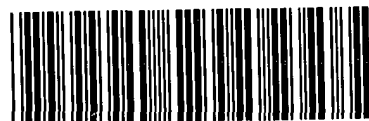


## **Perceptive eClinical Limited**

Annual Report and Financial Statements  
for the eighteen-month period ended 31 December 2020

*Registered number: 03264836*

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**Annual report and financial statements  
for the eighteen-month period ended 31 December 2020**

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**COMPANY INFORMATION**

<b>DIRECTORS</b>	Gavin David Thomas Nichols (UK) Purvesh Dhananjay Patel (U.S.)
<b>SECRETARY</b>	Broughton Secretaries Limited
<b>REGISTERED OFFICE</b>	54 Portland Place London England W1B 1DY United Kingdom
<b>BANKERS</b>	JP Morgan Chase Bank N.A. Chaseside Bournemouth BH7 7DB United Kingdom
<b>INDEPENDENT AUDITORS</b>	Deloitte Ireland LLP Chartered Accountants and Statutory Audit Firm Deloitte & Touche House Earlsfort Terrace Dublin 2 Ireland
<b>SOLICITORS</b>	Gowling WLG (UK) LLP 4 More London Riverside London SE1 2AU
<b>REGISTERED NUMBER</b>	03264836

## STRATEGIC REPORT

for the eighteen-month period ended 31 December 2020

The directors present their strategic report for the eighteen-month period ended 31 December 2020.

### REVIEW OF BUSINESS

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

The key financial indicators during the period were as follows:

	18-month period from 01 July 2019 to 31 December 2020 £000	Year ended 30 June 2019 (Restated) £000	Change %
Turnover	22,107	24,848	(11)
Operating profit/(loss)	10,261	(1,411)	827
Profit/(loss) after tax	12,757	(767)	1,763
Total shareholders' funds	44,144	31,387	41
Current assets as % of current liabilities	264%	62%	202
Average number of employees	98	109	(10)
Trade debtors	1,440	2,027	(29)
Accruals and deferred income (due within one year)	3,398	6,160	(45)
Accruals and deferred income (due after one year)	2,696	3,989	(32)
Non-current assets	20,694	55,002	(62)

The results for the eighteen-month period are set out on page 13. The directors consider the results achieved from ordinary activities before taxation, the Company's financial position at the end of the period and its future prospects to be in line with their current expectations.

The eighteen-month profit for the period, after taxation, amounted to £12,757,000 (2019: loss of £767,000). There were no dividends paid during the year (2019: £nil).

Both turnover and cost of sales were lower for the eighteen-month period, and an operating profit of £10,261,000 was achieved compared to an operating loss of (£1,411,000) in the prior year. This is mainly due to the administrative expenses for the eighteen-month period being significantly less than the year ended 30 June 2019. The main reason for this decrease is the write-off of historical intercompany balances of £7,780,000, representing a credit to the income statement.

As part of the budgetary process, certain Key Performance Indicators around areas such as debtors, accruals and deferred income are set in order to effectively manage the working capital of the Company. In addition, project, productivity, and capacity metrics were reported to assist in the management of profitability improvements. These are reviewed monthly and appropriate actions taken as required.

## STRATEGIC REPORT (CONTINUED)

for the eighteen-month period ended 31 December 2020

As part of the operational review of the business, management actively monitors the progress of backlog which is a factor of new business wins less cancellations and revenue recognised.

The results of the period 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.

### PRINCIPAL RISKS AND UNCERTAINTIES

The Company's operations expose it to a variety of risks. If any of the following risks occur, our business, financial condition, or results of operations would likely suffer.

- **LOSS, MODIFICATION OR DELAY OF LARGE OR MULTIPLE CONTRACTS**

The loss, modification, or delay of large or multiple contracts may negatively impact the Company's operating results; our clients and the Parent Group clients we support generally can terminate their contracts with us upon 30-to-60-day notice or can delay the execution of services. In order to mitigate these risks our priority is to further build upon our leadership position in the marketplace and deliver high-quality services to our clients as they continue to evolve and change. We are working to capitalise on our strong global footprint, to expand our portfolio of strategic partnerships, and to continue increasing our business with small and emerging biopharma companies. At the same time, we will continue to pursue growth through acquisitions.

- **FIXED PRICE NATURE OF CONTRACTS**

The majority of the Company's contracts are fixed price. Failure to adequately price contracts or cost overruns can have an effect on operating results. Management closely monitors the running of trials to ensure they are in line with budgets and targets.

- **CHANGES IN GOVERNMENTAL REGULATIONS**

Failure to comply with government regulations could result in the termination of ongoing research, development of sales and marketing projects, or the disqualification of data for submission to regulatory authorities. We monitor and comply with the current regulations in order to mitigate non-compliance risks.

- **CURRENCY RISK**

The Company has transactional currency exposures which arise from sales and purchases in currencies other than its functional currency. Potential exposures to foreign currency exchange rate movements are monitored, reviewed monthly and appropriate actions are taken to manage net open foreign currency positions.

- **CREDIT RISK**

The Company's principal financial assets are bank balances and cash, trade, and other receivables.

The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

## STRATEGIC REPORT (CONTINUED)

for the eighteen-month period ended 31 December 2020

### PRINCIPAL RISKS AND UNCERTAINTIES (continued)

- **BREXIT**

As with any UK business, Brexit presented a number of operational and logistical challenges of which the Company has access to a global supply chain and expertise to meet those challenges. The Company put in place a Brexit Steering Committee following the EU referendum result which focused on positioning the Company for the eventual outcome. There were three primary areas of focus: business continuity and new commercial opportunity, client delivery and project management and communications and training. As a result of the Committee's effort, the Company has not experienced a negative impact to the delivery of client projects and continues to meet its contractual commitments and obligations.

