

eClinicalWorks UK Private Limited

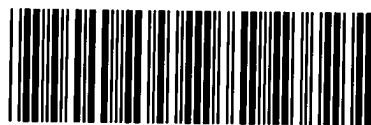
Report and Financial Statements

Year Ended

31 December 2016

Company Number 09427573

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eClinicalWorks UK Private Limited

Report and financial statements for the year ended 31 December 2016

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Directors

R Dharampuriya
G Navani
M Navani
eClinicalWorks LLC

Registered office

c/o Bryan Cave, 88 Wood Street, London, EC2V 7AJ

Company number

09427573

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

eClinicalWorks UK Private Limited

Report of the directors for the year ended 31 December 2016

The directors present their report together with the audited financial statements for the year ended 31 December 2016.

Results

The income statement is set out on page 5 and shows the profit for the year of £ 41,904 (2015- loss of £ 317,248)

Principal activity

The principal activity of the company in the year under review is to provide cloud solutions to the healthcare industry.

Directors

The directors of the company during the year and up to date of this report were:

R Dharampuriya
G Navani
M Navani
eClinicalWorks LLC

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial period. 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 group and company and of the profit or loss of the group 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.

eClinicalWorks UK Private Limited

Report of the directors for the year ended 31 December 2016 (*continued*)

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

In preparing this report, the directors have taken advantage of the small companies exemption provided by section 415A of the Companies Act 2006.

On behalf of the Board



M Navani

Director

Date 14th September 2017

eClinicalWorks UK Private Limited

Independent auditor's report

TO THE MEMBERS OF ECLINICALWORKS UK PRIVATE LIMITED

We have audited the financial statements of eClinicalWorks UK Private Limited for the year ended 31 December 2016 which comprise the income statement, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the period 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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

eClinicalWorks UK Private Limited

Independent auditor's report (*continued*)

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 during the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements and the director's report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.



*David Butcher (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom*

14 September 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

eClinicalWorks UK Private Limited

Income statement for the year ended 31 December 2016

	Note	2016 £	2015 £
Turnover		1,364,581	287,525
Cost of sales		(910,228)	(195,057)
Gross profit		454,353	92,468
Administrative expenses		(412,589)	(410,820)
Operating Profit / (Loss)	3	41,764	(318,352)
Interest receivable and similar income		140	1,104
Profit / (Loss) on ordinary activities before taxation		41,904	(317,248)
Taxation on profit/(loss) from ordinary activities		-	-
Profit / (Loss) for the year after taxation		41,904	(317,248)

All amounts relate to continuing activities.

The notes on pages 7 to 12 form part of these financial statements.

eClinicalWorks UK Private Limited

Balance sheet at 31 December 2016

Company number 09427573	Note	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible assets	4		3,628		4,714
Current assets					
Debtors	5	808,021		244,015	
Cash at bank		184,959		17,429	
		<u>992,980</u>		<u>261,444</u>	
Creditors: amounts falling due within one year	6	<u>(1,104,567)</u>		<u>(415,621)</u>	
Net current liabilities			<u>(111,587)</u>		<u>(154,177)</u>
Net liabilities			<u>(107,959)</u>		<u>(149,463)</u>
Capital and reserves					
Called up share capital	7		1		1
Capital contribution			167,784		167,784
Profit and loss account			<u>(275,744)</u>		<u>(317,248)</u>
Shareholders' deficit			<u>(107,959)</u>		<u>(149,463)</u>

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

The financial statements were approved by the Board of Directors and authorised for issue on 14th September 2017.

M Navani

M Navani
Director

The notes on pages 7 to 12 form part of these financial statements.

eClinicalWorks UK Private Limited

Notes forming part of the financial statements for the year ended 31 December 2016

1 Accounting policies

Basis of preparation of financial statements

eClinicalWorks UK Private Limited is a private company, limited by shares, incorporated in England & Wales under the Companies Act. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the directors' report. The financial statements are presented in pound sterling and all values are rounded to the nearest pound (£) except where otherwise stated

The financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A Small Entities.

