | <u>(19,117)</u> |
| Net current liabilities | | <u>(6,062)</u> | <u>(5,040)</u> |
| Total assets less current liabilities | | <u>(6,012)</u> | <u>(4,970)</u> |
| Creditors: amounts falling due after more than one year | 14 | <u>(12,722)</u> | <u>(13,686)</u> |
| Net liabilities | | <u><u>(18,734)</u></u> | <u><u>(18,656)</u></u> |
| Capital and reserves | | | |
| Called up share capital | 18 | - | - |
| Other reserves | 19 | 4,287 | 4,287 |
| Profit and loss reserves | 19 | <u>(23,021)</u> | <u>(22,943)</u> |
| Total equity | | <u><u>(18,734)</u></u> | <u><u>(18,656)</u></u> |

The financial statements were approved by the board of directors and authorised for issue on 12/03/2024 and are signed on its behalf by:

Todd Richardson

.....
T Richardson
Director

Company Registration No. 07584643

ALTERA HEALTHCARE (IT) UK LIMITED
FORMERLY ALLSCRIPTS HEALTHCARE (IT) UK LIMITED
STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

| | | Share capital contribution | Capital contribution | Profit and loss reserves | Total |
|--|-------|-------------------------------|-------------------------|--------------------------------|----------|
| | Notes | £'000 | £'000 | £'000 | £'000 |
| Balance at 1 January 2021 | | - | 2,134 | (24,843) | (22,709) |
| Year ended 31 December 2021: | | | | | |
| Profit and total comprehensive income for the year | | - | - | 1,473 | 1,473 |
| Credit to equity for equity settled share-based payments | 16 | - | - | 427 | 427 |
| Transfers | | - | 2,153 | - | 2,153 |
| | | | | | |
| Balance at 31 December 2021 | | - | 4,287 | (22,943) | (18,656) |
| Year ended 31 December 2022: | | | | | |
| Loss and total comprehensive income for the year | | - | - | (181) | (181) |
| Credit to equity for equity settled share-based payments | 16 | - | - | 103 | 103 |
| | | | | | |
| Balance at 31 December 2022 | | - | 4,287 | (23,021) | (18,734) |

ALTERA HEALTHCARE (IT) UK LIMITED
FORMERLY ALLSCRIPTS HEALTHCARE (IT) UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Altera Healthcare (IT) UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is 31 Temple Street, Birmingham, B2 5DB. The principal activity of the company is to provide clinical, financial, connectivity and information solutions and related professional services that empower hospital, physician practices and post-acute organisations.

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 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 £'000.

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 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 33.1a 'Related Party Disclosures': Disclosure of transactions with group entities which are 100% owned.

The financial statements of the company are consolidated in the financial statements of Constellation Software Inc at 31 December 2022 and copies of its consolidated financial statements can be obtained from the company at 20 Adelaide Street East, Suite 1200, Toronto, Ontario, Canada.

1.2 Going concern

The financial statements have been prepared under the going concern basis which assumes that the company will continue in operational existence for the foreseeable future. At the balance sheet date its liabilities exceeded its assets by £18,734k (2021 - £18,656k).

At the period end the cash position of the company was strong (2022 - £8,984k) however due to liabilities to fellow group companies at the year end, the company liabilities exceed its assets and therefore the company remains dependent on the support of the group. The directors have obtained written confirmation of the groups intention to continue to support the company in this way and have satisfied themselves that the group is in a position to provide the anticipated further support where necessary.

Therefore, the directors have a reasonable expectation that the company will be a going concern for the foreseeable future being a period of at least 12 months from the date of approval of these financial statements.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the period. Revenue is measured at the fair value of the consideration received or receivable net of discounts and VAT.

Revenue from licensing arrangements in some products is recognised when contractual obligations have been met. This can be at a point in time or over time, depending on the contractual terms.

ALTERA HEALTHCARE (IT) UK LIMITED
FORMERLY ALLSCRIPTS HEALTHCARE (IT) UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

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

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life.

1.5 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.

Amortisation 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:

| | |
|----------|-----------------------|
| Software | 3 years straight line |
|----------|-----------------------|

1.6 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:

| | |
|------------------------|--|
| Leasehold improvements | Useful life of the lease 3-4 years straight line |
| Plant and equipment | 3-7 years straight line |

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.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

ALTERA HEALTHCARE (IT) UK LIMITED
FORMERLY ALLSCRIPTS HEALTHCARE (IT) UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' 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.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, 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 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.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, 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.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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.