- **OTHER RISKS - COVID 19**

During 2020, the World Health Organization declared the outbreak of a novel coronavirus ("COVID-19") to be a pandemic. The restrictions imposed as a result of COVID-19 initially led to widespread global patient-site closures and resulted in a decline in revenue related to our site-based monitoring services and delays in new trial start-up activities. Despite these challenges, our business has adapted and continues to adapt to the changing environment through implementing remote and risk-based patient-monitoring, including a steady reopening of patient sites and resuming of trial start-up activities. In an effort to limit the overall impact of the COVID-19 pandemic, we initiated several cost management strategies and cash conservation initiatives, including organizational and operating model efficiencies, hiring restrictions, reductions in third-party costs and delaying some capital expenditures. These efforts to preserve cash, as well as our ability to creatively deliver our services and win new awards had a positive impact on our operating results and our cash flows during the second half of 2020. Also, during the second half of 2020 we have seen improvements in our business due in part to an increase in revenue from COVID-19 related studies and this upward trend continued throughout 2021.

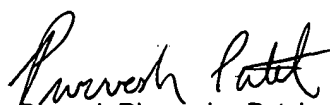
- **RECRUITMENT OF QUALIFIED EMPLOYEES**

The success of the Company's business depends on its ability to attract and retain qualified professional, scientific and technical staff. The Company believes that its brand name recognition and its multinational presence, which allows for international transfers, are an advantage in attracting employees. In addition, the Company believes the wide range of clinical trials in which it participates allows the Company to offer broad experience to clinical researchers.

### FUTURE DEVELOPMENT

There are no material changes expected for the Company through 2021 and 2022.

On behalf of the Board

  
Purvesh Dhananjay Patel  
Director

Date: 13 June 2022

## **DIRECTORS' REPORT**

for the eighteen-month period ended 31 December 2020

The directors present their report and the audited financial statements for the eighteen-month period (the 'period') ended 31 December 2020.

Financial risk management policies and objectives are included in the strategic report.

### **FUTURE DEVELOPMENTS**

Future developments are included in the strategic report on page 4.

### **GOING CONCERN**

The financial statements have been prepared on a going concern basis. The Company is 100% owned, either directly or indirectly by Pamplona Investment Partners L.P. ("Pamplona").

Pamplona has formally confirmed to the directors that, if required, it will provide support to enable the Company to continue in operation 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 as required to fund the normal working cash needs of the business.

The directors have considered that Pamplona have the appropriate funding in place to support the entity and based on the written support received, the directors are satisfied that it is appropriate to rely on Pamplona's indication of funding.

As a result of the conflict in Ukraine, the UK and EU have introduced sanctions on Mikhail Fridman and Petr Aven, whom are investors in LetterOne Holdings which in turn holds investments in Pamplona. These sanctions do not impact Pamplona and Calyx at present. Due to the potential for future sanctions and recent announcements by Pamplona that it intends to liquidate funds with ties to LetterOne Holdings, a material uncertainty exists with respect to the going concern assumption, as there is uncertainty related to continued funding from Pamplona and its future plans over which the directors have no control.

At this time, it is uncertain if Pamplona were unable to provide funds whether alternate forms of funding would be available to the Company.

The financial statements do not include any adjustments that would be necessary if the company was unable to continue as a going concern.

### **POST BALANCE SHEET EVENTS**

In November 2020, the Parexel group began the process of legally separating its Parexel Informatics (PI) segment (the "Spin-Off"), which included its: (i) clinical trial management systems; (ii) electronic data capture; (iii) interactive response technology; (iv) regulatory information management; and (v) medical imaging businesses. This transaction will simplify the Company's business strategy as well as provide PI the opportunity to achieve long-term growth through a dedicated focus on technology and winning new customers within the Company's industry. In January 2021, the Parexel group completed the Spin-Off, and the PI business was rebranded as Calyx. Upon completion of the Spin-Off, Calyx became a wholly owned subsidiary of Parexel Investment Holdings LP, an indirect shareholder of the Company, and will no longer be part of the Parexel group.

On 24 February 2022 Russia invaded Ukraine and there continues to be an ongoing conflict at the date of signing the financial statements. As a result of the conflict the UK and EU introduced sanctions on Mikhail Fridman and Petr Aven, investors in LetterOne Holdings which in turn holds investments in Pamplona Investment Partners L.P. The company has obtained written assurances from the relevant legal bodies in the UK and EU that the Company and Pamplona are not subject to sanctions.

### **RESEARCH AND DEVELOPMENT**

The Company undertook research and development activities in providing clinical services to the pharmaceutical industry amounting to £3,179,000 (2019: £6,913,000).

### **DIVIDENDS**

The Company did not propose, declare, or pay any dividends during the period (year ended 30 June 2019: £nil).

## **DIRECTORS' REPORT (CONTINUED)**

*for the eighteen-month period ended 31 December 2020*

### ***DIRECTORS***

The director who held office during the period were as follows:

Paul Joseph Armstrong (U.S.) - appointed 1 May 2020, resigned 31 December 2020

Michael Francis Crowley III (U.S.) - resigned 31 December 2020

Joseph Edward Scott (U.S.) - resigned 1 May 2020

Directors of the Company appointed post 31 December 2020 but before the approval of the financial statements were as follows:

Gavin David Thomas Nichols (UK) - appointed 1 January 2021

Purvesh Dhananjay Patel (U.S.) - appointed 1 January 2021

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

### ***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.

### ***POLITICAL AND CHARITABLE CONTRIBUTIONS***

The Company made no political or charitable donations or incurred any political expenditure during the period (year ended 30 June 2019: £nil).

### ***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 ENGAGEMENT***

During the period, 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.

### ***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.



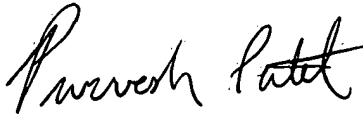
*DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITORS*

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have been taken as a director in order make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

On behalf of the Board



Purvesh Dhananjay Patel  
Director

Date: 13 June 2022

## DIRECTORS' RESPONSIBILITIES STATEMENT

for the eighteen-month period ended 31 December 2020

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

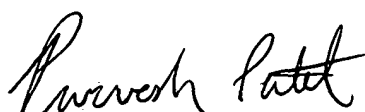
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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.

