

PEGASUS BIDCO LIMITED

**DIRECTORS' REPORT AND FINANCIAL
STATEMENTS**

REGISTERED NUMBER: 6484624

PERIOD ENDED 31 JANUARY 2009

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PEGASUS BIDCO LIMITED

THE DIRECTORS' REPORT AND FINANCIAL STATEMENTS

PERIOD ENDED 31 JANUARY 2009

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PEGASUS BIDCO LIMITED

THE DIRECTORS' REPORT

PERIOD ENDED 31 JANUARY 2009

The directors present their directors' report and the audited financial statements of the company for the period from 25 January 2008 to 31 January 2009

PRINCIPAL ACTIVITIES

The principal activity of the company during the period under review was that of an investment holding company

Pegasus Bidco Limited is an intermediate holding company for the Premier Research Group Limited, an international pharmaceutical services group, providing clinical trial management and information capabilities to the international pharmaceutical and biotechnology industries

BUSINESS REVIEW

The loss for the period, after taxation, amounted to £34,950,000

Pegasus Bidco Limited was incorporated on 25 January 2008 as one of a number of intermediate holding companies of a group headed by Pegasus Topco Limited, for the purposes of acquiring the business of Premier Research Group Limited

On 16 June 2008, as part of the delisting of the wider Premier Research Group from the AIM market of the London Stock Exchange, 100% of the share capital of the Premier Research Group Limited was acquired by the company for total consideration of £71,517,000. This acquisition was enacted to provide additional funding to the Premier Research Group through both private equity funds and additional bank finance obtained by the Pegasus Group.

As a part of this transaction, Pegasus Bidco Limited drew down on borrowing facilities with its immediate parent company Pegasus Midco 2 Limited and issued certain foreign currency financial instruments to external stakeholders of the wider Pegasus Group, along with entering into both sterling and foreign currency loan arrangements with the Company's bankers. Details of all financial instruments issued and entered into are disclosed in note 8.

The funds raised were used in part to acquire the issued share capital for Premier Research Group Limited, but also allowed for the provision of further working capital funding to the wider Premier Research Group.

Subsequent to the year end, and as disclosed in note 13, the directors have been successful in restructuring the group which has made available additional funding and allowed for the reduction in medium term debt. The loan arrangements prior to the restructuring were subject to certain financial covenants that were measured periodically and based on the consolidated performance of the wider Pegasus Group. During the period the Group fell outside some of those stated covenants. As the successful restructuring occurred after the year end, in accordance with accounting guidelines, all long term liabilities have been categorised as due within one year within these financial statements.

During the period the company has not traded other than to account for interest due and receivable on borrowing and lending for the purposes of financing the initial acquisition and subsequent trading of the Premier Research Group. As a result of the strengthening of the US Dollar and Euro against sterling, during the period the company has recorded foreign exchange losses on foreign currency loans of £27,023,000.

The directors intend to continue to operate the company as group investment holding company in the coming year and therefore it is anticipated that the company will continue not to generate revenues or incur expenses other than finance charges and interest income on the lending facilities.

PEGASUS BIDCO LIMITED

THE DIRECTORS' REPORT

PERIOD ENDED 31 JANUARY 2009

POST BALANCE SHEET EVENTS

On 24 March 2010 a restructure of the wider Pegasus Group was undertaken to secure a more stable future for the group. This has resulted in the revaluation of certain intercompany loans and the forgiveness of loans by 3rd party investors and lenders previously issued to the group. The restructuring has culminated in the sale of 100% of the ordinary share capital of the Company to a new ownership group headed by Spring Holdco Limited, and the renegotiation of the new group's banking facility to provide more favourable terms. The new ownership structure has made available further subscription funds to the new group which has allowed for the reduction in medium term debt, and the renegotiation of existing revolving credit facility.

In accordance with the guidelines of FRS21 *Events after the Balance Sheet Date*, no adjustment has been made within the financial statements of the Company for these events.

DIVIDENDS

The directors do not recommend the payment of a dividend.