ALTERA HEALTHCARE (IT) UK LIMITED
FORMERLY ALLSCRIPTS HEALTHCARE (IT) UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

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 year. Taxable profit differs from net profit as reported in the profit and loss account 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 period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, 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.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period 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.

1.13 Retirement benefits

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

1.14 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

ALTERA HEALTHCARE (IT) UK LIMITED
FORMERLY ALLSCRIPTS HEALTHCARE (IT) UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

1.15 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.

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

1.16 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 in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. 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 VAT. Estimation is used by management to allocate the contract value to each of the performance obligations contained within the contract.

Revenue from the rendering of services is recognised 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 recognised to the extent of recoverable expenses when the outcome of a contract cannot be estimated reliably.

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3 Turnover and other revenue

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 contract for on-going services is recognised by reference to the stage of completion.

| | 2022 | 2021 |
|---|---------------|---------------|
| | £'000 | £'000 |
| Turnover analysed by class of business | | |
| Services | 12,384 | 10,860 |
| Products | 2,864 | 3,736 |
| | <u>15,248</u> | <u>14,596</u> |
| | | |
| | 2022 | 2021 |
| | £'000 | £'000 |
| Other revenue | | |
| Interest income | 22 | 24 |
| | <u>22</u> | <u>24</u> |

4 Exceptional item

| | 2022 | 2021 |
|---------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Expenditure | | |
| Intercompany balance owed written off | 382 | - |
| | <u>382</u> | <u>-</u> |

The exceptional costs in the year relate to intercompany loans owed from Allscripts Healthcare LLC written off following the takeover by Altera on 02 May 2022.

5 Operating profit

| | 2022 | 2021 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Operating profit for the year is stated after charging: | | |
| Exchange losses | 442 | 105 |
| Fees payable to the company's auditor for the audit of the company's financial statements | 38 | 35 |
| Depreciation of owned tangible fixed assets | 30 | 35 |
| Loss on disposal of tangible fixed assets | 1 | - |
| Amortisation of intangible assets | - | 2 |
| Impairment of intangible assets | - | 51 |
| Share-based payments | 103 | 427 |
| Operating lease charges | 169 | 89 |
| | <u>169</u> | <u>89</u> |

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6 Employees

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

| | 2022 | 2021 |
|----------------|---------------|---------------|
| | Number | Number |
| Selling | 10 | 12 |
| Administration | 15 | 13 |
| Services | 41 | 52 |
| Total | <u>66</u> | <u>77</u> |

Their aggregate remuneration comprised:

| | 2022 | 2021 |
|-----------------------|--------------|--------------|
| | £'000 | £'000 |
| Wages and salaries | 6,853 | 6,389 |
| Social security costs | 1,093 | 919 |
| Pension costs | 565 | 661 |
| | <u>8,511</u> | <u>7,969</u> |

7 Interest receivable and similar income

| | 2022 | 2021 |
|---------------------------|--------------|--------------|
| | £'000 | £'000 |
| Interest income | | |
| Interest on bank deposits | <u>22</u> | <u>24</u> |

8 Interest payable and similar expenses

| | 2022 | 2021 |
|-------------------|--------------|--------------|
| | £'000 | £'000 |
| Interest on loans | <u>594</u> | <u>813</u> |

9 Taxation

| | 2022 | 2021 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Deferred tax | | |
| Origination and reversal of timing differences | - | (228) |
| Adjustment in respect of prior periods | <u>228</u> | <u>-</u> |
| Total deferred tax | <u>228</u> | <u>(228)</u> |

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9 Taxation

(Continued)

The actual charge/(credit) for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

| | 2022 | 2021 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Profit before taxation | 47 | 1,245 |
| Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%) | 9 | 237 |
| Tax effect of expenses that are not deductible in determining taxable profit | 95 | 96 |
| Unutilised tax losses carried forward | (104) | (561) |
| Adjustments in respect of prior years | 228 | - |
| Taxation charge/(credit) for the year | 228 | (228) |

10 Intangible fixed assets

| | Goodwill | Software | Customer relationship | Acquired technology | Total |
|--|-----------------|-----------------|------------------------------|----------------------------|--------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Cost | | | | | |
| At 1 January 2022 and 31 December 2022 | 2,781 | 122 | 3,008 | 2,475 | 8,386 |
| Amortisation and impairment | | | | | |
| At 1 January 2022 and 31 December 2022 | 2,781 | 122 | 3,008 | 2,475 | 8,386 |
| Carrying amount | | | | | |
| At 31 December 2022 | - | - | - | - | - |
| At 31 December 2021 | - | - | - | - | - |

