

Company registration number SC416239 (Scotland)

ECLINICALHEALTH LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022

ECLINICALHEALTH LTD

COMPANY INFORMATION

| | | |
|--------------------------|--|-----------------------------|
| Directors | Mr K Landert Mr S Symonds | (Appointed 25 October 2022) |
| Company number | SC416239 | |
| Registered office | 48 St Vincent Street Glasgow G2 5HS | |
| Auditor | Ensors Accountants LLP Incubator 2 The Boulevard, Enterprise Campus Alconbury Weald Huntingdon PE28 4XA | |

ECLINICALHEALTH LTD

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ECLINICALHEALTH LTD

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2022

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

Principal activities

The principal activity of the company continued to be that of software development and the provision of an end-to-end clinical research platform purpose-built for virtual, hybrid and direct-to-patient studies.

Results and dividends

The results for the Period are set out on page 6.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

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

| | |
|--------------|-----------------------------|
| Mr K Landert | |
| Mr S Symonds | (Appointed 25 October 2022) |
| Mr W D Bain | (Resigned 25 October 2022) |
| Mr W C Louv | (Resigned 25 October 2022) |
| Mr J Bauer | (Resigned 25 October 2022) |
| Mr M Büsser | (Resigned 25 October 2022) |

Auditor

Ensors Accountants LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

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

Mr S Symonds

Director

29 September 2023

ECLINICALHEALTH LTD

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2022

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.

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.

ECLINICALHEALTH LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF ECLINICALHEALTH LTD

Opinion

We have audited the financial statements of eClinicalHealth Ltd (the 'company') for the Period ended 31 December 2022 which comprise the profit and loss account, 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 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.

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 directors' report for the financial Period 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.

ECLINICALHEALTH LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBER OF ECLINICALHEALTH LTD

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 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 take advantage of the small companies exemption from the requirement to prepare a strategic report.

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.

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.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

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.

ECLINICALHEALTH LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBER OF ECLINICALHEALTH LTD

Other matter

Comparative information in the financial statements is derived from the company's prior period financial statements which were not audited.

Use of our report

This report is made solely to the company's member 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 member those matters we are required to state to the member 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 member, for our audit work, for this report, or for the opinions we have formed.

James Francis
Senior Statutory Auditor
For and on behalf of Ensors Accountants LLP

29 September 2023

Chartered Accountants
Statutory Auditor

Incubator 2
The Boulevard, Enterprise Campus
Alconbury Weald
Huntingdon
PE28 4XA

ECLINICALHEALTH LTD

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31 DECEMBER 2022

| | | Period ended 31 December 2022 | Year ended 31 January 2022 as restated |
|---------------------------------------|-------|--|--|
| | Notes | £ | £ |
| Turnover | 3 | 377,140 | 706,104 |
| Cost of sales | | (1,366,502) | (1,390,159) |
| Gross loss | | (989,362) | (684,055) |
| Administrative expenses | | (124,945) | (172,842) |
| Other operating income | | 555,518 | 236,814 |
| Operating loss | 4 | (558,789) | (620,083) |
| Interest payable and similar expenses | 7 | (9,072) | (4,825) |
| Amounts written off investments | 8 | (16,476) | - |
| Loss before taxation | | (584,337) | (624,908) |
| Tax on loss | 9 | - | (303,585) |
| Loss for the financial Period | | (584,337) | (928,493) |

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

ECLINICALHEALTH LTD

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2022

| | Period ended 31 December 2022 £ | Year ended 31 January 2022 as restated £ |
|---|---|---|
| Loss for the Period | (584,337) | (928,493) |
| Other comprehensive income | - | - |
| Total comprehensive income for the Period | <u>(584,337)</u> | <u>(928,493)</u> |