POLITICAL AND CHARITABLE CONTRIBUTIONS

The Company made no political or charitable donations or incurred any political expenditure during the period.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The company has issued certain financial instruments as disclosed in note 8 of the financial statements.

The board of directors is responsible for assessing and monitoring the major risks that face the business. Through regular, scheduled review meetings with responsible members of management, appropriate policies have been put in place to manage key areas of uncertainty and ensure that the organisation's financial objectives are delivered. The major financial risks facing the business are adverse interest rates and foreign currency exchange rate fluctuations.

Interest rate risk

The company has in issue certain loan notes with external stakeholders and loans with associated group companies, and the company's bankers which are subject to interest. All loan notes and group company financing loans have been issued and secured on a fixed interest basis over their term. Interest rates applicable to bank loans are based on LIBOR plus rates ranging from 2.25% to 3.25%.

The need for hedging instruments to mitigate the risk of interest fluctuations is considered on a group wide basis, and is managed by the main trading company of the group, Premier Research Group Limited.

Currency risk

The company does not have a formal hedging policy but regularly reviews exchange rates and the mix of business to monitor the appropriateness of this policy.

PEGASUS BIDCO LIMITED

THE DIRECTORS' REPORT

PERIOD ENDED 31 JANUARY 2009

THE DIRECTORS AND THEIR INTERESTS

The directors who held office during the period were as follows,

Mr Richard Chapman	(appointed 25 January 2008, resigned 06 June 2008)
Dr Simon Yaxley	(appointed 6 June 2008, resigned 29 September 2009)
Mr Peter Kyle	(appointed 6 June 2008)
Mr David Wiseman	(Appointed 10 November 2009)
Mr Michael Barry	(Appointed 18 November 2009)
Mr Troy McCall	(Appointed 29 September 2009, resigned 24 December 2009)

DISCLOSURE OF INFORMATION TO AUDITORS

The directors who held office at the date of the 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 steps that he ought to have taken as a director to make himself aware of any relevant audit information and establish that the company's auditors are aware of that information

AUDITORS

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office

By order of the Board



David Wiseman
Director

Registered office
1st Floor Rubra 2
Mulberry Business Park
Fishponds Road
Wokingham
Berkshire
RG41 2GY
UK

Registered Number 6484624

11 June 2010

PEGASUS BIDCO LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

PERIOD ENDED 31 JANUARY 2009

The directors are responsible for preparing 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).

The financial statements are required by law to 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 judgments 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. 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.



KPMG Audit Plc
Arlington Business Park
Theale
Reading
RG7 4SD
United Kingdom

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PEGASUS BIDCO LIMITED

We have audited the financial statements of Pegasus Bidco Limited for the period from 25 January 2008 to 31 January 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PEGASUS BIDCO LIMITED (CONTINUED)

Basis of audit opinion (continued)

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 January 2009 and of its loss for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



KPMG Audit Plc
Chartered Accountants
Registered Auditor
Arlington Business Park,
Theale,
Reading,
RG7 4SD

11 June 2010

PEGASUS BIDCO LIMITED
PROFIT AND LOSS ACCOUNT
PERIOD ENDED 31 JANUARY 2009

	<i>Note</i>	2009 £000
OPERATING PROFIT	2	-
Interest receivable and similar income	3	1
Interest payable and similar charges	4	(34,951)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(34,950)</u>
Tax on loss on ordinary activities	5	-
LOSS FOR THE FINANCIAL PERIOD	11	<u><u>(34,950)</u></u>

The company has no recognised gains or losses other than the loss for the period, accordingly no statement of total recognised gains or losses has been presented

