

## **Perceptive eClinical Limited**

Directors' report and financial statements for the year  
ended 30 June 2018

*(Registered number: 03264836)*



**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

for the year ended 30 June 2018

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# Perceptive eClinical Limited

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## COMPANY INFORMATION

DIRECTORS	Josef H. von Rickenbach (U.S.) - resigned 15 March 2018 Douglas Alexander Batt (U.S.) - resigned 31 October 2017 Michael Francis Crowley III (U.S.) - appointed 1 November 2017 Duncan Jamie Macdonald (U.S.) - appointed 16 March 2018
SECRETARY	Douglas Alexander Batt (U.S.) - resigned 31 October 2017 Michael Francis Crowley III (U.S.) - appointed 1 November 2017
REGISTERED OFFICE	Hart House Priestley Road Basingstoke Hampshire RG24 9PU United Kingdom
BANKERS	JP Morgan Chase Bank N.A. Chaseside Bournemouth BH7 7DB United Kingdom
INDEPENDENT AUDITORS	Ernst & Young Chartered Accountants Ernst & Young Building Harcourt Centre Harcourt Street Dublin 2 Ireland
SOLICITORS	Gowling WLG (UK) LLP 4 More London Riverside London SE1 2AU United Kingdom
REGISTERED NUMBER	03264836

## Perceptive eClinical Limited

### STRATEGIC REPORT

for the year ended 30 June 2018

The directors present their strategic report for the year ended 30 June 2018.

#### REVIEW OF BUSINESS

The principal activities of the Company during the year were the specialisation in comprehensive management of clinical trials, statistical and data management services and regulatory affairs support services to the international pharmaceutical industry.

Pamplona Capital Management, LLP ("Pamplona") completed its acquisition of PAREXEL International Corporation on 29 September 2017. Pamplona acquired all outstanding shares of PAREXEL for \$88.10 per share in cash. The transaction was approved by stockholders on 15 September 2017.

Each outstanding Company stock option, restricted stock unit, restricted share and performance restricted stock unit (collectively, the "Company Equity Awards") vested in full (in the case of performance restricted stock units, at target level regardless of the actual achievement of the applicable performance metric). Such fully vested Company Equity Awards were cancelled and converted into the right to receive an amount in cash equal to \$88.10 per share for each share of our common stock underlying such Company Equity Awards (net of any applicable exercise price and subject to any applicable withholding taxes).

The key financial indicators during the year were as follows:

	2018	2017	Change
	£'000	£'000	%
Turnover	21,492	40,497	(47)
Operating (loss) / profit	(5,722)	1,602	(457)
(Loss) / profit after tax	(3,367)	2,814	(220)
Total shareholders' funds	32,559	36,137	(10)

Current assets as % of current liabilities	53%	70%	(25)
Average number of employees	131	167	(22)

Trade debtors	3,860	8,157	(53)
Accruals and deferred income (due within one year)	11,066	18,048	(39)
Accruals and deferred income (due after one year)	6,235	11,012	(43)
Non-current assets	26,028	28,778	(10)

## STRATEGIC REPORT *(continued)* for the year ended 30 June 2018

### *REVIEW OF BUSINESS (continued)*

The results for the year are set out on page 11. The directors consider the results achieved from ordinary activities before taxation, the Company's financial position at the end of the year and its future prospects to be satisfactory.

The loss for the year, after taxation, amounted to £3,367,000 (2017: profit of £2,814,000). There were no dividends paid during the year (2017: £3,000,000).

The Company is the main trading subsidiary of ClinPhone Ltd based in the United Kingdom.

The results of the year accorded with management expectations. The outlook of the Company remains positive as the Company hopes to increase profitability through its cost improvement plans and by converting its backlog to deliver long-term sustainable growth in margins and revenues.

As part of the budgetary process, certain Key Performance Indicators around areas such as debtors, accrued and deferred income are set in order to effectively manage the working capital of the Company.

### *PRINCIPAL RISKS AND UNCERTAINTIES*

The market in which Perceptive operates is large and growing, driven by the expanding use of technology and the increasing complexity of clinical trials. Traditionally, clinical trial data has been collected using paper based methods and the market has been slow to take advantage of new technology. Perceptive's technology reduces the cost and duration of running clinical trials and improves the accuracy, integrity and consistency of data collected.

The Company's financial position will continue to be significantly influenced by economic conditions. In particular, the status of the pharmaceutical and biotechnology markets affects our customers research and development expenditure which in turn leads to a change in the amount of money spent on clinical trials. Factors affecting the Company's results of operations also include the regulatory environment in relation to the conduct of clinical trials, in particular, the regulations imposed by the Food and Drug Administration in the USA.

In addition to being affected by the overall market conditions in the pharmaceutical and biotechnology sectors, demand for technology solutions is driven by the markets' approach to the adoption of technology, standardization of processes and cost savings. This highly attractive market continues to draw increasing investment from competitors offering alternate technologies. The Company needs to maintain a certain level of re-investment into its technology to ensure it remains at the forefront of the market.

Given the global nature of the operations of the group, the financial results are exposed to the fluctuations of foreign currency markets. The group has maintained a policy of limiting the volatility of its exposure to the US Dollar to Pound Sterling exchange rate by entering into forward contracts.