ECLINICALHEALTH LTD

BALANCE SHEET

AS AT 31 DECEMBER 2022

| | | 31 December 2022 | | 31 January 2022 as restated | |
|--|-------|--------------------|---------------------------|--------------------------------|---------------------------|
| | Notes | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 12 | | 3,430 | | 19,183 |
| Investments | 13 | | - | | 352 |
| | | | <u>3,430</u> | | <u>19,535</u> |
| Current assets | | | | | |
| Debtors | 14 | 217,107 | | 256,818 | |
| Cash at bank and in hand | | 353,808 | | 53,967 | |
| | | <u>570,915</u> | | <u>310,785</u> | |
| Creditors: amounts falling due within one year | 15 | <u>(1,881,169)</u> | | <u>(862,150)</u> | |
| Net current liabilities | | | <u>(1,310,254)</u> | | <u>(551,365)</u> |
| Total assets less current liabilities | | | <u>(1,306,824)</u> | | <u>(531,830)</u> |
| Creditors: amounts falling due after more than one year | 16 | | <u>(118,908)</u> | | <u>(1,658,337)</u> |
| Net liabilities | | | <u><u>(1,425,732)</u></u> | | <u><u>(2,190,167)</u></u> |
| Capital and reserves | | | | | |
| Called up share capital | 21 | | 135,092 | | 135,092 |
| Share premium account | | | 4,976,826 | | 4,976,826 |
| Capital redemption reserve | | | 6,308 | | 6,308 |
| Profit and loss reserves | | | <u>(6,543,958)</u> | | <u>(7,308,393)</u> |
| Total equity | | | <u><u>(1,425,732)</u></u> | | <u><u>(2,190,167)</u></u> |

The financial statements were approved by the board of directors and authorised for issue on 29 September 2023 and are signed on its behalf by:

Mr S Symonds
Director

Company registration number SC416239 (Scotland)

ECLINICALHEALTH LTD

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2022

| | Notes | Share capital £ | Share premium account £ | Capital redemption reserve £ | Profit and loss reserves £ | Total £ |
|---|-------|--------------------|----------------------------------|---------------------------------------|----------------------------------|-------------|
| As restated for the period ended 31 January 2022: | | | | | | |
| Balance at 1 February 2021 | | 133,742 | 4,976,826 | 6,308 | (6,257,420) | (1,140,544) |
| Year ended 31 January 2022: | | | | | | |
| Loss and total comprehensive income | | - | - | - | (928,493) | (928,493) |
| Issue of share capital | 21 | 1,350 | - | - | - | 1,350 |
| Dividends on preferred shares | 10 | - | - | - | (122,480) | (122,480) |
| Balance at 31 January 2022 | | 135,092 | 4,976,826 | 6,308 | (7,308,393) | (2,190,167) |
| Period ended 31 December 2022: | | | | | | |
| Loss and total comprehensive income | | - | - | - | (584,337) | (584,337) |
| Dividends on preferred shares | 10 | - | - | - | (174,941) | (174,941) |
| Waiver of dividend on preferred shares | 21 | - | - | - | 1,523,713 | 1,523,713 |
| Balance at 31 December 2022 | | 135,092 | 4,976,826 | 6,308 | (8,543,958) | (1,425,732) |

ECLINICALHEALTH LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

eClinicalHealth Ltd is a private company limited by shares incorporated in Scotland. The registered office is 48 St Vincent Street, Glasgow, G2 5HS.

1.1 Reporting period

The accounting period has been shortened to bring the year end to 31 December 2022 (previously 31 January) and as such covers an 11 month period. This decision was made as the board wished to move to a year end that aligned with that of the parent company. As such the comparative amounts presented in the financial statements (including the related notes) are not entirely comparable.

1.2 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 £.

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 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Cambridge Cognition Holdings PLC. These consolidated financial statements are available from its registered office, Tunbridge Court Tunbridge Lane, Bottisham, Cambridge, CB25 9TU.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The parent company has provided a letter of support stating its commitment to providing the necessary financial support to enable eClinicalHealth to continue as a going concern. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

ECLINICALHEALTH LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.5 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

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 land and buildings | 10% straight line |
| Fixtures and fittings | 10% straight line |
| Computers | 33% 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 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.8 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

ECLINICALHEALTH LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 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.

