

Aptiv Solutions (UK) Limited

Directors' report and
financial statements

Year ended 31 December 2015

Registered number: 03735819



Aptiv Solutions (UK) Limited

Directors' report and financial statements

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Aptiv Solutions (UK) Limited

Directors and other information

Directors	C Belcher C Nowell M Gleeson S Holmes D Cunningham
Secretary	E Fox
Registered office	100 Park Drive Milton Park Abingdon Oxfordshire OX14 4RY
Auditor	KPMG Chartered Accountants 1 Stokes Place St. Stephen's Green Dublin 2
Bankers	Citibank Citibank Centre Canada Square Canary Wharf E14 5LB
Solicitors	Macfarlanes 20 Cursitor Street London EC4A 1LT
Registered number	03735819

Aptiv Solutions (UK) Limited

Directors' report

The directors present their report together with the audited financial statements of the company for the year ended 31 December 2015.

Proposed dividend

The directors do not recommend the payment of a dividend (2014: £Nil).

Results

The profit for the year, after taxation, amounted to £809,092 (2014: £1,456,994 restated).

Directors and secretary

In accordance with the Articles of Association, the directors do not retire by rotation.

Political and charitable contributions

The company made no political or charitable contributions during the year (2014: £Nil).

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.


Post balance sheet events

There have been no significant post balance sheet events since the balance sheet date requiring disclosure in the financial statements.

Auditor

During the year, KPMG, Chartered Accountants, were appointed auditor in accordance with Section 487 of the Companies Act 2006 and will continue in office.

On behalf of the board


Michael Gleeson
Director

27th September 2016

Aptiv Solutions (UK) Limited

Strategic report

for the year ended 31 December 2015

The directors present their strategic report for year ended 31 December 2015 which has been prepared in accordance with The Companies Act 2006 (strategic report and directors' report) Regulations 2013.

Principal activities

The company's principal activities are the provision of clinical trial services to the pharmaceutical industry.

Business review

Effective 7 May 2014, Aptiv Solutions Inc, Aptiv Solutions (UK) Limited's ultimate parent was acquired by the ICON Plc group. This has increased the level of qualified professional, scientific and technical operating staff available to the company, leaving the company better placed to compete in the global CRO marketplace.

On 16 December 2015, Gold Medal Acquisitions UK Limited sold the 375 shares that it held in the Company to ICON Clinical Research (U.K.) Limited and ICON Clinical Research (U.K.) Limited became the sole shareholder of the Company.

The clinical research industry and our business

The pharmaceutical industry is experiencing considerable worldwide pressure on costs, resulting from cost savings by public health authorities, the expiry of patent protection for established substances and the recent global recession. As a result, pharmaceutical companies are increasingly shifting their R&D model towards one where there is a clear linkage between expenditure and results and are seeking to convert previously fixed costs to variable costs. Pharmaceutical companies are also increasingly required to demonstrate comparative effectiveness/outcomes of a new substance to those already on the market which requires a wider range of data to be collected during trials. Therefore, pharmaceutical companies are outsourcing more of their clinical research to Contract Research Organisations (CROs) like ICON who can perform the research in a more cost effective and efficient manner. This means that CROs are themselves also facing increased cost containment pressures to meet the demands of drug companies.

Risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. Whilst the Clinical Research business sector remains buoyant, the management team are aware that the market could be influenced by any deterioration of the funding climate for biotech and smaller pharmaceutical companies, and the knock on effect of their ability to start or maintain clinical trials and management have taken appropriate steps to mitigate these risks. As a global CRO, Aptiv Solutions is impacted by any changes in health regulations that may affect the uncertainty and cost for drug development programmes.

Aptiv Solutions (UK) Limited

Strategic report

for the year ended 31 December 2015

Results and dividends

Turnover of the company for the year was £6,621,890 (2014: £11,580,527) and the profit after tax for the financial year amounted to £809,092 (2014: £1,456,994 restated).