By order of the board

  
Michael Francis Crowley III  
Director

Date 27 May 2019

# Perceptive eClinical Limited

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## DIRECTORS' REPORT

for the year ended 30 June 2018

Company Registration Number: 03264836

The directors present their report and the audited financial statements for the year ended 30 June 2018.

### *FUTURE DEVELOPMENTS*

There are no material changes expected for the Company in 2019.

### *RESEARCH AND DEVELOPMENT*

The Company undertook research and development activities in providing clinical services to the pharmaceutical industry amounting to £9,220,000 (2017: £6,613,000).

### *GOING CONCERN*

The financial statements have been prepared on a going concern basis as PAREXEL International Corporation has confirmed to the directors that it will provide support to enable the Company to continue for the foreseeable future, being not less than twelve months from the date of approval of these financial statements. Perceptive eClinical Limited will draw on funds available to the PAREXEL UK group in order to provide this assistance. Accordingly the directors have determined that it is appropriate to prepare these financial statements on a going concern basis.

### *POST BALANCE SHEET EVENTS*

There have been no significant events subsequent to the year-end which would require adjustment to, or disclosure in, the financial statements.

### *DIVIDENDS*

During the year a dividend payment was made amounting to £nil (2017: £3,000,000) to Clinphone Limited.

### *DIRECTORS*

The directors of the Company during the year were as follows:

Josef H. von Rickenbach (U.S.) - resigned 15 March 2018

Douglas Alexander Batt (U.S.) - resigned 31 October 2017

Michael Francis Crowley III (U.S.) - appointed 1 November 2017

Duncan Jamie Macdonald (U.S.) - appointed 16 March 2018

None of the directors who held office at the end of the financial year or to the date of the approval of the financial statement had any disclosable interest in the shares of the Company.

### DIRECTORS' REPORT *(continued)* for the year ended 30 June 2018

#### *DIRECTORS QUALIFYING THIRD PARTY INDEMNITY PROVISIONS*

The Company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

#### *DISABLED PERSONS*

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and the appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

#### *EMPLOYEE INVOLVEMENT*

During the year, the policy of providing employees with information about the Company has been continued through its intranet site in which employees have also been encouraged to present their suggestions and views on the Company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas. Employees are encouraged to participate in the success of the business through its ultimate parent Company's share purchase scheme.

#### *HEALTH AND SAFETY*

The Company strives to provide and maintain a safe environment for all employees, customers and visitors to its premises and to comply with relevant health and safety legislation. In addition, the Company aims to protect the health of employees with suitable, specific work-based strategies, seeking to minimise the risk of injury from Company activity and ensure that systems are in place to address health and safety matters.

Health and Safety audits and risk assessments have been carried out and additional actions and controls have been implemented and training conducted to ensure that employees can carry out their functions in a safe and effective manner.

#### *CASH FLOW HEDGING*

Forecasted revenue in USD is on a quarterly rolling basis hedged with FX Forward contracts. Hedges are layered to achieve a hedge ratio of 90% / 70% / 50% / 30% for the following 4 quarters.

#### *DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR*

The directors who were members of the board at the time of approving the directors' report are listed on page 1. Having made enquiries of fellow directors and of the Company's auditors, each of these directors confirms that:

- to the best of each director's knowledge and belief, there is no information (that is, information needed by the Company's auditors in connection with preparing their report) of which the Company's auditors are unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditors are aware of that information.

**DIRECTORS' REPORT** *(continued)*  
for the year ended 30 June 2018

**AUDITORS**

The auditors, Ernst & Young, Chartered Accountants, will not be continuing in office in accordance with Section 516 of Companies Act 2006.

By order of the board



Michael Francis Crowley III

Director

Date 27 May 2019

## DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable UK law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). 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 income statement of the Company for that period. In preparing these financial statements, the directors are required to:

- Select suitable policies and then apply them consistently;
- Make judgements and 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 confirm that the financial statements comply with the above requirements. 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 to 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.

By order of the board



Michael Francis Crowley III

Director

Date 27 May 2019

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PERCEPTIVE eCLINICAL LIMITED**

### **Opinion**

We have audited the financial statements of Perceptive eClinical Limited for the year ended 30 June 2018 which comprise the Income Statement, the Statement of Comprehensive (Loss) / Income, Statement Of Financial Position, the Statement of Changes in Equity and the related notes 1 to 24, 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 FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 June 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. 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**

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

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

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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PERCEPTIVE eCLINICAL LIMITED (continued)**

### **Other information**

The other information comprises the information included in the strategic report and the directors' report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have 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 strategic report and 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
- the financial statements are not in agreement with the accounting records; 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.

*Continued /*

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PERCEPTIVE eCLINICAL LIMITED (continued)**

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

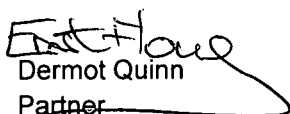
### **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Dermot Quinn  
Partner

for and on behalf of Ernst & Young, Statutory Auditor  
Dublin

Date: 27 May 2019

# Perceptive eClinical Limited

## INCOME STATEMENT

for the year ended 30 June 2018

		2018	2017
	Note	£'000	£'000
Turnover	3	21,492	40,497
Cost of sales		(12,656)	(24,043)
<b>Gross profit</b>		8,836	16,454
Administrative expenses		(14,558)	(14,852)
<b>Operating (loss) / profit</b>	4	(5,722)	1,602
Interest receivable and similar income	6	2,357	2,496
Interest payable and similar cost	7	(660)	(458)
<b>(Loss) / profit on ordinary activities before taxation</b>		(4,025)	3,640
Tax on loss / (profit) on ordinary activities	8	658	(826)
<b>(Loss) / profit for the financial year</b>		(3,367)	2,814

All activities are derived from continuing operations.