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

ECLINICALHEALTH LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

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.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.11 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.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

ECLINICALHEALTH LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

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.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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.

1.14 Retirement benefits

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

1.15 Share-based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest.

Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition. The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the company keeping the scheme open or the employee maintaining any contributions required by the scheme). Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period. Where equity instruments are granted to persons other than employees, the profit and loss account is charged with the fair value of goods and services received.

ECLINICALHEALTH LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other operating income

2022 2021 January 2022

| | £ | £ |
|---|----------------|----------------|
| Turnover analysed by geographical market | | |
| United Kingdom | 207,687 | 315,522 |
| Europe | 140,542 | 217,610 |
| Rest of the world | 28,911 | 172,972 |
| | <u>377,140</u> | <u>706,104</u> |

2022 2021 January 2022

| | £ | £ |
|-------------------------------|----------------|----------------|
| Other operating income | | |
| Grants received | 555,518 | 236,814 |
| | <u>555,518</u> | <u>236,814</u> |

4 Operating loss

2022 2021 January 2022

| | £ | £ |
|---|---------------|---------------|
| Operating loss for the period is stated after charging/(crediting): | | |
| Exchange losses | 2,495 | 1,160 |
| Research and development costs | - | 13,025 |
| Government grants | (555,518) | (236,814) |
| Fees payable to the company's auditor for the audit of the company's financial statements | 15,000 | - |
| Depreciation of owned tangible fixed assets | 13,817 | 8,154 |
| | <u>15,804</u> | <u>12,149</u> |

ECLINICALHEALTH LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2022

5 Employees

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

2022 31 January 2022

| Number | Number |
|----------|-----------|
| 7 | 11 |
| <u>7</u> | <u>11</u> |

Their aggregate remuneration comprised:

2022 31 January 2022

| | £ | £ |
|-----------------------|----------------|----------------|
| Wages and salaries | 451,855 | 601,929 |
| Social security costs | 52,605 | 66,992 |
| Pension costs | 12,897 | 16,050 |
| | <u>517,357</u> | <u>684,971</u> |

6 Directors' remuneration

Sums paid to third parties for directors' services £60,000 (31.01.22 - £72,000). No other amounts were paid to directors.

7 Interest payable and similar expenses

2022 31 January 2022

| | £ | £ |
|---------------------------------------|--------------|--------------|
| Interest on bank overdrafts and loans | 9,072 | 4,825 |
| | <u>9,072</u> | <u>4,825</u> |

8 Amounts written off investments

2022 31 January 2022

| | £ | £ |
|-----------------------------------|-----------------|----------|
| Amounts written off current loans | (16,124) | - |
| Other gains and losses | (352) | - |
| | <u>(16,476)</u> | <u>-</u> |

ECLINICALHEALTH LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

9 Taxation

| | 20222021 January 2022 | |
|--|-----------------------|-------------------|
| | £ | £ |
| Current tax | | |
| UK corporation tax on profits for the current period | - | (118,282) |
| | <u> </u> | <u> </u> |
| Deferred tax | | |
| Origination and reversal of timing differences | - | 421,867 |
| | <u> </u> | <u> </u> |
| Total tax charge | - | 303,585 |
| | <u> </u> | <u> </u> |

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

| | 20222021 January 2022 | |
|--|-----------------------|-------------------|
| | £ | £ |
| Loss before taxation | (584,337) | (624,908) |
| | <u> </u> | <u> </u> |
| Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%) | (111,024) | (118,733) |
| Unutilised tax losses carried forward | 111,024 | 540,600 |
| Research and development tax credit | - | (118,282) |
| | <u> </u> | <u> </u> |
| Taxation charge for the period | - | 303,585 |
| | <u> </u> | <u> </u> |

10 Dividends

| | 20222021 January 2022 | |
|-------------------------------|-----------------------|-------------------|
| | £ | £ |
| Dividends on preferred shares | 174,941 | 122,480 |
| | <u> </u> | <u> </u> |

ECLINICALHEALTH LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

11 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

| | | 2022 | 31 January 2022 |
|---------------------------------|-------|-------------------|-------------------|
| | Notes | £ | £ |
| In respect of: | | | |
| Fixed asset investments | 13 | 352 | - |
| | | <u> </u> | <u> </u> |
| Recognised in: | | | |
| Amounts written off investments | | 352 | - |
| | | <u> </u> | <u> </u> |

The impairment losses in respect of financial assets are recognised in other gains and losses in the profit and loss account.

