

eClinicalWorks UK Private Limited

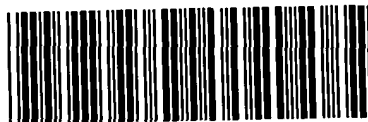
Report and Financial Statements

Year Ended

31 December 2022

Company Number 09427573

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eClinicalWorks UK Private Limited

Report and financial statements for the year ended 31 December 2022

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Directors

R Dharampuriya
G Navani
M Navani
eClinicalWorks LLC

Registered number

09427573

Registered office

c/o Bryan Cave Leighton Paisner LLP
Governor's House,
5 Laurence Pountney Hill,
London,
EC4R 0BR

Independent auditors

Ecovis Wingrave Yeats LLP
Chartered Accountants & Statutory Auditors
3rd Floor, Waverley House
7-12 Noel Street
London
W1F 8GQ

eClinicalWorks UK Private Limited

Director's report for the year ended 31 December 2022

The directors present their report together with the audited financial statements for the year ended 31 December 2022.

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

Results

The income statement is set out on page 7 and shows the profit for the year of £182,808 (2021- £124,149).

Directors' responsibilities statement

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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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.

Auditor

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit 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.

Small Companies Exemption

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

A handwritten signature in black ink, appearing to read 'M Navani', written over a horizontal line.

Director

Date: 26 September 2023

eClinicalWorks UK Private Limited

Independent Auditors Report for the year ended 31 December 2022

Opinion

We have audited the financial statements of eClinicalWorks UK Private Ltd (the 'Company') for the year ended 31 December 2022, which comprise the Profit and Loss Account, the Balance Sheet and the related notes, 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 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 United Kingdom, including the Financial Reporting Council'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 Auditors' 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.

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.

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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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.

Auditors' responsibilities for the audit of the financial statements

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

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

- We determined that the laws and regulations which are directly relevant to the financial statements are those that relate to the reporting framework (FRS 102) and the relevant tax compliance regulations in the jurisdictions in which the Company operates. We evaluated the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.
- In addition, there are other significant laws and regulations which may have an effect on the determination of the amounts and disclosures in the financial statements being those laws and regulations relating to environmental, occupational health and safety, data protection, fraud, bribery and corruption. For these laws and regulations, the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through fines or litigation being imposed. As required by the auditing standards, auditing procedures in respect of non-compliance with these identified laws and regulations are limited to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur, by meeting with a number of individuals and conducted interviews to understand where they considered there was susceptibility to fraud.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations and fraud risks identified in the paragraphs above. In addition to the audit procedures, we remained alert to any indications of non-compliance throughout the audit. The specific audit procedures performed included:
 - Reviewed large and unusual bank transactions;
 - Challenging assumptions and judgements made by management in its significant accounting estimates, in particular in relation to the bad debt provision; and
 - Identifying and testing journal entries.

There are inherent limitations of an audit. There is a higher risk that irregularities, including fraud, will not be detected during the audit as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. The primary responsibility for the prevention and detection of non-compliance with all laws and regulations and fraud lies with both those charged with governance of the entity and management.

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 Auditors' Report.

Use of our report

This report is made solely to the 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 's members those matters we are required to state to them in an Auditors' 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 and the 's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Sally Casson

Sally Casson (Senior Statutory Auditor)
for and on behalf of Ecovis Wingrave Yeats LLP
Chartered Accountants and Statutory Auditor
3rd Floor
Waverley House
7-12 Noel Street
London
W1F 8GQ
Date: 26 September 2023

eClinicalWorks UK Private Limited

Profit and Loss Statement for the year ended 31 December 2022

	2022 £	2021 £
Turnover	556,822	420,584
Cost of sales	(311,411)	(228,055)
Gross profit	245,411	192,529
Administrative expenses	(336,194)	(244,070)
Operating Income	317,184	204,978
Operating profit	226,401	153,437
Interest receivable and similar income	1,907	-
Profit on ordinary activities before taxation	228,308	153,437
Taxation	(45,500)	(29,288)
Profit for the year after taxation	182,808	124,149

All amounts relate to continuing activities.