## STATEMENT OF COMPREHENSIVE (LOSS) / INCOME

for the year ended 30 June 2018

	Note	2018	2017
		£'000	£'000
(Loss) / profit for the financial year		(3,367)	2,814
<b>Items that will be reclassified subsequently to profit or loss</b>			
Cash flow hedges:			
Losses arising during the year		-	(1,028)
Reclassification adjustment for (losses) / gains included in profit or loss		(195)	3,236
Tax relating to components of other comprehensive (loss) / income reclassified to P&L	8	33	(436)
<b>Other comprehensive (loss) / income for the year, net of tax</b>		(162)	1,772
<b>Total comprehensive (loss) / income for the financial year</b>		(3,529)	4,586

# Perceptive eClinical Limited

## STATEMENT OF FINANCIAL POSITION

as at 30 June 2018

	Note	2018 £'000	2017 £'000
<b>Fixed assets</b>			
Intangible assets	10	10,865	13,609
Tangible assets	11	68	74
Investment	12	15,095	15,095
		<u>26,028</u>	<u>28,778</u>
<b>Current assets</b>			
Debtors: Amounts falling due within one year	13	31,361	37,878
Debtors: Amounts falling due after one year	13	34,573	35,999
Cash at bank and in hand		454	47
		<u>66,388</u>	<u>73,924</u>
<b>Creditors: Amounts falling due within one year</b>	14	<u>(53,622)</u>	<u>(54,123)</u>
<b>Net current assets</b>		12,766	19,801
<b>Total assets less current liabilities</b>		38,794	48,579
<b>Creditors: Amounts falling due after one year</b>	15	(6,235)	(12,385)
Provisions for liabilities	16	-	(57)
<b>Net assets</b>		<u>32,559</u>	<u>36,137</u>
<b>Capital and reserves</b>			
Share capital presented as equity	18	1	1
Share premium account		12,209	12,209
Retained earnings		20,349	23,927
<b>Total shareholders' funds</b>		<u>32,559</u>	<u>36,137</u>

These financial statements were approved on behalf of the Board of Directors on 27 May 2019 by:



Michael Francis Crowley III

Director

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2018

	Share capital presented as equity	Share premium	Retained earnings	Total shareholders' funds
	£'000	£'000	£'000	£'000
<b>At 1 July 2016</b>	1	12,209	22,292	34,502
Profit for the financial year	-	-	2,814	2,814
<b>Other comprehensive income for the year</b>				
Recognised gains on cash flow hedges	-	-	1,772	1,772
<b>Total comprehensive income for the year</b>	-	-	4,586	4,586
Tax impact of share based payments	-	-	49	49
Dividends (note 9)	-	-	(3,000)	(3,000)
<b>At 30 June 2017</b>	1	12,209	23,927	36,137
Loss for the financial year	-	-	(3,367)	(3,367)
<b>Other comprehensive income for the year</b>				
Recognised losses on cash flow hedges	-	-	(162)	(162)
<b>Total comprehensive loss for the year</b>	-	-	(3,529)	(3,529)
Tax impact of share based payments	-	-	(49)	(49)
<b>As at 30 June 2018</b>	1	12,209	20,349	32,559

## NOTES TO THE FINANCIAL STATEMENTS at 30 June 2018

### 1. STATEMENT OF COMPLIANCE WITH FRS 101

Perceptive eClinical Limited is a limited liability Company incorporated and domiciled in the UK. The Registered Office is Hart House, Priestley Road, Basingstoke, Hampshire, RG24 9PU.

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and in accordance with applicable accounting standards. The principal accounting policies adopted by the Company are set out in note 2. The financial statements are prepared on a going concern basis.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£'000) except when otherwise indicated.

The results of Perceptive eClinical Limited are included in the consolidated financial statements of West Street Topco Limited, incorporated in Jersey, The Channel Islands. The financial statements are available from West Street Topco Limited, 13-14 Esplanade, St Helier, Jersey JE11EE, Jersey.

### 2. ACCOUNTING POLICIES

#### (a) Basis of preparation

The accounting policies which follow set out those accounting policies which apply in preparing the financial statements for the year ended 30 June 2018. The Company has taken advantage of the following disclosure exemptions availed under FRS 101:

- the requirements of paragraph 38 of IAS1 *Presentation of Financial Statements* to present comparative information in respect of:
  - (i) paragraph 79(a) (iv) of IAS 1 *Presentation of Financial Statements*
  - (ii) paragraph 73(e) (iv) of IAS 16 *Property, Plant and Equipment*
  - (iii) paragraph 118(e) of IAS 38 *Intangible Assets*
- the requirements of paragraphs 10(d) and 134-136 of IAS 1 *Presentation of Financial Statements*;
- the requirements of IAS 7 *Statement of Cash Flows*;
- the requirements of paragraph 17 of IAS 24 *Related Party Disclosures*;
- the requirements in IAS 24 *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- the requirements of IFRS 7 *Financial Instruments Disclosures*;
- the requirements of paragraphs 91-99 of IFRS 13 *Fair Value Measurement*; and
- the requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

## NOTES TO THE FINANCIAL STATEMENTS

at 30 June 2018

### 2. ACCOUNTING POLICIES (continued)

#### (b) Judgments and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported over revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The estimates and assumptions that have a significant risk of causing a material adjustment to the amounts recognised in the financial statements are addressed below.