12 Tangible fixed assets

| | Leasehold land and buildings | Fixtures and fittings | Computers | Total |
|------------------------------------|---------------------------------|--------------------------|-------------------|-------------------|
| | £ | £ | £ | £ |
| Cost | | | | |
| At 1 February 2022 | 32,215 | 19,492 | 50,379 | 102,086 |
| Disposals | (18,552) | (19,492) | (36,039) | (74,083) |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| At 31 December 2022 | 13,663 | - | 14,340 | 28,003 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Depreciation and impairment | | | | |
| At 1 February 2022 | 20,020 | 15,972 | 46,911 | 82,903 |
| Depreciation charged in the Period | 8,576 | 3,616 | 1,625 | 13,817 |
| Eliminated in respect of disposals | (18,294) | (19,588) | (34,265) | (72,147) |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| At 31 December 2022 | 10,302 | - | 14,271 | 24,573 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Carrying amount | | | | |
| At 31 December 2022 | 3,361 | - | 69 | 3,430 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| At 31 January 2022 | 12,195 | 3,520 | 3,468 | 19,183 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

13 Fixed asset investments

| | 2022 | 31 January 2022 |
|----------------------|-------------------|-------------------|
| | £ | £ |
| Unlisted investments | - | 352 |
| | <u> </u> | <u> </u> |

ECLINICALHEALTH LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

13 Fixed asset investments (Continued)

Movements in fixed asset investments

| | Investments £ |
|--------------------------|------------------|
| Cost or valuation | |
| At 1 February 2022 | 352 |
| Disposals | (352) |
| | <hr/> |
| At 31 December 2022 | - |
| | <hr/> |
| Carrying amount | |
| At 31 December 2022 | - |
| | <hr/> |
| At 31 January 2022 | 352 |
| | <hr/> |

14 Debtors

202231 January 2022

| Amounts falling due within one year: | £ | £ |
|--------------------------------------|---------|---------|
| Trade debtors | 41,417 | 97,074 |
| Corporation tax recoverable | - | 118,282 |
| Amounts owed by group undertakings | - | 16,124 |
| Other debtors | 126,959 | 3,435 |
| Prepayments and accrued income | 48,731 | 21,903 |
| | <hr/> | <hr/> |
| | 217,107 | 256,818 |
| | <hr/> | <hr/> |

15 Creditors: amounts falling due within one year

202231 January 2022

| | Notes | £ | £ |
|------------------------------------|-------|-----------|---------|
| Bank loans | 17 | - | 41,668 |
| Trade creditors | | 435,818 | 219,917 |
| Amounts owed to group undertakings | | 1,241,020 | - |
| Taxation and social security | | 23,050 | 38,820 |
| Deferred income | 18 | 22,541 | 252,811 |
| Other creditors | | 86,942 | 45,838 |
| Accruals and deferred income | | 71,798 | 263,096 |
| | | <hr/> | <hr/> |
| | | 1,881,169 | 862,150 |
| | | <hr/> | <hr/> |

ECLINICALHEALTH LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

16 Creditors: amounts falling due after more than one year

| | | 202231 January 2022 | |
|---------------------------|-------|---------------------|------------------|
| | Notes | £ | £ |
| Bank loans and overdrafts | 17 | - | 129,165 |
| Other borrowings | 17 | 80,097 | 104,400 |
| Other creditors | | 38,811 | 1,424,772 |
| | | <u>118,908</u> | <u>1,658,337</u> |

