

# **Emerald Topco Limited**

Report and Financial Statements

For the year ended

31 December 2018

Company Number 09019417

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# **Emerald Topco Limited**

## **Report and financial statements for the year ended 31 December 2018**

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### **Contents**

#### **Page:**

1	Strategic report
2	Directors' report
3	Directors' responsibilities statement
4	Independent auditor's report
7	Statement of comprehensive income
8	Balance sheet
9	Statement of changes in equity
10	Notes forming part of the financial statements

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### **Directors**

K Roy  
S Veness  
J McNeill

### **Registered office**

Mandeville House, 62 The Broadway, Amersham, Buckinghamshire, HP7 0HJ

### **Company number**

09019417

### **Auditors**

BDO LLP, 55 Baker Street, London, W1U 7EU

# Emerald Topco Limited

## Strategic report for the year ended 31 December 2018

The directors present their strategic report together with the financial statements for the year ended 31 December 2018.

### Principal activities

The principal activity of the company in the year under audit was that of an intermediate holding company in the Phlexglobal Group ("Group") of companies which provide support services to the clinical research industry.

### Review of the business and future developments

The company is a holding company and does not trade.

The company has net assets of £36,191,000 (2017: £36,191,000) and recorded a result for the financial year of £nil (2017: loss of £63,000). It has investments of £36,947,000 (2017: £36,947,000) in subsidiaries at 31 December 2018.

The directors continue to review the group structure and the associated roles and responsibilities to maximise efficiencies and ensure effective cost control with the Group.

### Key performance indicators

Emerald Topco Limited is a holding company and not part of the trading operations of the Group. Consequently, the directors do not consider that financial and non-financial key performance indicators would be meaningful or appropriate. For this reason, key performance indicators have not been presented as part of these financial statements.

### Principal risks and uncertainties

As an intermediate holding company, the principal risks for the company are that either the investment value of the shares in group undertakings, or the amounts owed by group undertakings might not be fully recoverable. The directors regularly review the performance of the company's subsidiaries to ascertain whether there are any indicators which might indicate any risks threatening full recovery.

The Group could be affected by a number of risk factors, such as a reduction in the level of clinical research activities globally. The Group's business could be negatively affected by the loss of key customer contracts.

The main financial risks arising from the Group's activities are liquidity risk and foreign exchange risk. These are monitored by the board of directors.

The Group's policy in respect of liquidity risk is to maintain readily accessible bank deposit accounts to ensure the company has sufficient funds for operations. The cash deposits are held in a mixture of short term deposits and current accounts which earn interest at a floating rate.

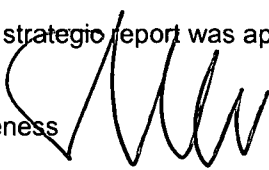
The Group's policy in respect of foreign exchange risk is to match, where possible, the currency of revenue and costs, to closely monitor foreign exchange movements and to incorporate the ability, in contracts, to renegotiate rates if foreign exchange rates move by more than a certain percentage.

### Approval

This strategic report was approved on behalf of the Board on

27/1/2019

S Veness



Director

# **Emerald Topco Limited**

## **Directors' report for the year ended 31 December 2018**

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The directors present their report together with their strategic report and the audited financial statements for the year ended 31 December 2018.

### **Results and dividends**

The company's statement of comprehensive income is set out on page 7 and shows the result for the year. Dividends of £nil were declared and paid during the current and prior year.

### **Directors**

The directors of the company during the year were:

K Roy  
R Riegel (resigned 28 March 2019)  
S Veness  
J McNeill (appointed 28 March 2019)

The directors did not enter into any transactions with the company during the year.

### **Directors' indemnities**

During the year and up to the date of approval of the Directors' Report the company has in place qualifying third party indemnity provisions available for the benefit of the directors of the company and those who resigned during the year.

### **Going concern**

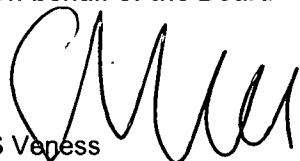
The Board is satisfied that the company has adequate financial resources to continue to operate for the foreseeable future. For this reason, the going concern basis is considered appropriate for the preparation of the financial statements.

### **Auditors**

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

### **On behalf of the Board**



S Veness  
Director

Date 27/9/2019 .

# **Emerald Topco Limited**

## **Directors' responsibilities statement for the year ended 31 December 2018**

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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 company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year.

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 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.

# **Emerald Topco Limited**

## **Independent auditor's report for the year ended 31 December 2018**

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### **TO MEMBERS OF EMERALD TOPCO LIMITED**

#### **Opinion**

We have audited the financial statements of Emerald Topco Limited ("the Company") for the year ended 31 December 2018 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

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

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

#### **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 this regard.

# **Emerald Topco Limited**

## **Independent auditor's report for the year ended 31 December 2018 (*continued*)**

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

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

- the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and director's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

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

### **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 at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# **Emerald Topco Limited**

## **Independent auditor's report for the year ended 31 December 2018 (*continued*)**

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### **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.