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11 Tangible fixed assets

| | Leasehold improvements £'000 | Plant and equipment £'000 | Total £'000 |
|------------------------------------|------------------------------------|---------------------------------|----------------|
| Cost | | | |
| At 1 January 2022 | 17 | 1,040 | 1,057 |
| Additions | - | 11 | 11 |
| Disposals | (9) | (286) | (295) |
| At 31 December 2022 | 8 | 765 | 773 |
| Depreciation and impairment | | | |
| At 1 January 2022 | 17 | 970 | 987 |
| Depreciation charged in the year | - | 30 | 30 |
| Eliminated in respect of disposals | (9) | (285) | (294) |
| At 31 December 2022 | 8 | 715 | 723 |
| Carrying amount | | | |
| At 31 December 2022 | - | 50 | 50 |
| At 31 December 2021 | - | 70 | 70 |

12 Debtors

| | 2022 £'000 | 2021 £'000 |
|--|---------------|---------------|
| Amounts falling due within one year: | | |
| Trade debtors | 1,843 | 1,330 |
| Amounts recoverable on contracts | 2,059 | 2,711 |
| Prepayments and accrued income | 959 | 552 |
| Deferred tax asset (note 15) | 4,861 | 4,593 |
| | - | 228 |
| | 4,861 | 4,821 |
| Amounts falling due after more than one year: | | |
| Amounts recoverable on contracts | 3,092 | 4,070 |
| Total debtors | 7,953 | 8,891 |

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13 Creditors: amounts falling due within one year

| | 2022 | 2021 |
|------------------------------------|---------------|---------------|
| | £'000 | £'000 |
| Trade creditors | 581 | 976 |
| Amounts owed to group undertakings | 4,374 | 8,257 |
| Taxation and social security | 94 | 87 |
| Accruals and deferred income | 17,950 | 9,797 |
| | <u>22,999</u> | <u>19,117</u> |

14 Creditors: amounts falling due after more than one year

| | 2022 | 2021 |
|------------------------------------|---------------|---------------|
| | £'000 | £'000 |
| Amounts owed to group undertakings | <u>12,722</u> | <u>13,686</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 2022 was £594k (2021 - £813k).

Amounts owed to group undertakings are due for repayment in full in September 2028.

15 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

| | Assets | Assets |
|-------------------------------|---------------|---------------|
| | 2022 | 2021 |
| | £'000 | £'000 |
| Balances: | | |
| Tax losses | <u>-</u> | <u>228</u> |
| Movements in the year: | | 2022 |
| | | £'000 |
| Asset at 1 January 2022 | | (228) |
| Charge to profit or loss | | 228 |
| Liability at 31 December 2022 | | <u>-</u> |

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16 Share-based payment transactions

Total recognised share-based compensation expense of £103k (2021 - £427k) is included in our statement of comprehensive income. Share-based compensation expense consist of non-cash expense related to grants of share-based awards. Altera Healthcare (IT) UK Limited is part of the Allscripts group share based payment arrangement. The reasonable allocation of the expense for the group used is the number of UK employees as a basis of measurement. This is disclosed further below.

No share-based compensation costs were capitalised during the years ended 31 December 2022 and 2021. The calculation of share-based compensation expenses includes an estimate for forfeitures at the time of grant. This estimate can be revised in subsequent periods if actual forfeitures differ from those estimates, which are based on historical trends. Total unrecognised share-based compensation expense included in Altera Healthcare (IT) UK Limited, related to non-vested awards, was nil (2021 £1.0 million) as of 31 December 2022.

Share-based payment modification

During the year Altera Healthcare (IT) UK Ltd was taken over by Altera Digital Health Inc on 02 May 2022, from this date the share options not vested were deemed involuntarily forfeited, this forfeiture was in relation to all UK employees on the scheme employed by Altera Healthcare (IT) UK Ltd. Due to this cancellation the charge on the scheme was for 122 days up to 02 May 2022.

Long-Term Incentive Plan

The Allscripts group adopted the 2019 Share Incentive Plan (the "Plan"), which became effective 23 May 2019. The Plan provides for the granting of share options, service-based awards, performance-based share awards and market-based share awards, among other awards. The maximum number of shares available for awards under the group Plan was 6.5 million, plus the number of available shares of common share under the Amended and Restated 2011 Share Incentive Plan as of the effective date of the Plan. Following the cancellation there are no shares as of 31 December 2022 (2021 - 6.5 million shares) of common share reserved for issuance under future share-based awards to be granted to any of Altera group employees, officers, directors or independent consultants at terms and prices to be determined by our Board, and subject to the terms of the Plan.