17 Loans and overdrafts

| | | 202231 January 2022 | |
|-------------------------|--|---------------------|----------------|
| | | £ | £ |
| Bank loans | | - | 170,833 |
| Other loans | | 80,097 | 104,400 |
| | | <u>80,097</u> | <u>275,233</u> |
| Payable within one year | | - | 41,668 |
| Payable after one year | | 80,097 | 233,565 |
| | | <u>80,097</u> | <u>275,233</u> |

18 Deferred income

| | | 202231 January 2022 | |
|--------------------------------|--|---------------------|----------------|
| | | £ | £ |
| Arising from government grants | | - | 252,811 |
| Other deferred income | | 22,541 | - |
| | | <u>22,541</u> | <u>252,811</u> |

19 Retirement benefit schemes

| | | 202231 January 2022 | |
|---|--|---------------------|---------------|
| | | £ | £ |
| Defined contribution schemes | | | |
| Charge to profit or loss in respect of defined contribution schemes | | 12,897 | 16,050 |
| | | <u>12,897</u> | <u>16,050</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.

ECLINICALHEALTH LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

20 Share-based payment transactions

| | Number of share options | | Weighted average exercise price | |
|---------------------------------|-------------------------|--------------|---------------------------------|-------------|
| | 2022/21 January 2022 | | 2022/21 January 2022 | |
| | Number | Number | £ | £ |
| Outstanding at 1 February 2022 | 6,240 | 6,240 | 1.98 | 1.98 |
| Forfeited | (6,240) | - | 1.98 | - |
| | <u>-</u> | <u>6,240</u> | <u>-</u> | <u>1.98</u> |
| Outstanding at 31 December 2022 | - | 6,240 | - | 1.98 |
| | <u>-</u> | <u>6,240</u> | <u>-</u> | <u>1.98</u> |
| Exercisable at 31 December 2022 | - | 6,240 | - | 1.98 |
| | <u>-</u> | <u>6,240</u> | <u>-</u> | <u>1.98</u> |

An equity-settled share-based payment scheme was established in 2016 which provided employees with the option to purchase ordinary shares. The options were granted with a fixed exercise price and expire ten years after the date of grant. During the year all outstanding options were waived.

21 Share capital

| | 2022/21 January 2022 | | 2022/21 January 2022 | |
|---------------------------------------|----------------------|---------------|----------------------|----------------|
| | Number | Number | £ | £ |
| Ordinary share capital | | | | |
| Issued and fully paid | | | | |
| Ordinary shares of £1 each | 135,092 | 43,255 | 135,092 | 43,255 |
| | <u>135,092</u> | <u>43,255</u> | <u>135,092</u> | <u>43,255</u> |
| | | | | |
| | 2022/21 January 2022 | | 2022/21 January 2022 | |
| | Number | Number | £ | £ |
| Preferred share capital | | | | |
| Issued and fully paid | | | | |
| Preferred AB shares of £1 each | - | 39,983 | - | 39,983 |
| Preferred C shares of £1 each | - | 51,854 | - | 51,854 |
| | <u>-</u> | <u>91,837</u> | <u>-</u> | <u>91,837</u> |
| | | | | |
| Preferred shares classified as equity | | | - | 91,837 |
| | | | <u>-</u> | <u>91,837</u> |
| | | | | |
| Total equity share capital | | | 135,092 | 135,092 |
| | | | <u>135,092</u> | <u>135,092</u> |

Up to 25 October 2022, the company had in issue 39,983 redeemable preferred shares ("preferred AB shares") of £1 each, classified as equity. These shares carried 1 vote per share.

Up to 25 October 2022, the company also had in issue 51,854 redeemable preferred shares ("preferred C shares") of £1 each, classified as equity. These shares carried 1 vote per share. On 25 October 2022 a resolution was passed to redesignate 39,983 preferred AB shares of £1 to 39,983 Ordinary shares of £1. On the same date, 51,854 preferred C shares of £1 were redesignated to 51,854 Ordinary shares of £1.

During the year the accrual for preferred dividends payable of £1,523,713 was waived.