*Julian Frost (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
London  
United Kingdom*

Date *27/9/19*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Emerald Topco Limited

## Statement of comprehensive income for the year ended 31 December 2018

	Note	2018 £'000	2017 £'000
Administrative expenses		-	63
		<hr/>	<hr/>
<b>Operating result/loss</b>	3	-	63
		<hr/>	<hr/>
<b>Result/loss on ordinary activities before taxation</b>		-	63
Taxation	4	-	-
		<hr/>	<hr/>
<b>Result/loss on ordinary activities after taxation</b>		-	63
		<hr/>	<hr/>

All amounts relate to continuing activities.

There is no other comprehensive income in the current or prior year.

The notes on pages 10 to 15 form part of these financial statements.

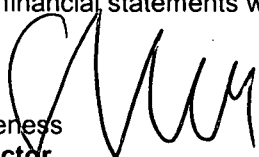
# Emerald Topco Limited

## Balance sheet at 31 December 2018

<b>Company number 09019417</b>	<b>Note</b>	<b>2018 £'000</b>	<b>2018 £'000</b>	<b>2017 £'000</b>	<b>2017 £'000</b>
<b>Fixed assets</b>					
Fixed asset investments	5		36,947		36,947
<b>Current assets</b>					
Debtors	6	3,454		3,454	
<b>Creditors: amounts falling due within one year</b>	7	(4,210)		(4,210)	
<b>Net current liabilities</b>			(756)		(756)
<b>Total assets less current liabilities</b>			36,191		36,191
<b>Net assets</b>			36,191		36,191
<b>Capital and reserves</b>					
Called up share capital	8		44		44
Share premium account	9		42,444		42,444
Profit and loss account	9		(6,297)		(6,297)
<b>Shareholders' funds</b>			36,191		36,191

The financial statements were approved by the Board of Directors and authorised for issue on 27/9/2019.

S Veness  
Director



The notes on pages 10 to 15 form part of these financial statements.

# Emerald Topco Limited

## Statement of changes in equity for the year ended 31 December 2018

	Called up share capital £'000	Share premium £'000	Profit and loss account £'000	Total £'000
<b>1 January 2017</b>	35	30,959	(6,234)	24,760
Preferences shares reclassified as equity	9	11,485	-	11,494
<i>Comprehensive income for the year:</i>				
<b>Loss and total comprehensive income for the year</b>	-	-	(63)	(63)
<b>31 December 2017</b>	44	42,444	(6,297)	36,191
<i>Comprehensive income for the year:</i>				
<b>Result for the year</b>	-	-	-	-
<b>31 December 2018</b>	44	42,444	(6,297)	36,191

Refer to note 8 for further disclosure on the preference shares reclassified as equity in the prior year.

The notes on pages 10 to 15 form part of these financial statements.

# Emerald Topco Limited

## Notes forming part of the financial statements for the year ended 31 December 2018

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### 1 Accounting policies

Emerald Topco Limited is a company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the company's operations and its principal activities are set out in the strategic report. The financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard ('FRS 102') the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the accounting policies. These critical accounting estimates and judgements are discussed in more detail below.

The following principal accounting policies have been applied:

#### *Basis of consolidation*

The company is exempt from preparing consolidated financial statements for its group, as the company's ultimate parent, Overture Topco Limited, is incorporated in the United Kingdom and prepares group financial statements. These financial statements present information about the company only and not the group which it heads.

#### *Going concern*

The Board is satisfied that the company has adequate financial resources to continue to operate for the foreseeable future. For this reason, the going concern basis is considered appropriate for the preparation of the financial statements.

#### *Investments in subsidiaries*

Investments in subsidiaries are carried at cost, less provisions for impairment. The carrying values of investments are reviewed for impairment when events or circumstances indicate the carrying value may not be recoverable.

#### *Financial assets and liabilities*

The company's financial assets and liabilities mainly comprise related party receivables, borrowings and related party payables.

Receivables are non-interest bearing and are recognised at amortised cost as reduced by appropriate allowances for irrecoverable amounts.

Payables are repayable on demand, non-interest bearing and are recognised at fair value on inception and amortised cost in subsequent years.

#### *Interest bearing loans and borrowings*

All loans and borrowings are initially recognised at fair value less directly attributable transaction costs amortised over the year of the loan.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

#### *Dividends*

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

# Emerald Topco Limited

## Notes forming part of the financial statements for the year ended 31 December 2018 *(continued)*

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### 1 Accounting policies *(continued)*

#### *Exemption from preparing a cash flow statement*

The company has taken the exemption within Chapter 1 of FRS 102, not to prepare a cash flow statement as it is included within the consolidated financial statements of its ultimate parent, Overture Topco Limited, which are publicly available.

#### *Taxation*

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date.