#### i) Useful economic lives of property, plant and equipment

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11 for the carrying amount of the equipment, and see note 2(f) below in Tangible Fixed Assets accounting policies for the useful economic life details.

#### ii) Impairment of non-financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

#### iii) Provisions for liabilities

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation of a past event. The Company must use its judgement to determine if it is probable that there will be an outflow of economic resources and then use its best estimate to assess the liability.

#### iv) Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilised.

#### v) Cash flow hedge forecasting

In assessing the value of cash flow hedges to enter into, the Company must forecast highly probable transactions. This involves judgement and estimation techniques which, if inaccurate, could cause fluctuations in the amount of fair value movements required to be reflected in the Income Statement due to ineffectiveness.

#### vi) Accruals for project related costs

In assessing accruals for project related costs, an accrual is recognised when the Company has a legal or constructive obligation as a result of a past event; it is probable that an outflow of economic benefit will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

#### (c) Consolidated financial statements

The Company is exempt under Section 405 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertaking are included in the consolidated financial statements of its ultimate parent. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*  
at 30 June 2018

**2. ACCOUNTING POLICIES *(continued)***

*(d) Going concern*

The financial statements have been prepared on a going concern basis as PAREXEL International Corporation has confirmed to the directors that it will provide support to enable the Company to continue for the foreseeable future, being not less than twelve months from the date of approval of these financial statements. Perceptive eClinical Limited will draw on funds available to the PAREXEL UK group in order to provide this assistance. Accordingly the directors have determined that it is appropriate to prepare these financial statements on a going concern basis.

*(e) Revenue Recognition*

Revenue is recognised when all of the following conditions are satisfied: (1) the amount of revenue can be measured reliably; (2) it is probable that the economic benefits associated with the transaction will flow to the entity; (3) the stage of completion of the transaction at the end of the reporting period can be measured reliably; and (4) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

The Company recognises revenue from application hosting services and revenue resulting from these hosting services consists of three stages: set-up (client specification and workflow), hosting and support services, and close-out reporting. Fees charged and costs incurred in the set-up stage are deferred until the start of the hosting period and are amortized and recognised evenly over the estimated hosting period, including customary and expected extensions. Deferred costs include incremental direct costs and certain indirect costs associated with the trial and application set-up. These costs include salary and benefits associated with direct labour costs incurred during trial set-up, as well as third-party subcontract fees and other contract labour costs. In the event of a contract cancellation by a client, all deferred revenue is recognised and all deferred set-up costs are expensed. To the extent that termination-related fees are payable under the contract, such fees are recognized in the period of termination.

Revenue from maintenance agreements are recognised on a straight line basis over the term of the maintenance period.

*Licences*

Licences are stated at cost and are amortised on a straight line basis over the estimated useful economic life of the license, up to a maximum period of ten years. If impaired, they are written down to the higher of fair value less costs to sell and value in use.

*Direct Costs*

Direct costs in respect of design and modification of services or products to meet customer requirements are recognised rateably over the term of the expected term of the project.

*(f) Tangible Fixed Assets*

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over its estimated useful life as follows:

NOTES TO THE FINANCIAL STATEMENTS (*continued*)  
at 30 June 2018

**2. ACCOUNTING POLICIES (*continued*)**

(f) **Tangible Fixed Assets (*continued*)**

Plant, machinery and office equipment	Over 2-5 years straight line
Leasehold improvements	Over the period of the lease

The carrying values of tangible fixed assets are assessed for the existence of impairment indicators annually. Where there is an indicator of impairment, tangible fixed assets are tested for impairment. Impairment losses are charged in the income statement as incurred.

(g) **Intangible assets**

Expenditure on the research phase of projects to develop new customised software is recognised as an expense as incurred. Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided that they meet the following recognition requirements:

- the development costs can be measured reliably;
- the project is technically and commercially feasible;
- the Company intends to and has sufficient resources to complete the project;
- the Company has the ability to use or sell the software;
- the software will generate probable future economic benefits.

All intangible assets are accounted for subsequently using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual value and useful lives are reviewed at each reporting date. The following useful lives are applied:

Software development	3-8 years
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Amortisation is included within administration expenses in the income statement.

(h) **Financial assets**

The Company classifies its financial assets in accordance with the requirements of IAS 39 *Financial Instruments: Recognition and Measurement* ("IAS 39"). The classification depends on the purpose for which the financial assets were acquired. The Company determines the classification of its financial assets at initial recognition. All financial assets are recognised initially at fair value, except in the case of investments (if applicable) at fair value at profit through profit or loss. The Company does not have any investments at fair value through profit or loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate ("EIR") method, less impairment. This category of financial asset includes trade debtors, amounts owed by group undertakings, other debtors, accrued income and cash at bank and in hand.

All derivative financial instruments that are not designated and effective as hedging instruments are accounted for at fair value through profit or loss. This includes any forward foreign currency contracts entered into by the Company. Where these instruments are designated as hedging instruments in cash flow hedge relationships, hedge accounting is applied provided the Company meets the strict conditions with respect to documentation, probability of occurrence of the hedged transaction and hedge effectiveness.