All turnover and operating profits were derived from continuing operations

The notes on pages 9 to 16 form part of these financial statements

PEGASUS BIDCO LIMITED

BALANCE SHEET

AS AT 31 JANUARY 2009

	<i>Note</i>	2009 £000
FIXED ASSETS		
Investments	6	71,517
		<u>71,517</u>
CURRENT ASSETS		
Debtors	7	39,612
Cash at bank and in hand		1,809
		<u>41,421</u>
CREDITORS: Amounts falling due within one year	8	(147,888)
NET CURRENT LIABILITIES		<u>(106,467)</u>
NET LIABILITIES		<u>(34,950)</u>
CAPITAL AND RESERVES		
Called-up share capital	9	-
Profit and loss account	10	(34,950)
SHAREHOLDERS' DEFICIT	11	<u>(34,950)</u>

These financial statements were approved by the board of directors on the 11 June 2010 and were signed on its behalf by



David Wiseman
Director

PEGASUS BIDCO LIMITED

NOTES TO THE ACCOUNTS

PERIOD ENDED 31 JANUARY 2009

1. ACCOUNTING POLICIES

The principal accounting policies are set out below and have been consistently applied in dealing with items which are considered material in relation to the company's financial statement

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards

The financial statements contain information about Bidco Limited as an individual company and do not contain consolidated financial information as a parent of a group. The company is exempt under Section 228 of the Companies Act 1985 from the requirement to prepare consolidated financial statements as its results and those of its subsidiary are included within the consolidated financial statements of its ultimate parent company, Pegasus Topco Limited

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary of Pegasus Topco Limited, which includes the Company in its own published consolidated financial statements. The consolidated financial statements within which this company is included can be obtained from the address given in note 12

As 100% of the company's voting rights are controlled within the group headed by Pegasus Topco Limited, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investors of the group qualifying as related parties)

Going concern

The financial statements have been prepared on the going concern basis notwithstanding the net liabilities of £34,950,000 and the adverse results of financial covenant assessments associated with certain of the company's loan arrangements

The directors believe this to be appropriate for the following reasons

- a) Following the reorganisation of the wider Pegasus group, as disclosed in note 13, the new group headed by Spring Holdco Limited has secured additional funding for the wider group which has enabled an overall reduction in medium term debt, and the agreement of new group banking facilities on more favourable terms
- b) As at the date of approval of these financial statements, the Company is dependent for its working capital on funds provided by its new parent company Spring Holdco Limited. Spring Holdco Limited has indicated that for at least 12 months from the date of approval of these financial statements, it will continue to make funds available. This should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment

As with any Company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so

PEGASUS BIDCO LIMITED

NOTES TO THE ACCOUNTS

PERIOD ENDED 31 JANUARY 2009

1. ACCOUNTING POLICIES *(continued)*

Going concern *(continued)*

Based on the indications from Spring Holdco Limited the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. However, as the successful restructuring of the group occurred after the year end, in accordance with accounting guidelines, all long term liabilities have been categorised as due within one year within these financial statements.

Investments

Investments in subsidiary undertakings are stated at cost less amounts written off for any permanent diminution in value of the investments.

Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Interest bearing borrowings

Immediately after issue debt is stated at the fair value of the consideration received on the issue of the capital instrument after deduction of issue costs. The finance cost of the debt is allocated to periods over the term of the debt at a constant rate on the carrying amount.

Classification of financial instruments issued by the Company

Following the adoption of FRS 25, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company, and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds, are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

PEGASUS BIDCO LIMITED

NOTES TO THE ACCOUNTS

PERIOD ENDED 31 JANUARY 2009

1. ACCOUNTING POLICIES *(continued)*

Interest income and expense

Interest income and expense is accounted for on an accruals basis in accordance with the terms of the relevant loan agreements with external lenders and intra-group borrowers and lenders

Accrued interest is capitalised in accordance with the relevant loan agreements. The interest rate charged to group borrowers equates to the rate charged by the lenders to the company. The rates are fixed for the duration of the loans.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

2. OPERATING PROFIT

	2009 £000
Auditors remuneration	-

The auditors' remuneration for 2009 has been paid by a subsidiary undertaking, Premier Research Group Limited, and is estimated at £7,000.

No directors received any remuneration from the company during the year. Details of remuneration received by the directors from an associated group company, Premier Research Group Limited, are disclosed within the accounts of that company.