On behalf of the Board



Purvesh Dhananjay Patel  
Director

Date: 13 June 2022

## Independent auditor's report to the members of Perceptive eClinical Limited

### Report on the audit of the financial statements

#### Opinion

In our opinion the financial statements of Perceptive eClinical Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework" and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 22.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

#### 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 Financial Reporting Council's (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.

#### Material uncertainty related 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.

We draw attention to note 1 in the financial statements, which indicates that a material uncertainty exists with respect to the going concern assumption, as there is uncertainty related to continued funding from Pamplona (a 100% shareholder in the company) and its future plans over which the directors have no control, as a result of the potential for future sanctions and recent announcements by Pamplona that it intends to liquidate funds with ties to LetterOne Holdings. As stated in note 1, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

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 this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

#### **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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Report on other legal and regulatory requirements**

##### **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 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 has been prepared in accordance with applicable legal requirements.

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 any material misstatements in the directors' report.

# Deloitte.

## **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

We have nothing to report in respect of these matters.

## **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.



Ann McGonagle (Senior statutory auditor)  
For and on behalf of Deloitte Ireland LLP, Statutory Auditor  
Chartered Accountants and Statutory Audit Firm  
Deloitte & Touche House  
Earlsfort Terrace  
Dublin 2  
Ireland

16 June 2022

# INCOME STATEMENT

for the eighteen-month period ended 31 December 2020

		18-month period from 01 July 2019 to 31 December 2020	Year ended 30 June 2019 (Restated)
	Note	£000	£000
Turnover	3	22,107	24,848
Cost of sales		(13,157)	(17,506)
<b>Gross profit</b>		<b>8,950</b>	<b>7,342</b>
Administrative expenses		1,311	(8,753)
<b>Operating profit / (loss)</b>	4	<b>10,261</b>	<b>(1,411)</b>
Interest receivable and similar income	6	3,562	2,472
Interest payable and similar expenses	7	(1,273)	(649)
<b>Profit on ordinary activities before tax</b>		<b>12,550</b>	<b>412</b>
Tax on profit on ordinary activities	8	207	(1,179)
<b>Profit/(loss) for the financial period / year</b>		<b>12,757</b>	<b>(767)</b>

All activities are derived from continuing operations.

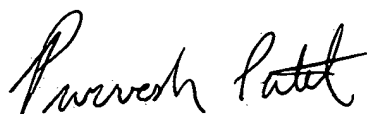
There are no other gains and losses in the current or preceding period / year and as such no statement of comprehensive income has been presented.

# STATEMENT OF FINANCIAL POSITION

as at 31 December 2020

		As at 31 December 2020 £000	As at 30 June 2019 £000
	Note		
<b>Fixed assets</b>			
Intangible assets	9	5,791	6,096
Tangible assets	10	56	31
Investments in subsidiaries	11	14,521	15,095
		<u>20,368</u>	<u>21,222</u>
<b>Current assets</b>			
Debtors: Amounts falling due within one year	12	35,960	32,232
Debtors: Amounts falling due after one year	12	326	33,780
Cash at bank and in hand	13	6,221	278
		<u>42,507</u>	<u>66,290</u>
Creditors: Amounts falling due within one year	13	(15,999)	(52,039)
<b>Net current assets</b>		<u>26,508</u>	<u>14,251</u>
<b>Total assets</b>		<u>46,876</u>	<u>35,473</u>
Creditors: Amounts falling due after one year	13	(2,696)	(3,989)
Provisions for liabilities	14	(36)	(97)
<b>Net assets</b>		<u>44,144</u>	<u>31,387</u>
<b>Capital and reserves</b>			
Share capital presented as equity	16	1	1
Share premium account		12,209	12,209
Retained earnings		31,934	19,177
<b>Total shareholders' funds</b>		<u>44,144</u>	<u>31,387</u>

The financial statements of Perceptive eClinical Limited (Registered number: 03264836) were approved by the board of directors on 13 June 2022 and were signed on its behalf by:



Purvesh Dhananjay Patel  
Director

**STATEMENT OF CHANGES IN EQUITY**  
for the eighteen-month period ended 31 December 2020

	Share capital presented as equity £000	Share premium account £000	Retained earnings £000	Total shareholders' funds £000
<b>At 1 July 2018</b>	1	12,209	20,349	32,559
Adjustment from the adoption of IFRS 9	-	-	(620)	(620)
Adjustment from the adoption of IFRS 15	-	-	215	215
<b>Adjusted balance at 1 July 2018</b>	<u>1</u>	<u>12,209</u>	<u>19,944</u>	<u>32,154</u>
 Loss for the financial year	 -	 -	 (767)	 (767)
<b>At 30 June 2019</b>	<u>1</u>	<u>12,209</u>	<u>19,177</u>	<u>31,387</u>
 Profit for the financial period	 -	 -	 12,757	 12,757
<b>At 31 December 2020</b>	<u>1</u>	<u>12,209</u>	<u>31,934</u>	<u>44,144</u>



## NOTES TO THE FINANCIAL STATEMENTS

for the eighteen-month period ended 31 December 2020

### 1. GENERAL INFORMATION

Perceptive eClinical Limited (the 'Company') is a private company, limited by shares and is incorporated and domiciled in the UK. The Registered Office is 54 Portland Place, London, England, W1B 1DY, United Kingdom.

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, these financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and in accordance with applicable accounting standards. The principal accounting policies adopted by the Company are set out within note 2. The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The financial year end of the Company was changed from 30 June to 31 December so as to align with a similar year end change for the Parexel Group. Accordingly, the current financial statements are prepared for eighteen months from 1 July 2019 to 31 December 2020 and as a result, the comparative figures stated in the income statement, statement of financial position and statement of changes in equity are not directly comparable.

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, 26 New Street, St Helier, Jersey, JE2 3RA, The Channel Islands.