The following table sets forth certain financial data, being the main key performance indicators used by management. The trends illustrated in the following table may not be indicative of future results.

	Year ended 31 December 2015 £'000	Year ended 31 December 2014 Restated £'000
Net revenue	6,622	11,581
Operating profit	989	604
Cost of Sales / net revenue (%)	90%	95%

On behalf of the board


Michael Gleeson
Director

27th September 2016

Aptiv Solutions (UK) Limited

Statement of directors' responsibilities in respect of the directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice) including FRS 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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting 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; 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 the time the assets, liabilities and profit or loss of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the board


Michael Gleeson
Director

27th September

2016



KPMG
Audit
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03
Ireland

Independent auditor's report to the members of Aptiv Solutions (UK) Limited

We have audited the financial statements of Aptiv Solutions (UK) Limited for the year ended 31 December 2015 which comprise the statement of profit and loss and other comprehensive income, the balance sheet, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards including FRS 101 *Reduced Disclosure Framework*. Our audit was conducted in accordance with International Standards on Auditing (ISAs) (UK & Ireland).

Opinions and conclusions arising from our audit

1 Our opinion on the financial statements is unmodified

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with FRS101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

2 Our conclusions on other matters on which we are required to report by the Companies Act 2006 are set out below

In our opinion the information given in the Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

3 We have nothing to report in respect of matters on which we are required to report by exception

Under ISAs (UK and Ireland) we are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in respect of the above responsibilities.



Independent auditor's report to the members of Aptiv Solutions (UK) Limited (continued)

Basis of our report, responsibilities and restrictions on use

As explained more fully in the statement of directors' responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2006. Our responsibility is to audit and express an opinion on the financial statements in accordance with UK law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

An audit undertaken in accordance with ISAs (UK & Ireland) involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Whilst an audit conducted in accordance with ISAs (UK & Ireland) is designed to provide reasonable assurance of identifying material misstatements or omissions it is not guaranteed to do so. Rather the auditor plans the audit to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements does not exceed materiality for the financial statements as a whole. This testing requires us to conduct significant audit work on a broad range of assets, liabilities, income and expense as well as devoting significant time of the most experienced members of the audit team, in particular the engagement partner responsible for the audit, to subjective areas of the accounting and reporting.

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.

Emer McGrath (Senior Statutory Auditor)

for and on behalf of

KPMG

Chartered Accountants, Statutory Audit Firm

1 Stokes Place

St. Stephen's Green

Dublin 2

27 September 2016

Aptiv Solutions (UK) Limited

Statement of Profit and Loss and Other Comprehensive Income as at 31 December 2015

	<i>Note</i>	Year ended 31 December 2015 £	Year ended 31 December 2014 Restated £
Turnover	3	6,621,890	11,580,527
Cost of sales		(5,943,054)	(10,953,315)
Gross profit		678,836	627,212
Administrative expenses	4	101,474	(23,143)
Operating profit before exceptional item		780,310	604,069
Dividends receivable	6	354,480	-
Impairment of goodwill		(145,446)	-
Operating profit - continuing operations		989,344	604,069
Interest (payable) / receivable and similar charges	5	(222)	258
Profit on ordinary activities before taxation	7	989,122	604,327
Tax on profit on ordinary activities	10	(180,030)	852,667
Profit for the financial year		809,092	1,456,994
Other comprehensive income		-	-
Total comprehensive income for the year		809,092	1,456,994