These arrangements are entered into to mitigate currency exchange risk arising from certain legally binding sales and purchase orders denominated in foreign currency. All derivative financial instruments used for hedge accounting are recognised initially at fair value and reported subsequently at fair value in the Statement of Financial Position.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*  
at 30 June 2018

**2. ACCOUNTING POLICIES *(continued)***

*(h) Financial assets (continued)*

To the extent that the hedge is effective, changes in the fair value of derivatives designated as hedging instruments in cash flow hedges are recognised in other comprehensive income and included within retained earnings in equity. Any ineffectiveness in the hedge relationship is recognised immediately in the Income Statement.

At the time the hedged items affects profit or loss, any gain or loss previously recognised in other comprehensive income is reclassified from equity to the Income Statement and presented as a reclassification adjustment within other comprehensive income. Similarly, if a forecast transaction is no longer expected to occur, any related gain or loss recognised in other comprehensive income is transferred immediately to income statement.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or are transferred.

*(i) Financial liabilities*

Financial liabilities within the scope of IAS39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designed as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings plus directly attributable transaction costs.

The Company's financial liabilities include trade creditors, amounts owed to group undertakings and bank loans and overdrafts. These are measured subsequently at amortised cost using the effective interest method.

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

*(j) Foreign currencies*

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into sterling at the rates of exchange prevailing at the balance sheet date. All differences are taken to the income statement.

*(k) Operating leases*

Rentals applicable to operating leases are charged to the income statement on a straight line basis over the lease term. Lease incentives are recognised as a reduction of rental expense, and the benefit is allocated over the lease term.

*(l) Pension scheme*

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from the Company in an independently administered fund. The pension costs charged represent contributions payable by the Company to the fund in respect of the accounting period. Any difference between amounts paid and amounts payable is showing within either prepayments or accruals on the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*  
at 30 June 2018

**2. ACCOUNTING POLICIES *(continued)***

*(m) Current and deferred income tax*

Current corporation tax is provided at the amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

Deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if a legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the Company to make a single net payment.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are credited or charged directly to equity. Otherwise income tax is recognised in the income statement.

*(n) Share based payments*

The cost of equity settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined using an appropriate option pricing model. In valuing equity settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the Company (market conditions). No expense is recognised for awards that do not ultimately vest.

At each balance sheet date before vesting, the cumulative expense is calculated. The movement in cumulative expense since the previous balance sheet date is recognised in the income statement, with a corresponding entry in the parent Company's inter-Company account.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*  
at 30 June 2018

**2. ACCOUNTING POLICIES *(continued)***

*(o) Impairment of non-financial assets*

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists the Company makes an estimate of the asset's recoverable amount in order to determine the extent of the impairment loss. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

For assets 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, not to exceed the carrying amount that would have been determined, net of depreciation, had no impairment losses been recognised for the asset or cash generating unit in prior years. A reversal of impairment loss is recognised immediately in the income statement.

*(p) Investments*

Investment in subsidiary undertakings are stated at historical cost less any applicable provision for impairment. Impairment reviews are performed by the Directors when there has been an indicator of potential impairment.

*(q) Impact of new accounting standards*

The following standards will be relevant to the Company but were not effective at 30 June 2018 and have not been applied in preparing these financial statements. The Company's current view of the impact of the accounting changes is outlined on the following page:

NOTES TO THE FINANCIAL STATEMENTS *(continued)*  
at 30 June 2018

**2. ACCOUNTING POLICIES *(continued)***

*(q) Impact of new accounting standards (continued)*

<b>Pronouncement</b>	<b>Nature of change</b>	<b>Effective date</b>	<b>Impact</b>
IFRS 9 Financial Instruments	<p>In July 2014 the International Accounting Standards Board issued the final version of IFRS 9 which was approved by the EU in November 2016. IFRS 9 replaces the parts of IAS 39 relating to the classification and measurement of financial instruments. IFRS 9 contains three classification categories for financial assets; (i) measured at amortised cost. (ii) fair value through other comprehensive income and (iii) fair value through profit or loss.</p> <p>Thus, the standard eliminates the existing IAS 39 categories of held to maturity, loans and receivables and available for sale.</p>	Financial periods beginning on or after 1 January 2018.	The Company is currently assessing the nature and extent of the impact of the standard to the financial statements of the Company.
IFRS 15 'Revenue from Contracts with Customers	<p>IFRS 15 specifies how and when revenue will be recognised as well as requiring entities to provide users of financial statements with more informative, relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers.</p> <p>The revised standard was endorsed by the EU on 22 September 2016.</p>	Financial periods beginning on or after 1 January 2018	The Company is currently assessing the nature and extent of the impact of the standard to the financial statements of the Company.

**3. TURNOVER**

Turnover represents the amounts derived from the provision of goods and services which fall within the Company's ordinary activities, stated net of value added tax. Disclosure of turnover in respect of each class of business and each geographical segment has not been provided as the directors believe it would be seriously prejudicial to the interests of the Company.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*  
at 30 June 2018

**4. OPERATING (LOSS) / PROFIT**

Operating (loss) / profit on ordinary activities before taxation is stated after charging:

	2018 £'000	2017 £'000
Depreciation of tangible fixed assets owned (note 11)	37	87
Amortisation of intangible assets (note 10)	3,728	3,183
Impairment of intangible asset (note 10)	1,157	-
Operating lease rentals:		
- land and buildings	341	249
Research and development costs	9,220	6,613
Foreign exchange losses	493	3,637
Audit services	47	79

During the year, the Company impaired Intangible assets with a net book value of £1,157,000. This amount represents cost of £1,644,000 and accumulated amortization of £487,000.