The preparation of financial statements in compliance with FRS 102 Section 1A Small Entities requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably.

The sale of software licences is recognized on delivery of the software to the customer.

Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Computer equipment - 20% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of comprehensive income.

eClinicalWorks UK Private Limited

Notes forming part of the financial statements for the year ended 31 December 2016

Operating leases: Lessee

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Financial instruments

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

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

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

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

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Creditors

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

Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and loss account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

eClinicalWorks UK Private Limited

Notes forming part of the financial statements for the year ended 31 December 2016 *(continued)*

1 Accounting policies *(continued)*

Current and deferred taxation (continued)

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Foreign currencies

The presentation currency is £ sterling.

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

2 Employees

	2016 Number	2015 Number
The average number of employees during the period was as follows:		
Consultancy staff	<u>1</u>	<u>1</u>

In addition, there were three directors during 2015 and 2016.

eClinicalWorks UK Private Limited

Notes forming part of the financial statements for the year ended 31 December 2016 (continued)

3 Operating profit

	2016 £	2015 £
The operating profit is stated after charging:		
Depreciation - owned assets	1,086	715
Auditors' remuneration	15,000	14,500
Foreign exchange differences	9,302	3,385
Land and buildings - operating leases	143,487	113,136
	<hr/>	<hr/>

4 Tangible assets

	Computer equipment £
<i>Cost</i>	
At 1 January and 31 December 2016	5,429
	<hr/>
<i>Depreciation</i>	
At 1 January 2016	715
Charge for the period	1,086
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At December 2016	1,801
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<i>Net book value</i>	
At 31 December 2016	3,628
At 31 December 2015	4,714
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5 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	303,397	97,851
Other debtors	30,738	30,738
Taxation and social security	8,060	34,220
Prepayments and accrued income	465,826	81,206
	<hr/>	<hr/>
	808,021	244,015
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eClinicalWorks UK Private Limited

Notes forming part of the financial statements
for the year ended 31 December 2016 (continued)

6 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	37,496	39,503
Amounts owed to group undertakings	1,027,239	347,488
Social security and other tax	1,994	2,100
Accruals and deferred income	37,838	26,530
	<u>1,104,567</u>	<u>415,621</u>

Amounts due to group undertakings are unsecured, have no fixed date of repayment and are repayable on demand.

7 Share capital

	2016 Number	Allotted, called up and fully paid 2016 Number	2015 £	2015 £
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

8 Commitments under operating leases

As at 31 December 2016, the company had total future minimum commitments under non-cancellable operating leases as set out below:

	Land and buildings 2016 £	Land and buildings 2015 £
Less than 1 year	<u>23,078</u>	<u>55,923</u>

9 Controlling Party

eClinicalWorks LLC, a company formed in the United States of America, is the parent undertaking and controlling party of eClinicalWorks UK Private Limited. eClinicalWorks LLC is the parent undertaking of the small and largest group for which the accounts are prepared in which the results of eClinicalWorks UK Private Limited are consolidated. Copies of these accounts can be obtained from the following address: 2 Technology Drive, Westborough, 01581, MA, USA

eClinicalWorks UK Private Limited

Notes forming part of the financial statements for the year ended 31 December 2016 (*continued*)

10 Related party disclosures

The company has taken advantage of the exemption conferred by FRS 102 Section 33 "Related Party Disclosures" paragraph 33.1A not to disclose transactions with group companies on the grounds that 100% of the voting rights in the company are controlled by the group.

Healow LLC is an entity owned and managed by the directors of eClinicalWorks UK Private Limited. During the year, eClinicalWorks UK Private Limited made purchases of £9,036 (2015: £nil) from Healow LLC, and the balance owed to Healow LLC at the year end is £ 9,036 (2015 - £nil).