Aptiv Solutions (UK) Limited

Balance Sheet

as at 31 December 2015

		Year ended 31 December 2015	Year ended 31 December 2014 Restated
	Note	£	£
Fixed assets			
Tangible assets	11	263,646	101,425
Intangible assets	12	7,346	12,733
Financial assets	13	100	100
Intangible assets - goodwill	14	196,418	341,864
		<hr/>	<hr/>
		467,510	456,122
Current assets			
Debtors	15	5,480,547	8,052,272
Cash at bank and in hand		2,422,732	693,214
		<hr/>	<hr/>
		7,903,279	8,745,486
Creditors: amounts falling due within one year	17	(4,797,140)	(6,471,542)
		<hr/>	<hr/>
Net current assets		3,106,139	2,273,944
		<hr/>	<hr/>
Net assets		3,573,649	2,730,066
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	18	375	375
Profit and loss account		3,538,783	2,729,691
Capital contribution reserve		34,491	-
		<hr/>	<hr/>
Shareholders' funds - equity		3,573,649	2,730,066
		<hr/>	<hr/>

The financial statements were approved by the board of directors on 27th September 2016 and signed on its behalf by:



M Gleeson
Director

Aptiv Solutions (UK) Limited

Statement of changes in equity for the year ended 31 December 2015

	Called up share capital £	Capital contribution Reserve £	Retained Earnings Restated £	Total £
At 1 January 2014	375	-	1,272,697	1,273,072
Profit for the year	-	-	1,456,994	1,456,994
Other comprehensive income	-	-	-	-
At 31 December 2014	375	-	2,729,691	2,730,066
Total comprehensive income for the year				
Profit for the year	-	-	809,092	809,092
Total comprehensive income for the year	375	-	3,538,783	3,539,158
Transactions with owners, recognised directly in equity				
Equity settled share based payments	-	34,491	-	34,491
Balance at 31 December 2015	375	34,491	3,538,783	3,573,649

The accompanying notes form an integral part of the financial statements.

Aptiv Solutions (UK) Limited

Notes

forming part of the financial statements

1 Reporting entity

Aptiv Solutions (UK) Limited is a company incorporated in the United Kingdom. The company's registered office is 100 Park Drive, Milton Park, Abingdon, Oxfordshire, OX14 4RY.

2 Accounting policies

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("EU IFRS"), but makes amendments where necessary in order to comply with the Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements the company has adopted FRS 101 for the first time.

In the transition to FRS 101, the company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. The accounting policies set out in this note have been applied in preparing the financial statements for the year ended 31 December 2015, the comparative information presented in these financial statements for the year ended 31 December 2014 and in the preparation of an opening FRS 101 balance sheet at 1 January 2014 (the company's date of transition).

In preparing its FRS 101 balance sheet as at 1 January and 31 December 2014, the Company has separately presented software assets as an intangible asset at 1 January 2014 and 31 December 2014. In preparing its FRS 101 profit and loss account for the year ended 31 December 2014, the company made an adjustment to the amounts reported previously under UK GAAP in respect of amortisation of Goodwill.

In these financial statements, the company has adopted certain disclosure exemptions available under FRS 101. These include:

- a cash flow statement and related notes;
- disclosures in respect of the compensation of key management personnel;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- certain comparative information;
- the effects of new but not yet effective IFRSs; and
- an additional balance sheet for the beginning of the earliest comparative period following transition.

As the consolidated financial statements of ICON Plc, which are prepared in accordance with EU IFRS include the equivalent disclosures, the company has also taken the exemption under FRS 101 available in respect of the following:

- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures*;
- Certain disclosures required by IAS 36 *Impairment of Assets*;
- Certain disclosures required by IFRS 2 *Share-based payment*; and
- Certain disclosures required by IAS 24 *Related party disclosures*.

Aptiv Solutions (UK) Limited

Notes *(continued)*

2 Accounting policies *(continued)*

Basis of measurement

The financial statements have been prepared on the historical cost basis.

Functional currency

These financial statements are presented in sterling, being the functional currency of the company.

Foreign currency

Transactions in foreign currencies are translated to the functional currency of the company at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect application of the company accounting policies and the reported amounts of assets, liabilities, income and expenses. Such estimates and judgements are based on historical experience and other factors, including expectation of future events that are believed to be reasonable. Actual outcomes may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. There are no key accounting judgements and sources of estimation uncertainty affecting these financial statements.