**5. STAFF COSTS**

Staff costs, including directors' emoluments were as follows:

	2018 £'000	2017 £'000
Staff costs during the year comprised:		
Wages and salaries	4,845	5,937
Social security costs	521	677
Other pension costs	417	496
Shared based payments	589	36
	6,372	7,146

The average number of employees, including executive directors, during the year was:

	2018	2017
Operation	76	111
Sales and administration	55	56
	131	167

All of the directors of the Company are also directors of a number of companies within the PAREXEL Group. The directors' services do not occupy a significant amount of their time. As such, the directors do not consider that they have received any remuneration for their incidental services to the Company for the year ended 30 June 2018 (2017: Nil). Retirement benefits are accruing to none of the directors under the defined contribution pension scheme (2017: Nil)

NOTES TO THE FINANCIAL STATEMENTS (*continued*)  
at 30 June 2018

**6. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2018 £'000	2017 £'000
Interest receivable on Intercompany loans	2,357	2,496

See note 13 for details of the Intercompany loans.

**7. INTEREST PAYABLE AND SIMILAR COST**

	2018 £'000	2017 £'000
Bank interest	534	376
Interest payable on Intercompany loans	126	82
	660	458

See note 14 for details of the interest bearing loan.

**8. TAXATION**

	2018 £'000	2017 £'000
<b>a) Analysis of profit and loss account charge</b>		
<b>Current tax</b>		
Current tax on (loss) / profits for the year	(61)	1,068
Foreign tax suffered	7	3
Adjustment in respect of prior years	22	(53)
Total current tax (credit) / charge	(32)	1,018
<b>Deferred tax</b>		
Current year	(678)	(381)
Adjustment in respect of prior years	(19)	108
Effect of changes in tax rates	71	81
Total deferred tax	(626)	(192)
Total tax (credit) / charge	(658)	826
<b>Equity items</b>		
Deferred tax current year charge / (credit)	49	(49)
<b>Other comprehensive income items</b>		
Deferred tax current year (credit) / charge	(33)	436

NOTES TO THE FINANCIAL STATEMENTS *(continued)*  
at 30 June 2018

8. TAXATION *(continued)*

b) Factors affecting the tax charge for the year

	2018 £'000	2017 £'000
(Loss) / profit on ordinary activities before taxation	(4,025)	3,640
Tax on profit at UK standard rate of 19% (2017: 19.75%)	(765)	719
<i>Effects of:</i>		
Adjustments in respect of prior years	2	55
Expenses not deductible	2	2
Income not taxable	(17)	(5)
Tax rate changes	71	80
Effect of overseas tax rates	7	3
R&D	-	-
Share options	8	-
Movement in unprovided deferred tax	34	(28)
Total tax (credit) / charge for the year	(658)	826

(c) Factors that may affect future tax charges

From 1 April 2017 the rate reduced from 20% to 19% and from 1 April 2020 the rate will reduce to 17%. As the reduction to 17% was substantively enacted at the balance sheet date, all deferred tax balances have been provided at a rate of 17%.

The effect on the Company of these changes to the UK tax system will be reflected in the Company's financial statements in future years, as appropriate.

9. DIVIDENDS

	2018 £'000	2017 £'000
Dividend paid £nil per share (2017: £30 per share)	-	3,000

NOTES TO THE FINANCIAL STATEMENTS *(continued)*  
at 30 June 2018

**10. INTANGIBLE ASSETS**

	Software £'000
Cost	
At 1 July 2017	29,287
Additions	2,141
Impairment	(1,644)
At 30 June 2018	<u>29,784</u>
Amortisation	
At 1 July 2017	15,678
Charged during the year	3,728
Impairment	(487)
At 30 June 2018	<u>18,919</u>
At 30 June 2018	<u>10,865</u>
At 30 June 2017	<u>13,609</u>

During the year, the Company impaired Intangible assets with a net book value of £1,157,000. This amount represents cost of £1,644,000 and accumulated amortization of £487,000.

**11. TANGIBLE FIXED ASSETS**

	Leasehold Improvements £'000	Plant & Machinery £'000	Total £'000
Cost			
At 1 July 2017	1,115	4,685	5,800
Additions	-	31	31
At 30 June 2018	<u>1,115</u>	<u>4,716</u>	<u>5,831</u>
Depreciation			
At 1 July 2017	1,078	4,648	5,726
Charge for the year	10	27	37
At 30 June 2018	<u>1,088</u>	<u>4,675</u>	<u>5,763</u>

# Perceptive eClinical Limited

## NOTES TO THE FINANCIAL STATEMENTS *(continued)* at 30 June 2018

### 11. TANGIBLE FIXED ASSETS *(continued)*

At 30 June 2018	27	41	68
At 30 June 2017	37	37	74

### 12. INVESTMENT

Shares in subsidiary  
undertaking  
£'000

Cost and Net book amount as at 1 July 2017 and 30 June 2018 15,095

Perceptive eClinical Limited is a parent Company and has the following subsidiary undertaking:

Name	Nature of business	Interest in ordinary shares
Perceptive Informatics Limited	Research & development	100%

This Company is registered in England.