There was no other comprehensive income for 2022 (2021: £Nil)

The notes on pages 8 to 13 form part of these financial statements.

eClinicalWorks UK Private Limited

Balance sheet at 31 December 2022

Company number 09427573	Note	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Tangible assets	4		915		1,627
Current assets					
Debtors	5	423,752		444,970	
Cash at bank		872,499		646,722	
		<u>1,296,251</u>		<u>1,091,692</u>	
Creditors: amounts falling due within one year	6	<u>(76,345)</u>		<u>(55,306)</u>	
Net current assets			<u>1,219,906</u>		<u>1,036,386</u>
Net assets			<u><u>1,220,821</u></u>		<u><u>1,038,013</u></u>
Capital and reserves					
Share capital	7		1		1
Capital contribution			167,784		167,784
Profit and loss account			<u>1,053,036</u>		<u>870,228</u>
Shareholders' funds			<u><u>1,220,821</u></u>		<u><u>1,038,013</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved by the Board of Directors and authorised for issue on September 26th, 2023

M Navani
M Navani
Director

The notes on pages 8 to 13 form part of these financial statements.

eClinicalWorks UK Private Limited

Notes forming part of the financial statements for the year ended 31 December 2022

Statutory information

eClinicalWorks UK Private Limited is a private company, limited by shares, incorporated in England & Wales under the Companies Act. Registration number 09427573. The registered office is c/o Bryan Cave Leighton Paisner LLP, Governor's House, 5 Laurence Pountney Hill, London, EC4R 0BR.

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.

1 Accounting policies

Basis of preparation of financial statements

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 consistently applied:

Going concern

These financial statements have been prepared on the going concern basis of accounting. The directors have reviewed the Company's going concern position taking into account of its current business activities, budgeted performance,

The directors have forecast revenue for twelve months from the date of approval based solely on the Company's revenue from subscription and hosting fees that are anticipated to be earned from existing customers. The directors believe that these revenues shall be an adequate source of cash inflow that will be required to sustain its operation for the next twelve months and hence the directors are confident the going concern basis of accounting is appropriate in preparing the financial statements.

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.

eClinicalWorks UK Private Limited

Notes forming part of the financial statements for the year ended 31 December 2022 (continued)

1 Accounting policies (continued)

License Revenue

The sale of software licences is recognised 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 Income Statement.

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.

eClinicalWorks UK Private Limited

Notes forming part of the financial statements for the year ended 31 December 2022 (*continued*)

1 Accounting policies (*continued*)

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.

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.

eClinicalWorks UK Private Limited

Notes forming part of the financial statements for the year ended 31 December 2022 (continued)

Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations. The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2 Judgments in applying accounting policies and key sources of estimation uncertainty

Other key sources of estimation uncertainty:

Useful life of tangible fixed assets (note 4)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. The carrying amount of fixed assets is included in note 4.

3 Employees

	2022 Number	2021 Number
The average number of employees during the period was as follows:		
Consultancy staff	<u>3</u>	<u>2</u>

In addition, there were three directors during 2022 and 2021.

eClinicalWorks UK Private Limited

Notes forming part of the financial statements
for the year ended 31 December 2022 (*continued*)

4 Tangible assets

	Computer equipment £
<i>Cost</i>	
At 1 January 2022	8,990
Additions	-
	<hr/>
At 31 December 2022	8,990
	<hr/>
<i>Depreciation</i>	
At 1 January 2022	7,363
Charge for the year	712
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At December 2021	8,075
	<hr/>
<i>Net book value</i>	
At 31 December 2022	915
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At 31 December 2021	1,627
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5 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	4,798	6,257
Other debtors	-	9,202
Amounts owed by group undertakings	409,953	420,314
Taxation and social security	1,360	421
Prepayments and accrued income	7,641	8,776
	<hr/>	<hr/>
	423,752	444,970
	<hr/>	<hr/>

Amounts from group undertakings have no fixed repayment and are repayable on demand.

eClinicalWorks UK Private Limited

Notes forming part of the financial statements
for the year ended 31 December 2022 (*continued*)

6 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	1,733	-
Corporation tax	45,500	29,299
Accruals and deferred income	29,112	26,018
	<u>76,345</u>	<u>55,306</u>

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

7 Share capital

Allotted, called up and fully paid

	2022 Number	2021 Number	2022 £	2021 £
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

8 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.

9 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.