Going concern

The financial statements have been prepared on the going concern basis.

Aptiv Solutions (UK) Limited

Notes *(continued)*

2 Accounting policies *(continued)*

Tangible fixed assets

Tangible fixed assets are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the item. Depreciation is calculated using the straight line method to allocate costs or revalued amounts to the residual value as follows:

- Leasehold improvements 5 years
- Computer equipment 4-10 years

The assets' residual value and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period. An assets' carrying amount is written down immediately to its recoverable amount if the carrying amount is greater than its recoverable amount. The assets' residual value and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

Intangible fixed assets

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units. It is not amortised but is tested annually for impairment. This is not in accordance with The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 which requires that all goodwill be amortised. The directors consider that this would fail to give a true and fair view of the profit for the year and that the economic measure of performance in any period is properly made by reference only to any impairment that may have arisen. It is not practicable to quantify the effect on the financial statements of this departure.

Computer software and computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed 4 years.

Share based payment

Share-based payments charges are comprised of options granted to certain employees of the Company to acquire shares in ICON plc, the Company's ultimate parent undertaking. The options are granted based on service conditions. The company recognises a share based payment expense based on the fair value of the awards granted, and an equivalent credit directly in equity as a capital contribution. The fair value is measured at grant date and spread over the period during which the options become unconditionally exercisable, considering the terms and conditions under which the options were granted. See note 22 for details of the scheme and the assumptions used to determine the fair value of the shares and options at grant date.

Tax

The income tax expense comprises current and deferred tax. It is recognised in the income statement except to the extent that it relates to items recognised in OCI or directly in equity, in which case it is recognised in OCI or directly in equity.

Current tax is the expected tax payable on the taxable income for the year using tax rates and laws that have been enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: those differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in

Aptiv Solutions (UK) Limited

Notes *(continued)*

2 Accounting policies *(continued)*

Tax *(continued)*

subsidiaries to the extent that the Group is able to control the timing of reversal and it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill.

A deferred tax asset is recognised to the extent that it is probable future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Provisions

A provision is recognised in the balance sheet when the company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

Operating lease payments

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in the profit or loss as an integral part of the total lease expense.

Interest receivable and interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit or loss (see foreign currency accounting policy). Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

Pension

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Aptiv Solutions (UK) Limited

Notes *(continued)*

2 Accounting policies *(continued)*

Non-derivative financial instruments

Loans and receivables

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less. Cash equivalents are short-term highly liquid investments with an original maturity of three months or less from the date of acquisition that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

Non-derivative financial liabilities

Non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Ordinary dividends declared as final dividends are recognised as a liability in the period in which they are approved by shareholders. Interim dividends are recognised as a liability when declared.

Aptiv Solutions (UK) Limited

Notes (continued)

3 Turnover – continuing operations

Year ended 31 December 2015 £	Year ended 31 December 2014 £
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The analyses of turnover by activity is as follows:

Activities

Service fee revenue	6,621,890	11,579,217
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4 Administrative expenses

Year ended 31 December 2015 £	Year ended 31 December 2014 £
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Foreign exchange gain/(loss)	101,474	(23,143)
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5 Interest payable and similar charges

Year ended 31 December 2015 £	Year ended 31 December 2014 £
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Bank interest (payable)/ receivable	(222)	258
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6 Exceptional items

31 December 2015 £	31 December 2014 £
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Dividends receivable	354,480	-
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Total	354,480	-
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The company received dividends during the year of £354,480 (2014: Nil).