### 13. DEBTORS

	2018 £'000	2017 £'000
<b>Amounts falling due within one year</b>		
Trade debtors	3,860	8,157
Amounts recoverable on contracts	350	316
Amounts owed by group undertakings	24,531	25,622
RDEC	145	70
Other debtors	6	8
Financial instruments	87	256
Prepayments and accrued income	2,382	3,449
	<u>31,361</u>	<u>37,878</u>
<b>Amounts falling due after one year</b>		
Amounts owed by group undertakings	32,134	32,732
Deferred tax asset	1,161	551
Prepayments and accrued income	1,278	2,716
	<u>34,573</u>	<u>35,999</u>

NOTES TO THE FINANCIAL STATEMENTS (*continued*)  
at 30 June 2018

**13. DEBTORS (*continued*)**

Amounts owed by group undertakings, due within one year include an intercompany balance with Perceptive Informatics UK Limited for an amount of £23,811,000 (2017: £23,811,000) which is unsecured, non-interest bearing and with no fixed repayment date.

Amounts owed by group undertakings, due after one year is an intercompany balance with PAREXEL International Corp. for an amount of £32,134,000 (2017: £32,732,000) which bears interest at a rate of 8% per annum and the Company views the loan as a long-term receivable.

The remaining intercompany loans are unsecured and have no fixed repayment date.

**Deferred taxation**

	1 July 2017	Credit/(Charge) to income statement	Credit to comprehensive income	Charge to equity	30 June 2018
	£'000	£'000	£'000	£'000	£'000
Accelerated capital allowances	2,294	(66)	-	-	2,228
Short term timing					
Differences	(1,806)	105	-	-	(1,701)
Cash flow hedge	(33)	-	33	-	-
Share options	79	(30)	-	(49)	-
Losses	-	617	-	-	617
RDEC	17	-	-	-	17
	551	626	33	(49)	1,161

	1 July 2016	Credit to income statement	Charge to comprehensive income	Credit to equity	30 June 2017
	£'000	£'000	£'000	£'000	£'000
Accelerated capital allowances	2,159	135	-	-	2,294
Short term timing differences	(1,816)	10	-	-	(1,806)
Cash flow hedge	403	-	(436)	-	(33)
Share options	-	30	-	49	79
RDEC	-	17	-	-	17
	746	192	(436)	49	551

# Perceptive eClinical Limited

## NOTES TO THE FINANCIAL STATEMENTS *(continued)* at 30 June 2018

### 14. CREDITORS: Amounts falling due within one year

	2018 £'000	2017 £'000
Bank overdraft	12,971	13,633
Trade creditors	685	681
Amounts owed to group undertakings	27,884	20,784
Other taxation and social security	112	209
Other creditors	106	598
Financial instruments	798	170
Accruals and deferred income	11,066	18,048
	<u>53,622</u>	<u>54,123</u>

Amounts owed to group undertakings include a loan for £1,373,363 with ClinPhone Limited that bears interest at a rate of 6% and is due for repayment on 19 February 2019 and a loan for £6,400,000 with ClinPhone Limited that is unsecured, repayable on demand and not interest bearing.

The remaining intercompany loans are unsecured, are repayable on demand and are not interest bearing.

### 15. CREDITORS: Amounts falling due after more than one year

	2018 £'000	2017 £'000
Amounts owed to group undertakings	-	1,373
Accruals and deferred income	6,235	11,012
	<u>6,235</u>	<u>12,385</u>

### 16. PROVISIONS FOR LIABILITIES

At 30 June the Company had the accrual below outstanding as a result of a Margin Acceleration Programme ("MAP") restructuring charge recorded at entity level. £nil (2017: £12,000) of this amount relates to outstanding lease payments for premises which are no longer occupied.

Onerous Provision	2018 £'000	2017 £'000
At 1 July	57	72
Utilised during the year	(154)	(273)
Charged to the income statement account	97	258
At 30 June	<u>-</u>	<u>57</u>

NOTES TO THE FINANCIAL STATEMENTS *(continued)*  
at 30 June 2018

**17. SHARE BASED PAYMENTS**

The share options in PAREXEL International Corporation, the Company's ultimate parent, are granted on a discretionary basis, and are usually granted on the date of an employee joining the business. The exercise price is the market value as at the date of being granted the shares. The contractual life of the options is four years, and the options vest on a stepped basis over the period, in accordance with the IFRS 2 accelerated vesting model. Share options are equity settled and there are no cash settlement alternatives.

The fair value of equity settled options granted is estimated using a Black-Scholes model taking into account terms and conditions upon which they were granted.

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. Expected volatilities are based on implied and historic volatilities and historic data to estimate option exercise behaviour.

Share options transfers to and from other group companies are due to employees being granted an equity-settled share based payment award while in the employment of one Company in the group, and subsequently transferring their employment to another subsidiary in the group before the award is vested. If the entitlement to the award is unchanged, then the Company measures the services received from the employee by reference to the fair value of the equity instruments at the date those rights to equity instruments were originally granted, and the proportion of the vesting period served by the employee with each subsidiary.

The inputs into the Black-Scholes model for the year ended 30 June 2018 are as follows:

	2018	2017
Weighted average share price	N/A	\$69.21
Weighted average exercise price	N/A	\$42.87
Expected volatility	N/A	\$29.70
Expected life (in years)	N/A	5.0
Risk free interest rate	N/A	0.9
Dividend yield	N/A	0.0

No other features of options granted were incorporated into the measurement of fair value.