### 2. ACCOUNTING POLICIES

#### 2.1 *Application of new and revised International Financial Reporting Standards (IFRSs)*

For the period ended 31 December 2020, the Company adopted IFRS 16 Leases, IFRS 2 (amendments) Classification and Measurement of Share-based Payment Transactions, IAS 40 (amendments) Transfers of Investment Property, IFRIC 22 Foreign Currency Transactions and Advance Consideration, IFRIC 23 Uncertainty over Income Tax Treatments, IFRS 9 (amendments) Prepayment Features with Negative Compensation, IAS 28 (amendments) Long-term Interests in Associates and Joint Ventures and IAS 19 (amendments) Plan Amendment, Curtailment or Settlement, Annual Improvements to IFRS Standards 2015–2017 Cycle IAS 12 Income Taxes and IAS 23 Borrowing Costs. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

for the eighteen-month period ended 31 December 2020

### 2. ACCOUNTING POLICIES (*CONTINUED*)

#### 2.2 *Basis of preparation*

The accounting policies which follow set out those accounting policies which apply in preparing the financial statements for the period ended 31 December 2020.

The Company has taken advantage of the following disclosure exemptions available under FRS 101:

- the requirements of paragraphs 10(d), 16, 38(a)-38(d), 111 and 134 to 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* relating to disclosure of key management personnel;
- the requirements of paragraph 38 of IAS 1 *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 in IAS 24 *Related Party Disclosures* to disclose related party transactions entered between two or more members of a group, provided that any subsidiary which is a party to the transaction is a wholly owned subsidiary of West Street Topco Limited;
- The requirements of paragraph 45 (b) and 46 to 52 of IFRS 2, *Share-based Payments* relating to the number and weighted average exercise price in respect of each category of movement in share options during the year;
- the requirements of IFRS 7 *Financial Instruments Disclosures*;
- the requirements of paragraphs 91 – 99 of IFRS 13 *Fair Value Measurement* relating to disclosures regarding fair value measurement;
- disclosure of a third balance sheet as required under IAS 1 when correcting for a prior period error;
- The requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* relating to disclosure of standards not yet effective and not applied.

Where relevant, equivalent disclosures have been given in the group accounts of West Street Topco Ltd.

## NOTES TO THE FINANCIAL STATEMENTS

for the eighteen-month period ended 31 December 2020

### 2. ACCOUNTING POLICIES (*CONTINUED*)

#### 2.3 *Judgements and key sources of estimation uncertainty*

In applying the Company's accounting policies, which are described below, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make 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.

As at the eighteen-month period ended 31 December 2020 there are no critical judgements that have a significant effect on the amounts recognised in the financial statements.

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) **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.

(ii) **Impairment of investments**

Impairment is assessed by firstly reviewing any indicators of impairment. Impairment is then assessed by comparing the carrying value of an asset with its recoverable amount which is based on the net assets of the Company in which the Company holds an investment or its value in use. Calculation of the value in use involves judgement and making estimates in relation to future cash flows and actions and is therefore subject to inherent uncertainty.

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## NOTES TO THE FINANCIAL STATEMENTS

for the eighteen-month period ended 31 December 2020

### 2. ACCOUNTING POLICIES (*CONTINUED*)

#### 2.4 *Going concern*

The financial statements have been prepared on a going concern basis. The Company is 100% owned, either directly or indirectly by Pamplona Investment Partners L.P. ("Pamplona").

Pamplona has formally confirmed to the directors that, if required, it will provide support to enable the Company to continue in operation 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 as required to fund the normal working cash needs of the business.

The directors have considered that Pamplona have the appropriate funding in place to support the entity and based on the written support received, the directors are satisfied that it is appropriate to rely on Pamplona's indication of funding.

As a result of the conflict in Ukraine, the UK and EU have introduced sanctions on Mikhail Fridman and Petr Aven, whom are investors in LetterOne Holdings which in turn holds investments in Pamplona. These sanctions do not impact Pamplona and Calyx at present. Due to the potential for future sanctions and recent announcements by Pamplona that it intends to liquidate funds with ties to LetterOne Holdings, a material uncertainty exists with respect to the going concern assumption, as there is uncertainty related to continued funding from Pamplona and its future plans over which the directors have no control.

At this time, it is uncertain if Pamplona were unable to provide funds whether alternate forms of funding would be available to the Company.

The financial statements do not include any adjustments that would be necessary if the company was unable to continue as a going concern.

#### 2.5 *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 Statement of Financial Position date. All differences are taken to the Income Statement.

## NOTES TO THE FINANCIAL STATEMENTS

for the eighteen-month period ended 31 December 2020

### 2. ACCOUNTING POLICIES (*CONTINUED*)

#### 2.6 *Revenue Recognition*

The Company earns service revenues from contracts with customers through the delivery of its clinical services to clients. Revenue is recognised when or as control of the performance obligation is transferred to the customer in an amount that reflects the consideration the Company expects to be entitled to receive in exchange for those services. The Company determines revenue recognition through the application of the following steps:

- identification of the contract, or contracts, with a customer;
- identification of the performance obligations in the contract;
- determination of the transaction price;
- allocation of the transaction price to the performance obligations in the contract; and
- recognition of revenue when, or as, the Company satisfies a performance obligation.

Contract provisions do not provide for rights of return or refund, but normally include rights of cancellation with notice (typically 90 days), in which case services delivered through the cancellation date are due and payable by the client, including certain costs to conclude the trial or study.

The Company offers volume discounts or rebates to certain of its large customers based on annual volume, which is treated as variable consideration. The Company records an estimate of the volume rebate as a reduction of the transaction price based on the estimated total rebates to be earned by the customers for the period.

#### 2.7 *Interest receivable and similar income*

Interest income is recognised in profit or loss using the effective interest method.

#### 2.8 *Interest payable and similar expenses*

All borrowing costs associated with the secured and unsecured borrowings (refer to Note 7 in Notes to the Financial Statements) are recognised in profit or loss in the period in which they are incurred.

#### 2.9 *Research and development*

The Company supports clinical research activities that qualify as research and development. The costs of these activities are expensed as incurred and included within cost of sales in the income statement.

#### 2.10 *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 Statement of Financial Position.

## NOTES TO THE FINANCIAL STATEMENTS

for the eighteen-month period ended 31 December 2020

### 2. ACCOUNTING POLICIES (*CONTINUED*)

#### 2.11 *Current and deferred taxation*

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.