Aptiv Solutions (UK) Limited

Notes (continued)

7 Profit on ordinary activities before taxation

	Year ended 31 December 2015 £	Year ended 31 December 2014 £
Stated after charging:		
Depreciation (note 11)	65,375	89,707
Amortisation (note 12)	5,314	688
Rent and rates payable under operating leases:		
Hire of office equipment	7,874	11,000
Rental of property	415,305	606,000
	<u>488,468</u>	<u>707,495</u>

8 Auditor's remuneration

	Year ended 31 December 2015 £	Year ended 31 December 2014 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	20,000	54,000
Fees payable to the company's auditor and its associates for all other non-audit services not included above	-	2,000
	<u>20,000</u>	<u>56,000</u>

9 Employee and director emoluments

The average weekly number of employees, during the period, analysed by category, was as follows:

	Year ended 31 December 2015 Number	Year ended 31 December 2014 Number
Clinical trial services	37	50
Sales and administration	7	26
Health research consultants	3	-
	<u>47</u>	<u>76</u>

Aptiv Solutions (UK) Limited

Notes (continued)

9 Employee and director emoluments - continued

The aggregate payroll costs of these employees were as follows

	Year ended 31 December 2015 £	Year ended 31 December 2014 £
Staff costs, including directors' remuneration, were as follows:		
Wages and salaries	3,220,244	4,833,999
Social security costs	326,008	551,344
Other pension costs	216,782	386,251
	<u>3,763,034</u>	<u>5,771,594</u>

Remuneration of directors

	Year ended 31 December 2015 £	Year ended 31 December 2014 £
Remuneration	<u>301,746</u>	<u>364,000</u>
Company pension contributions to defined contribution pension schemes	<u>17,454</u>	<u>25,000</u>

During the year retirement benefits were accruing to 2 directors (2014: 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £161,223 (2014: £125,625).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £9,760 (2014: £9,453).

The costs of the remaining directors were borne by other subsidiaries of the ICON Group and are disclosed in their annual report and accounts.

Aptiv Solutions (UK) Limited

Notes (continued)

10 Taxation

Recognised in the profit and loss account

	2015 £	2015 £	2014 £	2014 £
<i>Current tax</i>		-		-
<i>Deferred tax (see note 16)</i>				
Deferred tax for the year	158,962		123,923	
Adjustments in respect of prior years	(22,706)		(976,589)	
Rate change	43,774		-	
Total deferred tax		180,030		(852,667)
Tax on profit on ordinary activities		180,030		(852,667)

Reconciliation of effective tax rate

	2015 £	2014 £
Profit for the year	809,092	1,456,994
Total tax expense	180,030	(852,667)
Profit excluding taxation	989,122	604,327
Tax using the UK corp tax rate of 20.25% (2014: 21.49%)	200,297	129,870
Expenses not deductible and revenue not taxable	(37,855)	19,579
Prior year over/under provision	(22,706)	(976,589)
Rate difference	33,310	(25,448)
Share based payments	6,984	-
Group relief surrendered	-	(79)
Total tax expense	180,030	(852,667)

Aptiv Solutions (UK) Limited

Notes (continued)

11 Tangible fixed assets

The movements in the period were as follows:

	Leasehold improvements £	Office furniture and computer equipment £	Total £
Cost			
At 1 January 2015	241,804	138,746	380,550
Additions	-	230,174	230,174
Disposals	-	(53,190)	(53,190)
At 31 December 2015	241,804	315,730	557,534
Depreciation			
At 1 January 2015	163,016	116,109	279,125
Charge for the year	39,160	26,215	65,375
On disposals	-	(50,612)	(50,612)
At 31 December 2015	202,176	91,712	293,888
Net book value			
At 31 December 2015	39,628	224,018	263,646
At 31 December 2014	78,788	22,637	101,425

Aptiv Solutions (UK) Limited

Notes (continued)

12 Intangible fixed assets

The movements in the period were as follows:

	Computer software £
Cost	
At 1 January 2015	79,856
Additions	-
Disposals	(1,170)
	<hr/>
At 31 December 2015	78,686
	<hr/>
Depreciation	
At 1 January 2015	67,123
Charge for the year	5,314
On disposals	(1,097)
	<hr/>
At 31 December 2015	71,340
	<hr/>
Net book value	
At 31 December 2015	7,346
	<hr/> <hr/>
At 31 December 2014	12,733
	<hr/> <hr/>

13 Fixed asset investments

The company owns 100% of the ordinary share capital of Trio Clinical Resourcing Limited. Trio Clinical Resourcing Limited transferred its trade and assets to an associated company, DOCS International UK Limited on 30 June 2014.