ECLINICALHEALTH LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

22 Operating lease commitments

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:

| | 202231 January 2022 | |
|----------------------------|----------------------------|---------------|
| | £ | £ |
| Within one year | 7,839 | 7,839 |
| Between two and five years | 3,920 | 11,105 |
| | <u>11,759</u> | <u>18,944</u> |

23 Related party transactions

The company has taken the exemption afforded by FRS 102 not to disclose transactions with entities within the Cambridge Cognition Holdings plc group.

During the year the company entered into the following transactions with other related parties:

The company purchased £8,117 (31.01.22: £nil) of goods and services from companies under which a director had an interest. At the year end the company owed £nil (31.01.22: £104,400) to these companies.

The company sold £nil (31.01.22 £39,200) of goods and services to companies under which a director had an interest. At the year end the company was due £nil (30.01.22: £nil) from these companies.

24 Ultimate controlling party

From 25 October 2022, the company was under control of Cambridge Cognition Holdings plc, a company registered in England and Wales. Cambridge Cognition Holdings plc is also the ultimate parent undertaking, whose financial statements are the only consolidation in which the results of eClinicalHealth Limited are consolidated. Copies of the accounts of Cambridge Cognition Holdings plc can be obtained from Companies House.

ECLINICALHEALTH LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

25 Prior period adjustment

Reconciliation of changes in equity

| | 1 February 2021 £ | 31 January 2022 £ |
|---|-------------------------|-------------------------|
| Adjustments to prior Period | | |
| Understatement of subcontractor accrual | - | (236,737) |
| Reversal of deferred tax asset | - | (557,098) |
| Overstatement of deferred grant income | - | (72,811) |
| Overstatement of preferred share dividend payable | - | 117,048 |
| | | |
| Total adjustments | - | (749,598) |
| Equity as previously reported | (1,140,544) | (1,440,569) |
| | | |
| Equity as adjusted | (1,140,544) | (2,190,167) |
| | | |
| Analysis of the effect upon equity | | |
| Profit and loss reserves | - | (749,598) |

Reconciliation of changes in loss for the previous financial period

| | 2022 £ |
|---|-----------|
| Adjustments to prior Period | |
| Understatement of subcontractor accrual | (236,737) |
| Reversal of deferred tax asset | (557,098) |
| Overstatement of deferred grant income | (72,811) |
| | |
| Total adjustments | (866,646) |
| Loss as previously reported | (61,847) |
| | |
| Loss as adjusted | (928,493) |

Notes to reconciliation

Subcontractor accrual

During the year, it was identified that prior year administrative expenses were understated by £236,737 relating to an understatement of subcontractors costs. This led to an increase in administrative expenditure being recognised in the prior year within the Income Statement. Subsequently, a corresponding adjustment to accruals, and thus the Balance Sheet was also adjusted.

Reversal of deferred tax asset

It was identified that prior year deferred tax asset was overstated by £557,098 due to it not being probable that the unrelieved tax losses would be recoverable against the reversal of deferred tax liabilities or other future taxable profits. This resulted in there being no basis for the recognition of the deferred tax asset. This led to an increase in the tax charge being recognised in the prior year within the Income Statement. Subsequently, a corresponding adjustment to debtors, and thus the Balance Sheet was also adjusted.

ECLINICALHEALTH LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

25 Prior period adjustment

(Continued)

Deferred grant income

During the year, it was identified that prior year other operating income was overstated by £72,811 relating to an overstatement of grant income. This led to an decrease in other operating income being recognised in the prior year within the Income Statement. Subsequently, a corresponding adjustment to deferred government grants, and thus the Balance Sheet was also adjusted.

Preferred share dividend payable

It was identified that the prior year preferred share dividend payable figure, as disclosed within distributions from profit and loss reserves, was overstated by £117,048. This resulted in a reduction in profit and loss reserves being recognised in the prior year within the Balance Sheet. Subsequently, a corresponding adjustment to other creditors, and thus the Balance Sheet was also adjusted.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.