## NOTES TO THE FINANCIAL STATEMENTS

for the eighteen-month period ended 31 December 2020

### 2. ACCOUNTING POLICIES (*CONTINUED*)

#### 2.12 *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 useful lives are:

Software development	3-8 years
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Amortisation is included within administration expenses in the Income Statement.

#### 2.13 *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:

Leasehold improvements	Over the period of the lease
Plant and machinery	2-5 years

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 account as incurred.

#### 2.14 *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. Estimated future cash flows for this investment are not performed and hence reversal of any impairment from prior years is not considered.

## NOTES TO THE FINANCIAL STATEMENTS

for the eighteen-month period ended 31 December 2020

### 2. ACCOUNTING POLICIES (*CONTINUED*)

#### *2.15 Management interest grants*

The Company may incur charges from PAREXEL Investment Holdings LP. (the "Partnership"), a parent Company to the Company for interest awards that are granted to certain key executives of the Company. The Company does not issue any equity instruments.

The Partnership grants 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"). The Class B Interests were not issued for consideration.

The Time Vesting Class B Interests generally vest on each of the first four anniversaries of the vesting commencement date, subject to a participant's continued employment with the Company through each applicable vesting date. In the event of a change of control, all unvested Time Vesting Class B Interests will accelerate and fully vest upon the consummation of such change of control. Additionally, in the event of a qualifying termination, a participant's unvested Time Vesting Class B Interests will remain outstanding and eligible to vest upon a change of control that occurs during the six (6)-month period following such termination (the "tail period"). If a change of control does not occur during the tail period, any unvested Time Vesting Class B Interests will terminate upon the expiration of the tail period, provided that a pro-rata portion of the tranche of Time Vesting Class B Interests eligible to vest at the time of such qualifying termination will vest.

During the fourth quarter of 2020, the Management Interest Grant Agreement was modified to remove the requirement that the Sponsor achieve a Return on Investment Multiple ("ROIM") of at least 1.50x. Accordingly, the Performance-Vesting Profit Interests cliff vest and become Vested Interests solely if the Sponsor achieves an Internal Rate of Return equal to or greater than eight percent (8%) at the time of a Measurement Date.

In the event of a qualifying termination, a participant's Performance Vesting Class B Interests will remain outstanding and eligible to vest upon a change of control or an initial public offering or cash distribution, in each case, during the tail period and will vest upon such change of control or initial public offering or cash distribution (as applicable) to the extent any of the above-referenced performances hurdles are met as a result of such change of control or initial public offering or cash distribution (as applicable). Any Performance Vesting Class B Interests that have not vested as of the expiration of the tail period will terminate immediately upon the expiration of such tail period.

#### *2.16 Debtors*

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

#### *2.17 Cash and cash equivalents*

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



## NOTES TO THE FINANCIAL STATEMENTS

for the eighteen-month period ended 31 December 2020

### 2. ACCOUNTING POLICIES (*CONTINUED*)

#### 2.18 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

#### 2.19 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

## NOTES TO THE FINANCIAL STATEMENTS

for the eighteen-month period ended 31 December 2020

### 2. ACCOUNTING POLICIES (*CONTINUED*)

#### 2.20 Financial assets

The Company classifies its financial assets in accordance with the requirements of IFRS 9 Financial Instruments ("IFRS 9"). The standard is based on the concept that financial assets should be classified and measured at fair value, with changes in fair value recognised in profit and loss as they arise ("FVPL") unless restrictive criteria are met for classifying and measuring the asset at either Amortized Cost or Fair Value Through Other Comprehensive Income ("FVOCI").

The Company determines the classification of its financial assets at initial recognition. All financial assets are recognised initially at fair value. Under the "Expected Credit Loss" model, an entity calculates the allowance for credit losses by considering on a discounted basis the cash shortfalls it would incur in various default scenarios for prescribed future periods and multiplying the shortfalls by the probability of each scenario occurring. The allowance is the sum of these probability weighted outcomes.

IFRS 9 establishes three separate approaches for measuring and recognizing expected credit losses, a general approach, a simplified approach and a credit adjusted approach. The approach is dependent on whether the allowance for expected credit losses at the balance sheet date is calculated by considering possible defaults only for the next twelve months ("twelve-month ECLs") or for the entire remaining life of the asset ("Lifetime ECLs"). The Company applies the simplified approach and always recognises lifetime expected credit losses (ECL) for trade debtors and intercompany receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition.

If an individual ECL which has been provided for is subsequently collected, the ECL is reversed and recognized in the Income Statement in the period that it is realised.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the Income Statement.

## NOTES TO THE FINANCIAL STATEMENTS

for the eighteen-month period ended 31 December 2020

### 2. ACCOUNTING POLICIES (*CONTINUED*)

#### 2.20 *Financial assets (continued)*

##### Write-off policy

Individual trade debtor accounts are evaluated on a regular basis and in circumstances where the Company is made aware of a specific customer's inability to meet its financial obligations and there is no realistic prospect of recovery, a specific allowance is established. Uncollectible invoices are written off when collection efforts have been exhausted however may still be subject to enforcement activities under the Company's recovery procedures.

#### 2.21 *Financial liabilities*

The Company classifies its financial liabilities in accordance with the requirements of IFRS 9 Financial Instruments ("IFRS 9"). The Company's financial liabilities include amounts owed to group undertakings.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments). The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

The Company accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification is recognised in profit or loss as the modification gain or loss within other gains and losses.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

## NOTES TO THE FINANCIAL STATEMENTS

for the eighteen-month period ended 31 December 2020

### 2. ACCOUNTING POLICIES (*CONTINUED*)

#### *2.22 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.

#### *2.23 Impact of new accounting standards*

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective; IFRS 3 Definition of a Business (Amendments to IFRS 3) and IFRS 16 Covid-19 Rent Related Concessions. The directors of the Company are presently assessing the impact of adoption of the Standards listed above on its financial statements but do not expect the new standards will have a material impact on the financial statements of the Company in future years.