On 11 December 2015, Trio Clinical Resourcing Limited was entered into Members' Voluntary Liquidation. The directors expect to recover the carrying value of the investment.

Aptiv Solutions (UK) Limited

Notes (continued)

14 Intangible assets – goodwill

	Goodwill Restated £
Cost	
At the beginning of the year	509,063
	<hr/>
At the end of the year	509,063
	<hr/> <hr/>
Amortisation	
At the beginning of the year (restated)	167,199
Impairment of goodwill	145,446
	<hr/>
At the end of the year	312,645
	<hr/> <hr/>
Net book value	
At 31 December 2015	196,418
	<hr/> <hr/>
At 31 December 2014	341,864
	<hr/> <hr/>

Goodwill was amortised over the estimated remaining useful life of seven years, commencing on the date of transfer of the trade until 31 December 2013, when the Company adopted FRS 101 for the first time. The Net book value at 31 December 2013 was £341,864.

15 Debtors

	31 December 2015 £	31 December 2014 £
Trade debtors	1,763,624	3,309,630
Amounts owed by group undertakings	2,386,969	3,600,697
Other debtors	186,086	195,627
Prepayments and accrued income	65,723	38,348
VAT receivable	-	55,282
Corporation tax	405,487	-
Deferred tax asset (see note 16)	672,658	852,688
	<hr/>	<hr/>
	5,480,547	8,052,272
	<hr/> <hr/>	<hr/> <hr/>

(a) Amounts owed by group undertakings are unsecured, non-interest bearing and repayable on demand.

Aptiv Solutions (UK) Limited

Notes (continued)

16 Deferred tax

The movement in the deferred tax during the year was:

	31 December 2015 £	31 December 2014 £
At beginning of year	852,688	-
Released during year (Note 10)	(180,030)	852,688
At end of year	672,658	852,688

	31 December 2015 £	31 December 2014 £
<i>Tax effect of timing difference because of:</i>		
Difference between capital allowances and depreciation	89,307	134,465
Tax losses	583,351	713,905
Other short term timing differences	-	4,318
Total	672,658	852,688

17 Creditors: amounts falling due within one year

	31 December 2015 £	31 December 2014 £
Trade creditors	357,931	354,964
Amounts owed to group undertakings (a)	2,432,605	3,781,101
Other taxation and social security	135,457	110,753
Other creditors	49,365	82,025
Accruals and deferred income	1,821,782	2,142,699
	4,797,140	6,471,542

(a) Amounts owed by group undertakings are unsecured, non-interest bearing and repayable on demand.

Aptiv Solutions (UK) Limited

Notes (continued)

18 Share capital

	31 December 2015 £	31 December 2014 £
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>
Allotted, called up and fully paid		
375 Ordinary shares of £1 each	375	375
	<hr/>	<hr/>

19 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	31 December 2015 £	31 December 2014 £
Less than one year	324,918	369,488
Between one and five years	1,024,339	1,210,736
More than five years	173,752	355,540
	<hr/>	<hr/>
	1,523,009	1,935,764
	<hr/>	<hr/>

The company leases two office buildings under operating leases.

During the year £415,305 was recognised as an expense in the profit and loss account in respect of operating leases (2014: £606,000).

20 Pension commitments

Company employees are eligible to participate in a defined contribution pension plan. The pension cost charge for the period represents contributions payable by the company to the plan and amounted to £216,782 (2014: £386,000).

21 Contingent liabilities

The company's commitments are disclosed in note 19, Operating Leases.

Aptiv Solutions (UK) Limited

Notes (continued)

22 Share based payments

The company's ultimate parent undertaking, ICON plc, operates a number of share option plans in which the company's employees participate. Full details of these plans are disclosed in the ICON plc financial statements which are available to the public.