We issue service-based, performance-based and market-based awards in the form of restricted share units or share options. A description of each category of awards is presented below.

Service-based Share Awards

Service-based share awards include share options and restricted share units, and typically vest over a four-year period commencing on the date of grant subject to continued service with the company. Upon termination of an employee's employment, any unvested service-based share awards are forfeited unless otherwise provided in an employee's employment agreement. Share units are awarded to directors and vest within one year. We recognise the expense for service-based share awards over the requisite service period on a straight-line basis, net of estimated forfeitures. The fair value of service-based share option awards is estimated on the date of grant using the Black-Scholes-Merton option-pricing model, a widely used model for valuing shares options. The fair value of service-based restricted share units is measured at the underlying closing share price of our common share on the date of grant.

Due to the cancellation there are no remaining total estimated unrecognised share-based compensation expense related to the service-based share awards as of 31 December 2022 (2021 - £1.0 million).

Restricted Share Units

The following table summarises the activity for restricted share units during the periods presented:

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16 Share-based payment transactions

(Continued)

| | Number of share options | | Weighted average exercise price | |
|---------------------------------|-------------------------|----------------|---------------------------------|-------------|
| | 2022 Number | 2021 Number | 2022 £ | 2021 £ |
| Outstanding at 1 January 2022 | 174,000 | 162,000 | 8.30 | 6.26 |
| Awarded | - | 75,000 | - | 11.37 |
| Vested | (56,000) | (52,000) | 8.50 | 6.58 |
| Forfeited | (118,000) | (11,000) | 9.13 | 7.30 |
| | <u>-</u> | <u>174,000</u> | <u>-</u> | <u>8.30</u> |
| Outstanding at 31 December 2022 | <u>-</u> | <u>174,000</u> | <u>-</u> | <u>8.30</u> |

Equity instruments other than share options

Net Share-settlements

Upon vesting, restricted share units are generally net share-settled upon vesting to cover the required withholding tax and the remaining amount is converted into an equivalent number of shares of common share. The majority of restricted share units that vested during the years ended 31 December 2022 and 2021 were net-share settled such that we withheld shares with value equivalent to the employees' minimum statutory tax obligations for the applicable income and other employment taxes and remitted the equivalent amount of cash to the appropriate taxing authorities. Total payments for the employees' minimum statutory tax obligations are reflected as a financing activity within the group statements of cash flows. The total shares withheld during the years ended 31 December 2022 and 2021 were nil and 22 thousand, respectively, and were based on the value of the restricted share units on their vesting date as determined by our closing share price. These net-share settlements had the effect of share repurchases by us as they reduced the number of shares that would have otherwise been issued at the vesting date.

We do not settle restricted share units in cash. Therefore, there was no liability from restricted share unit transactions as of the periods ended 31 December 2022 or 2021.

17 Retirement benefit schemes

| | 2022 £'000 | 2021 £'000 |
|---|---------------|---------------|
| Defined contribution schemes | | |
| Charge to profit or loss in respect of defined contribution schemes | <u>565</u> | <u>661</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.

18 Share capital

| | 2022 Number | 2021 Number | 2022 £ | 2021 £ |
|---|----------------|----------------|------------|------------|
| Ordinary share capital | | | | |
| Allotted, called up and fully paid | | | | |
| Ordinary shares of £1 each | <u>100</u> | <u>100</u> | <u>100</u> | <u>100</u> |

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19 Reserves

Capital contribution

Represents a statutory, non-distributable reserve into which amounts are transferred following the redemption or intercompany loans.

Profit and loss reserves

Includes all current and prior period retained profits and losses.

20 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 |
|----------------------------|--------------|--------------|
| | £'000 | £'000 |
| Within one year | 186 | 106 |
| Between two and five years | 174 | 56 |
| In over five years | 565 | - |
| | <u>925</u> | <u>162</u> |

21 Related party transactions

Transactions with related parties

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 2022 was £1,765k (2021 - £1,228k).

22 Ultimate controlling party

Prior to 2 May 2022 the immediate parent undertaking party was Allscripts Healthcare International Holdings LLC, a company incorporated in the United States of America. The ultimate parent undertaking and controlling party was Allscripts Healthcare Solutions Inc. a company incorporated in the United States of America.

On 2 May 22 the ordinary shares of Allscripts Healthcare International Holdings LLC were acquired by Altera Digital Health Inc, ("Altera").

The ultimate parent undertaking and controlling party is Constellation Software Inc, by virtue of their majority shareholding in Altera, a public listed company incorporated in Canada.