#### *2.24 Consolidated Financial Statements*

The Company is exempt under Section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation 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.

### 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 from a competitive perspective.

## NOTES TO THE FINANCIAL STATEMENTS

for the eighteen-month period ended 31 December 2020

### 4. OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging/(crediting):

	18-month period from 01 July 2019 to 31 December 2020 £000	Year ended 30 June 2019 £000
Research & development charged as an expense	3,179	6,913
Depreciation of tangible fixed assets	14	37
Amortisation of intangible assets	448	3,689
Impairment of intangible assets	-	2,024
Loss on disposal of intangible assets	66	-
Impairment of investments	1,085	-
Exchange differences	(2,057)	538
Other income	(33)	-
Release of intercompany liability	(7,780)	-
Loss allowance on trade and intercompany receivables	(58)	(20)
Auditor's remuneration: Fees payable to the Company's auditor for the audit of the Company's annual accounts	82	58

Other income relates to amounts received by the Company for the Coronavirus Job Retention Scheme ("CRJS"). Amounts received were recognised as income over the period necessary to match them with the related costs, for which they are intended to compensate, on a systematic basis.

During the period historical intercompany liability balances of £7,780,000 were written-off as part of the Calyx spin-off, refer to Note 20.

## NOTES TO THE FINANCIAL STATEMENTS

for the eighteen-month period ended 31 December 2020

### 5. STAFF COSTS

Staff costs, including directors' emoluments were as follows:

	18-month period from 01 July 2019 to 31 December	Year ended 30 June
	2020 £000	2019 £000
<b>Staff costs during the period/year comprised:</b>		
Wages and salaries	6,568	4,239
Social security costs	595	416
Pension costs	515	357
Shared based payments	30	(2)
	<u>7,708</u>	<u>5,010</u>

The average monthly number of employees, including the directors, during the period/year was as follows:

	18-month period from 01 July 2019 to 31 December	Year ended 30 June
	2020 No.	2019 No.
Operation	44	66
Sales and administration	54	43
	<u>98</u>	<u>109</u>

The directors of the Company are also directors of the number of companies within the West Street Topco, Limited 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 period ended (Year ended 30 June 2019: Nil). Retirement benefits are accruing to none of the directors under the defined contribution pension scheme (30 June 2019: Nil).

## NOTES TO THE FINANCIAL STATEMENTS

for the eighteen-month period ended 31 December 2020

### 6. INTEREST RECEIVABLE AND SIMILAR INCOME

	18-month period from 01 July 2019 to 31 December 2020 £000	Year ended 30 June 2019 £000
Interest receivable on intercompany loans	3,562	2,472
	<u>3,562</u>	<u>2,472</u>

### 7. INTEREST PAYABLE AND SIMILAR EXPENSES

	18-month period from 01 July 2019 to 31 December 2020 £000	Year ended 30 June 2019 £000
Bank interest	1,237	575
Interest payable on intercompany loans	36	74
	<u>1,273</u>	<u>649</u>

## NOTES TO THE FINANCIAL STATEMENTS

for the eighteen-month period ended 31 December 2020

### 8. TAXATION

	18-month period from 01 July 2019 to 31 December 2020 £000	Year ended 30 June 2019 £000
<b>a) Analysis of income statement (credit)/charge:</b>		
<b>Current tax</b>		
Current tax on profits for the period/year	188	768
Adjustments in respect of previous periods	(395)	(702)
	<u>(207)</u>	<u>66</u>
<b>Foreign tax</b>		
Foreign tax on income for the period/year	-	3
	<u>-</u>	<u>3</u>
<b>Total current tax</b>	<u>-</u>	<u>69</u>
<b>Deferred tax</b>		
Adjustments in respect of prior periods	-	1,110
<b>Total deferred tax</b>	<u>-</u>	<u>1,110</u>
<b>Tax (credit)/charge on profit</b>	<u>(207)</u>	<u>1,179</u>



## NOTES TO THE FINANCIAL STATEMENTS

for the eighteen-month period ended 31 December 2020

### 8. TAXATION (CONTINUED)

	18-month period from 01 July 2019 to 31 December 2020 £000	Year ended 30 June 2019 £000
<b>b) Factors affecting tax (credit)/charge for the eighteen-month period/year</b>		
<b>Current tax reconciliation</b>		
Profit before tax	12,550	412
Profit at standard UK tax-rate of 19% (2019: 19%)	2,385	78
<b>Effects of:</b>		
Adjustments in respect of prior years	(395)	(702)
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	498	395
Income not taxable	(1,831)	(4)
Effect of overseas tax rates	-	3
Movement in unprovided deferred tax	(864)	1,409
<b>Total tax (credit)/charge for the eighteen-month period/year</b>	<b>(207)</b>	<b>1,179</b>

#### c) Factors that may affect future tax charges

On 3 March 2021 the UK Chancellor of the Exchequer announced in the UK budget 2021 a proposal to raise corporate income tax from 19% to 25%, with effect from 1 April 2023 applying to profits over £250,000. A small profits rate (SPR) will also be introduced for companies with profits of £50,000 or less so that they will continue to pay Corporation Tax at 19%. Companies with profits between £50,000 and £250,000 will pay tax at the main rate, reduced by a marginal relief providing a gradual increase in the effective Corporation Tax rate.

#### d) Deferred tax not recognised

	18-month period from 01 July 2019 to 31 December 2020 £000	Year ended 30 June 2019 £000
<b>Unrecognised deferred tax assets comprise:</b>		
Fixed assets	1,829	1,475
Temporary differences	77	14
Intangibles	-	(994)
	<b>1,906</b>	<b>495</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the eighteen-month period ended 31 December 2020

### 9. INTANGIBLE ASSETS

	<b>Software development £000</b>
<b>Cost</b>	
At 1 July 2019	28,282
Additions	209
Disposals	(5,698)
At 31 December 2020	<u>22,793</u>
<b>Amortisation</b>	
At 1 July 2019	22,186
Charge for the period	448
On disposals	(5,632)
At 31 December 2020	<u>17,002</u>
<b>Net book value</b>	
At 31 December 2020	<u>5,791</u>
At 30 June 2019	<u>6,096</u>

In the current period assets with a cost of £5,698,000 and accumulated amortization of £5,632,000, were disposed of, resulting in a loss on disposal of £66,000. During the prior year assets with a cost of £2,446,000 and accumulated amortization of £422,000, were fully impaired and written down, resulting in an impairment charge for the year of £2,024,000.