The total number of options outstanding and number of options available to grant by ICON plc under each plan as at 31 December 2015 was:

	Outstanding		Available to grant	
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
1998 Long Term Incentive Plan	-	16,540	-	-
2003 Stock Option Plan	362,382	776,200	-	-
2008 Stock Option Plan	1,264,200	1,434,960	3,753,896	3,954,173
Total	1,626,582	2,227,700	3,753,896	3,954,173

The 1998 Long Term Incentive Plan expired on 14 January 2008 and no further options may be granted under this plan.

The average share price on exercises during the year was USD31.64.

Operating profit for the year ended 31 December 2015, is stated after charging £34,491 (2014: £Nil) in respect of non-cash stock compensation expense. The cost to the company is based on an allocation of the ICON Plc charge and determined by the number of options granted to employees in the company as a proportion of the total options granted to group employees.

23 Group membership and controlling parties

From 7 May 2014, following the acquisition of Aptiv Solutions, Inc. by the ICON Group, the ultimate parent undertaking and ultimate controlling party was ICON plc.

On 16 December 2015, Gold Medal Acquisitions UK Limited sold the 375 shares that it held in the Company to ICON Clinical Research (U.K.) Limited and ICON Clinical Research (U.K.) Limited became the sole member of the Company.

The company is a wholly owned subsidiary undertaking of ICON Clinical Research (UK) Ltd, a company incorporated and operating in the United Kingdom. The largest and smallest group into which the results of the company are consolidated is that headed by ICON plc and the consolidated financial statements may be obtained from the Companies Registration Office, Parnell Square, Dublin 1, Ireland.

24 Related party transactions

The company has availed of the exemption available in FRS 101 from disclosing details of transactions with group undertakings. Details on the availability of the group consolidated financial statements are given in note 23.

Aptiv Solutions (UK) Limited

Notes (continued)

25 Post balance sheet events

There have been no significant post balance sheet events since the balance sheet date requiring disclosure in the financial statements.

26 Explanation of transition to FRS 101 from old UK GAAP

As stated in note 2, these are the company's first financial statements prepared in accordance with FRS 101. The accounting policies as set out in note 2 have been applied in preparing the financial statements for the year ended 31 December 2015, the comparative information presented in these financial statements for the year ended 31 December 2014 and in the preparation of an opening FRS 101 balance sheet at 1 January 2014 (the company's date of transition).

In preparing its FRS 101 balance sheet, the company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (old GAAP).

Software assets have been separately identified as intangible assets on the face of the Balance Sheet at 1 January 2014 and 31 December 2014.

The Company has also adjusted amounts reported previously in the financial statements prepared with its old basis of accounting (Generally Accepted Accounting Practice in the UK). An explanation of how the transition from old GAAP to FRS 101 has affected the Company's financial position and financial performance is set out in the following tables and the notes that accompany the tables.

	Equity as at 01 January 2014 £	Profit for the year ended 31 December 2014 £	Equity as at 31 December 2014 £
Amount under Old GAAP	1,272,697	1,384,271	2,656,968
Effect of reversal of 2014 Goodwill amortisation	-	72,723	72,723
Amount under FRS 101	<u>1,272,697</u>	<u>1,456,994</u>	<u>2,729,691</u>

Under FRS 101, the company does not amortise goodwill, therefore all amortisation of goodwill from the date of transition (1 January 2014) is reversed and an annual impairment test is performed instead.

This is not in accordance with The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 which requires that all goodwill be amortised. The directors consider that this would fail to give a true and fair view of the profit for the year and that the economic measure of performance in any period is properly made by reference only to any impairment that may have arisen. It is not practicable to quantify the effect on the financial statements of this departure.

Aptiv Solutions (UK) Limited

Notes *(continued)*

27 Approval of financial statements

The board of directors approved these financial statements on 27th September 2016.