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2009 £000
Bank interest	1
	<u>1</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2009 £000
On bank loans and overdrafts	2,191
On all other loans	1,857
Interest payable on loans from associated group undertakings	3,923
Net foreign exchange loss	26,978
Bank charges	2
	<u>34,951</u>

PEGASUS BIDCO LIMITED

NOTES TO THE ACCOUNTS

PERIOD ENDED 31 JANUARY 2009

5. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2009 £000
Current tax	
UK Corporation tax based on the results for the year at 28%	-
Total current tax	<u>-</u>

(b) Factors affecting current tax charge

The current tax charge for the period differs from the standard rate of corporation tax in the UK 28%
The differences are explained below

	2009 £000
Loss on ordinary activities before taxation	<u>(34,950)</u>
Loss on ordinary activities by rate of tax	(9,786)
Expenses not deductible for tax purposes	338
Group relief surrendered	2,066
Losses carried forward	<u>7,382</u>
Total current tax	<u>-</u>

The company maintains an unrecognised accumulated deferred tax asset of £7,382,000 arising from carried forward tax losses of £26,364,000

6. INVESTMENTS

	Shares in group undertakings £000
COST	
At incorporation	-
Additions	<u>71,517</u>
At end of period	<u>71,517</u>

On 16 June 2008 the company acquired 100% of the ordinary share capital of Premier Research Group Limited a company incorporated in England and Wales, and formerly listed on the London AIM market. Consideration paid amounted to £71,517,000 including deal costs, which was considered to be the market value at that time.

As at the year end, the company holds 100% of the share capital of Premier Research Group Limited. The principal activity of the company is that of an investment holding company, holding investments in trading entities which undertake clinical research.

PEGASUS BIDCO LIMITED

NOTES TO THE ACCOUNTS

PERIOD ENDED 31 JANUARY 2009

7. DEBTORS

	2009 £000
Amounts owed by group undertakings	<u>39,612</u>

Amounts owed by group undertakings are repayable on demand and attract no interest

8. CREDITORS: Amounts falling due within one year

	2009 £000
Bank loans and overdrafts	64,140
Amounts due to external stakeholders	23,406
Amounts due to group companies	60,342
	<u>147,888</u>

Included within amounts owed to group undertakings are three loan facilities advanced from the company's parent undertaking, Pegasus Midco 2 Limited

Facility A, with a principal amounting to \$42,525,000 (US Dollars), is repayable on demand and attracts interest at 12% per annum, compounded semi-annually and payable on settlement of the facility

Facility B, with a principal amounting to £23,238,000, is repayable on demand and attracts interest at 12.5% per annum, compounded semi-annually and payable on settlement of the facility

Facility C, with a principal amounting to £937,000, is repayable on demand and attracts no interest

As at the end of the period £31,946,000, £25,049,000 and £937,000 remains payable in relation to Facility A, Facility B and Facility C respectively. The amounts outstanding represent the principal amount and interest accrued during the period of the loan

Also included within amounts owed to group undertakings is an amount of £2,375,000 relating to loan notes issued by the company to its parent undertaking, Pegasus Midco 2 Limited. The loan notes are repayable on demand and attract no interest

During the period the company has entered into mezzanine loan arrangement in favour of Indigo Capital Partners LLP with a principal amounting to \$31,944,000 (US Dollar). The instrument attracts cash interest at 8.5% per annum, payment in kind (PIK) interest at 6% per annum and matures in June 2015. Under the terms of the loan, cash interest is paid quarterly and PIK interest is compounded quarterly and payable on settlement of the facility. As at the end of the period £23,406,000 remains payable, and represents the principal amount plus accrued and unpaid interest during the period of the loan

PEGASUS BIDCO LIMITED

NOTES TO THE ACCOUNTS

PERIOD ENDED 31 JANUARY 2009

8. CREDITORS: Amounts falling due within one year *(continued)*

Included with Bank loans and overdrafts are the following multi-currency loan arrangements held with the company's bankers