Intangible asset amortisation is charged to 'administrative expenses' in the Income Statement.

## NOTES TO THE FINANCIAL STATEMENTS

for the eighteen-month period ended 31 December 2020

### 10. TANGIBLE FIXED ASSETS

	Leasehold Improvements £000	Plant & machinery £000	Total £000
<b>Cost</b>			
At 1 July 2019	1,115	4,716	5,831
Additions	-	39	39
Disposals	-	(3,970)	(3,970)
At 31 December 2020	1,115	785	1,900
<b>Depreciation</b>			
At 1 July 2019	1,097	4,703	5,800
Charge for the period	-	14	14
Disposals	-	(3,970)	(3,970)
At 31 December 2020	1,097	747	1,844
<b>Net book value</b>			
At 31 December 2020	18	38	56
At 30 June 2019	18	13	31

### 11. INVESTMENTS IN SUBSIDIARIES

	Investments in subsidiary companies £000
<b>Cost</b>	
At 1 July 2019	15,095
Additions	511
Impairment	(1,085)
At 31 December 2020	14,521

## NOTES TO THE FINANCIAL STATEMENTS

for the eighteen-month period ended 31 December 2020

### 11. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

#### Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered Office	Principal Activity	Class of shares	Holding
Perceptive Informatics UK Limited	54 Portland Place, London, England, W1B 1DY	Research & Development	Ordinary	100%
Heron Health Pvt. Ltd.	Building No. E, III Rd Floor, DLF Infocity Dev. CHD., Rajiv Gandhi CHD Tech Park, Chandigarh, India 160101	Information Technology and IT enable services	Ordinary	99.99%

### 12. DEBTORS

	As at 31 December 2020 £000	As at 30 June 2019 £000
<b>Amounts falling due within one year</b>		
Trade debtors, net	1,440	2,027
Amounts owed by group undertakings, net	33,041	27,628
Other debtors	4	-
Prepayments and accrued income	931	1,908
R&D Expenditure Credit ("RDEC")	46	193
Amounts recoverable on contracts	498	476
	<b>35,960</b>	<b>32,232</b>
	As at 31 December 2020 £000	As at 30 June 2019 £000
<b>Amounts falling due after one year</b>		
Amounts owed by group undertakings, net	-	33,176
Prepayments and accrued income	262	604
RDEC	64	-
	<b>326</b>	<b>33,780</b>

## NOTES TO THE FINANCIAL STATEMENTS

for the eighteen-month period ended 31 December 2020

### 12. DEBTORS (CONTINUED)

	As at 31 December 2020 £000	As at 30 June 2019 £000
<b>Impact of IFRS 9</b>		
Trade debtors, gross	1,656	2,116
Allowance for credit losses	(216)	(89)
<b>Trade debtors, net</b>	<u>1,440</u>	<u>2,027</u>
 Amounts owed by group undertakings, gross	 33,401	 61,349
Allowance for credit losses	(360)	(545)
<b>Amounts owed by group undertakings, net</b>	<u>33,041</u>	<u>60,804</u>

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 (2019: £23,811,000) which is unsecured, non-interest bearing and with no fixed repayment date.

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

Amounts owed by group undertakings are unsecured, are repayable on demand and are not interest bearing.

The Company calculated the loss allowance of amounts owed by group undertaking using the general approach in IFRS 9 which uses the below formula to determine the provision.

$$ECL = EAD \times LGD \times PD$$

Where:

- EAD – Exposure at default is defined as the value of the financial instrument which is exposed to credit risk;
- LGD – Loss given default is defined as the share of a financial asset that will be lost should the borrower default; and
- PD – Probability of default is defined as the likelihood of default of a counterparty over a period assessed to be 1.1%.

The Company always measures the loss allowance for trade receivables at an amount equal to lifetime ECL. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. No trade receivables have been written off due to enforcement activities.

The following table details the risk profile of trade receivables based on the Company's provision matrix. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status.

## NOTES TO THE FINANCIAL STATEMENTS

for the eighteen-month period ended 31 December 2020

### 12. DEBTORS (CONTINUED)

31-Dec-20	Not past due	<30	31-60	61-90	91-180	181-360	>360	Total
Expected credit loss rate	0.50%	5%	5%	10%	10%	25%	100%	
Trade receivables, gross carrying amount	1,245	202	58	23	51	57	20	1,656
Lifetime ECL	(6)	(10)	(4)	(3)	(5)	(15)	(173)	(216)
Trade receivables, net carrying amount	1,239	192	54	20	46	42	(153)*	1,440

30-Jun-19	Not past due	<30	31-60	61-90	91-180	181-360	>360	Total
Expected credit loss rate	0.4%***	5%	4%	10%	10%	25%	100%	
Trade receivables, gross carrying amount	2,075	120	23	38	(231)	36	55	2,116
Lifetime ECL	(8)	(6)	(1)	(4)	(6)	(9)	(55)	(89)
Trade receivables, net carrying amount	2,067	114	22	34	(237)*	27	-	2,027

\*\*\* rounded from 0.39%

\* For the period ended 31 December 2020 the greater than three-hundred-and-sixty-day bucket and year ended 30 June 2019 the greater than ninety-one to one-hundred-and-eighty-day bucket in the Debtors Aging table was a net credit balance. For purposes of calculating the IFRS 9 lifetime credit ECL, the net credit balance was broken out into the net debit and net credit components and a lifetime credit ECL provided for the net debit component. This lifetime credit ECL is provided or at 100%.