The share based payment expense was £586,700 for the year ended 30 June 2018 (2017: £36,000).

For share options outstanding as at 30 June 2018, the weighted average remaining contractual life is nil years (2017: nil years).

The range of exercise prices for options outstanding at the end of the year was £nil (2017: \$33.85 - \$58.70).

The following table illustrates the number and weighted average exercise prices (WAEP) of share options exercised during the year.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*  
at 30 June 2018

**17. SHARE BASED PAYMENTS *(continued)***

	2018 No.	2018 WAEP (\$)	2017 No.	2017 WAEP (\$)
Exercised	13,000	39.9	-	-
Outstanding at 30 June	-	-	13,000	39.9

**Restricted Stock**

Restricted stock awards ("RSA's") and restricted stock units ("RSU's") under the plans described above, are used as a component of compensation for executive officers, non-employee members of the Board of Directors, and other employees. In general, we granted RSA's and RSU's that will vest at the end of a three year vesting period for employees or one year service period for non-employee members of the Board. The fair values of the restricted stock awards and restricted stock units were based upon the closing stock prices on the day of the grants. For the fiscal year 2018 the fair value of the awards vested was \$110,213.10 (2017: \$79,914). Restricted stock activity for Fiscal Year 2018 was:

	Shares	Weighted average grant date fair value
Unvested balance at June 30, 2017	1,251	\$63.88
Granted	-	-
Vested	1,251	\$63.88
Forfeited	-	-
Unvested balance at June 30, 2018	-	-

**Employee Share Purchase Plan (ESPP) Scheme**

In relation to the ESPP scheme, the directors have determined that the number of unexercised share options in existence at the balance sheet date is not material and, accordingly, further disclosure in relation to this scheme has not been included in the financial statements. Additionally, no adjustment has been made to include a fair value expense over the vesting period in either the current or prior year as such amounts are not material.

PAREXEL International stock stopped trading at the close of business on September 29, 2017, as a result of the Merger and all outstanding employee equity awards were accelerated and settled in cash using the \$88.10 purchase price per share paid by Pamplona in the transaction.

**Interest Subscription Agreement**

Following the Merger, PAREXEL Investment Holdings L.P. (the "Partnership"), a parent Company to the Company, offered Series A-2 Interests of the Partnership to certain key executives of the Company in exchange for cash priced at fair market value. Since there is no public market for these interests, fair value was determined by the General Partner giving consideration to the recent acquisition of PAREXEL by Pamplona and subsequently supported by an independent valuation performed by a third party valuation specialist.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*  
at 30 June 2018

**17. SHARE BASED PAYMENTS *(continued)***

**Management Interest Grant Agreement (MIGA)**

Following the Merger, the Partnership granted to certain executives and other key employees of the Company and members of the Board equity interests in the Partnership in the form of Class B Interests (such interests, the "Class B Interests" and such grant, "an award"), which are subject to both time-vesting requirements (representing 1/3 of the award) ("Time Vesting Class B Interests") and performance-vesting requirements (representing 2/3 of the award) ("Performance Vesting Class B Interests").

During the year, 100,000 time vesting equity interests and 200,000 performance vesting equity interests were granted. For the fiscal year 2018 the expense was £2,000. The activity for the year was:

	Units	Weighted average grant price
Granted	300,000	\$0.24

**18. SHARE CAPITAL PRESENTED AS EQUITY**

	2018 £'000	2017 £'000
Authorised		
109,889 ordinary shares of 1p each	1	1
Allotted, called up and fully paid		
100,101 (2017: 100,101) ordinary shares of 1p each	1	1

**19. LEASING COMMITMENTS**

At 30 June 2018 the Company had the following total commitments under non-cancellable operating leases as set out below:

	Land and buildings	
	2018	2017
	£'000	£'000
Within one year	-	12
In two to five years	-	-
In five years or more	-	-
	-	12

NOTES TO THE FINANCIAL STATEMENTS *(continued)*  
at 30 June 2018

**20. PENSIONS**

The Company contributes to various group personal and independent defined contribution pension schemes in the countries it operates in. Contributions made by the Company to the scheme during the period amounted to £417,000 (2017: £496,000).

**21. RELATED PARTY TRANSACTIONS**

The Company has availed of the exemption provided in FRS 101.8(k) whereby transactions entered into between two or more members of a group of companies are not required to be disclosed, provided that any subsidiary undertaking which as a party to the transaction is a wholly owned member of that group.

**22. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY**

The Company's immediate parent undertaking and controlling party is ClinPhone Limited, a Company incorporated in Great Britain and registered in England and Wales.

As at 30 June 2018, the Company's ultimate parent Company and controlling party is West Street Topco Limited, incorporated in Jersey, The Channel Islands. It has included the Company in its group financial statements, copies of which can be obtained from:

West Street Topco Limited,  
13-14 Esplanade,  
St Helier,  
Jersey JE11EE,  
Jersey, The Channel Islands

As at 30 June 2018, West Street Topco Limited is the largest group to consolidate the Company's financial statements.

**23. POST BALANCE SHEET EVENTS**

There have been no significant events subsequent to the year-end which would require adjustment to, or disclosure in, the financial statements.

**24. APPROVAL OF THE FINANCIAL STATEMENTS**

The financial statements were authorised and approved for issue by the Board on 27 May 2019.