(a) Senior debt facility

	Interest rate	Principal amount	Loan term	Amount outstanding 2009 £000
Facility A	LIBOR+ 2.25%	\$39,930,000	7 years to May 2015	26,794
Facility B	LIBOR + 2.75%	€16,031,000	8 years to May 2016	14,424
Facility C	LIBOR + 3.25%	€16,031,000	9 years to May 2017	14,424
				<u>55,642</u>

Facility A is repayable in semi-annual instalments over a 7 year term based on a percentage of the aggregate facility ranging from 4% to 7.9%

Facilities B and C is repayable in full at the end of the loan term

(b) Revolving credit facility

The company has entered into a multi-currency revolving credit facility with its bankers, allowing the company draw down additional short term loan financing. As at the period end the company has drawn down £8,498,000 which is repayable in March 2009 and attracts interest at LIBOR + 2.25%

9. SHARE CAPITAL

Authorised share capital:

	2009 £
100,000 Ordinary shares of £0.01 each	<u>1,000</u>

Allotted, called up and fully paid:

	2009 £
100 Ordinary shares of £0.01 each	<u>1</u>

The company was incorporated on 25 January 2008 with authorised share capital of 1,000 Ordinary shares of £1 each. At this time 1 Ordinary share of £1 each was allotted and issued to the company's immediate parent undertaking for consideration of £1.

PEGASUS BIDCO LIMITED

NOTES TO THE ACCOUNTS

PERIOD ENDED 31 JANUARY 2009

9. SHARE CAPITAL *(continued)*

On 19 March 2008, the 1 ordinary share of £1 each, issued on incorporation of the company, and the remaining 999 unissued ordinary shares of £1 each which constituted the authorised share capital of the Company were sub-divided into 100,000 Ordinary shares of £0.01 each

10. RESERVES

	Profit and loss account £000
Loss for the period	(34,950)
Balance at end of period	<u>(34,950)</u>

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	2009 £000
Loss for the period	(34,950)
New share capital subscribed	-
Net reduction in shareholders' funds	<u>(34,950)</u>
Opening shareholders' funds	-
Closing shareholders' deficit	<u>(34,950)</u>

12. ULTIMATE PARENT COMPANY

As at 31 January 2009 the company's immediate parent undertaking was Pegasus Midco 2 Limited a company incorporated in England and Wales, the ultimate parent undertaking of the group of which the company is a member was Pegasus Topco Limited, a company incorporated in England and Wales

The largest and smallest group in which the results of the Company are consolidated is that headed by Pegasus Topco Limited. The consolidated financial statements of Pegasus Topco Limited are available from the registered office, 1st Floor Rubra 2, Mulberry Business Park, Fishponds Road, Wokingham, Berkshire, RG41 2GY

On 24 March 2010, as a result of a wider restructuring of the Premier Research Group, The Company's ultimate parent undertaking was changed to Spring Holdco Limited, a company incorporated in England and Wales. The Company's immediate parent undertaking was also changed to Spring Bidco Limited a company incorporated in England and Wales

PEGASUS BIDCO LIMITED

NOTES TO THE ACCOUNTS

PERIOD ENDED 31 JANUARY 2009

13. POST BALANCE SHEET EVENTS

On 24 March 2010 a restructure of the wider Pegasus Group was undertaken to secure a more stable future for the group. This has resulted in the revaluation of certain intercompany loans and the forgiveness of loans by 3rd party investors and lenders previously issued to the group. The restructuring has culminated in the sale of 100% of the ordinary share capital of the Company to a new ownership group headed by Spring Holdco Limited, and the renegotiation of the new group's banking facility to provide more favourable terms. The new ownership structure has made available further subscription funds to the new group which has allowed for the reduction in medium term debt, and the renegotiation of existing revolving credit facility.

In accordance with the guidelines of FRS21 *Events after the Balance Sheet Date*, no adjustment has been made within the financial statements of the Company for these events.