The following table shows the movement in lifetime credit ECL that has been recognised for trade and other receivables in accordance with the simplified approach set out in IFRS 9:

	£'000
Balance as at 1 July 2019	634
Amount written off in current period:	
Trade receivables	127
Amounts owed by group undertakings	(185)
Balance at 31 December 2020	576

## NOTES TO THE FINANCIAL STATEMENTS

for the eighteen-month period ended 31 December 2020

### 13. CREDITORS

	As at 31 December	As at 30 June
	2020	2019
	£000	£000
<b>Amounts falling due within one year</b>		
Bank overdrafts	-	21,984
Trade creditors	865	613
Amounts owed to group undertakings	11,513	22,994
Other taxation and social security	14	112
Other creditors	-	4
Accruals and deferred income	3,398	6,160
Corporation tax	209	172
	<u>15,999</u>	<u>52,039</u>

Amounts owed to group undertakings include a loan for £6,400,000 with ClinPhone Limited that is unsecured, repayable on demand and not interestbearing.

During the prior year, amounts owed to group undertakings include a loan for £1,373,000 with ClinPhone Limited that bore interest at a rate of 6%. This was repaid during the current year.

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

	As at 31 December	As at 30 June
	2020	2019
	£000	£000
<b>Amounts falling due after one year</b>		
Accruals and deferred income	2,696	3,989
	<u>2,696</u>	<u>3,989</u>

## NOTES TO THE FINANCIAL STATEMENTS

for the eighteen-month period ended 31 December 2020

### 14. PROVISIONS FOR LIABILITIES

At 31 December the Company had the accrual below outstanding as a result of a Margin Acceleration Programme ("MAP") restructuring reversal recorded at entity level of £61,000 (2019: charge of £97,000).

	Restructuring provision £000
At 1 July 2019	97
Credited to profit or loss	(61)
<b>At 31 December 2020</b>	<b>36</b>

### 15. MANAGEMENT INTEREST GRANTS

#### 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.

#### 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 period, 183,333-time vesting equity interests and 366,667 performance vesting equity interests were grants. (Year ended 30 June 2019: 100,000-time vesting equity interests and 200,000 performance vesting equity interests). For the eighteen-month period 2020, the expense was £30,000 (Year ended 30 June 2019: (£2,000)). No expense was recognised for performance equity interests as the change in control provision was not determined to be probable at the balance sheet date.

The activity for the eighteen-month period was:

	Units	Fair Value
Outstanding at 1 July 2019	300,000	\$0.02
Granted during the period	550,000	\$0.02
Outstanding at 31 December 2020	850,000	\$0.35

The weighted average remaining life for Time Vesting Class B interests is 2 year and 6 months.



## NOTES TO THE FINANCIAL STATEMENTS

for the eighteen-month period ended 31 December 2020

### 16. SHARE CAPITAL PRESENTED AS EQUITY

	At 31 December 2020 £000	At 30 June 2019 £000
<b>Authorised</b>		
109,889 (2019: 109,889) ordinary shares of £0.01 each	1	1
<b>Allotted, called up and fully paid</b>		
100,101 (2019: 100,101) ordinary shares of £0.01 each	1	1

Retained earnings is the accumulated retained earnings of the Company since incorporation. Movement for the period ended 31 December 2020 is the profit for the current financial period as shown in the income statement on page 13.

### 17. 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 £515,000 (Year ended 30 June 2019: £357,000).

### 18. RELATED PARTY TRANSACTIONS

The Company has availed of the exemption provided in FRS 101.8(k) whereby transactions entered 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.

### 19. ULTIMATE PARENT UNDERTAKING 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 31 December 2020, Company's ultimate parent and ultimate controlling party is West Street Topco Limited, incorporated in Jersey, The Channel Islands. As at 31 December 2020, West Street Topco Limited is the smallest and largest group to consolidate the Company's financial statements, copies of which can be obtained from:

West Street Topco Limited,  
26 New Street,  
St Helier,  
Jersey JE2 3RA,  
Jersey, The Channel Islands

At the time of signing, the ultimate parent and ultimate controlling party is Calyx Holdco LP. See notes 20 and 2.4 for further information.

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## NOTES TO THE FINANCIAL STATEMENTS

for the eighteen-month period ended 31 December 2020

### 20. POST BALANCE SHEET EVENTS

In November 2020, the Parexel group began the process of legally separating its Parexel Informatics (PI) segment (the "Spin-Off"), which included its: (i) clinical trial management systems; (ii) electronic data capture; (iii) interactive response technology; (iv) regulatory information management; and (v) medical imaging businesses. This transaction will simplify the Company's business strategy as well as provide PI the opportunity to achieve long-term growth through a dedicated focus on technology and winning new customers within the Company's industry.

In January 2021, the Parexel group completed the Spin-Off, and the PI business was rebranded as Calyx. Upon completion of the Spin-Off, Calyx became a wholly owned subsidiary of Parexel Investment Holdings LP, an indirect shareholder of the Company, and will no longer be part of the Parexel group.

On 24 February 2022 Russia invaded Ukraine and there continues to be an ongoing conflict at the date of signing the financial statements. As a result of the conflict the UK and EU introduced sanctions on Mikhail Fridman and Petr Aven, investors in LetterOne Holdings which in turn holds investments in Pamplona Investment Partners L.P. The company has obtained written assurances from the relevant legal bodies in the UK and EU that the Company and Pamplona are not subject to sanctions.

### 21. PRIOR PERIOD ADJUSTMENT

During 2021, the Company discovered that some Pass-Through Costs, Investigator Fees, and Intercompany Cross Charges had been erroneously netted against either revenue or cost of sales in prior periods. As a consequence, cost of sales and revenue respectively have been understated however there is no impact to net profit. The errors have been corrected by restating each of the affected financial statement line items for the prior period. The following tables summarises the impacts on the Company's financial statements.

The effects of the prior period error are summarised below:

	2019
Profit and loss account	£000
Turnover - increase	7,711
Cost of sales - increase	(7,711)
Increase / (decrease) in profit for the financial year	-

### 22. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were authorised and approved for issue by the Board on 13 June 2022.