Losses and other timing differences for which no deferred tax assets have been recognised in these financial statements at the reporting date, is due to uncertainty over timing of future economic benefit of these items. Once timing of future taxable profits becomes more certain, these losses and other timing differences may yield benefit to the company in the form of a reduced tax charge.

#### ***Judgements in applying accounting policies and key sources of estimation uncertainty***

The preparation of the financial statements requires management to exercise judgement in applying the company's accounting policies. Estimates and assumptions used in the preparation of the financial statements are continually reviewed and revised as necessary.

In preparing these financial statements, the directors have made the following judgements:

- Determine whether there are indicators of impairment of the Company's investments in subsidiaries. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the investment.

### 2 Employees

Other than the directors, who received no remuneration in respect of their services from the company, the company had no employees.

Each of the directors received remuneration paid by other Group companies owned by the Emerald Topco Limited Group in respect of services to Group companies. The average number of employees during the year was nil (2017: nil).

# Emerald Topco Limited

## Notes forming part of the financial statements for the year ended 31 December 2018 (*continued*)

### 3 Operating loss

Auditor's remuneration is borne on a Group basis. The amount in relation to the company is £2,000 (2017 - £2,000).

### 4 Taxation

No liability to UK Corporation tax arose on ordinary activities due to there being no trading in the year.

The tax assessed for the year differs to the standard rate of corporation tax in the UK applied to the result before tax. The differences are explained below:

	2018 £'000	2017 £'000
Result (loss) on ordinary activities before tax	-	(63)
Tax charge on ordinary activities at the standard rate of corporation tax in the UK of 19% (2017: 19.25%)	-	(12)
Effects of:		
Expenses note deductible	-	11
Group relief surrendered	-	1
Total tax for the year	-	-

# Emerald Topco Limited

Notes forming part of the financial statements  
for the year ended 31 December 2018 (*continued*)

## 5 Fixed asset investments

Subsidiary  
undertakings  
£'000

*Cost and net book value*

At 1 January 2018 and at 31 December 2018

**36,947**

The company has the following subsidiary undertakings:

Name	Registered office	Proportion of voting rights and ordinary share capital held	Nature of business
<i>Subsidiary undertakings</i>			
Emerald Midco 1 Limited	62 The Broadway, Amersham, Buckinghamshire UK	Ordinary, 100%	Holding Company
Emerald Midco 2 Limited*	62 The Broadway, Amersham, Buckinghamshire UK	Ordinary, 100%	Holding Company
Emerald Bidco Limited*	62 The Broadway, Amersham, Buckinghamshire UK	Ordinary, 100%	Holding Company
Phlexglobal Limited*	62 The Broadway, Amersham, Buckinghamshire UK	Ordinary, 100%	The provision of clinical research services
Net Solutions Europe Limited*	62 The Broadway, Amersham, Buckinghamshire UK	Ordinary, 100%	The provision of clinical research services
Phlexglobal Inc *	400 Chesterfield Parkway, Malvern, PA, USA	Ordinary, 100%	The provision of clinical research services
Phlexglobal Poland SP Zoo *	4 <sup>th</sup> Floor, Building A, 6 Szeligowskiego St., Lublin, Poland	Ordinary, 100%	The provision of clinical research services

\* held indirectly

# Emerald Topco Limited

## Notes forming part of the financial statements for the year ended 31 December 2018 *(continued)*

### 6 Debtors

	2018 £'000	2017 £'000
Amounts due from group undertakings	3,454	3,454

Loans from subsidiary undertakings are interest free and repayable on demand. All other amounts fall due for repayment in less than one year.

### 7 Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
Amounts due to group undertakings	4,207	4,207
Other creditors	3	3
	<u>4,210</u>	<u>4,210</u>

### 8 Called up share capital

	2018 £'000	2017 £'000
690,072 (2017 - 690,073) Ordinary A shares of \$0.0126 (2017 - \$0.0126) each	7	7
89,928 (2017 - 89,928) Ordinary B shares of \$0.0126 (2017 - \$0.0126) each	9	9
37,883 (2017 - 37,883) Ordinary C shares of \$0.0126 (2017 - \$0.0126) each	3	3
164,673 (2017 - 164,673) Ordinary D shares of \$0.0126 (2017 - \$0.0126) each	16	16
9,120,675 (2017 - 9,120,676) Preference shares of \$0.00126 (2017 - \$0.00126)	9	9
	<u>44</u>	<u>44</u>

On 24 January 2017, the rights of the preference shares was altered to rank pari passu with all other classes of shares. This resulted in the extinguishment of the liability and a subsequent reclassification of the preference share capital as equity.

# **Emerald Topco Limited**

## **Notes forming part of the financial statements for the year ended 31 December 2018 *(continued)***

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### **9 Reserves**

The Company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- Share premium represents amounts paid over the nominal value of the shares issued.
- Profit and loss account represents cumulative profits or losses.

### **10 Related party transactions and ultimate controlling party**

The company has taken advantage of the exemption not to disclose transactions with wholly owned subsidiaries within the Group, as headed by Overture Topco Limited.

The company's immediate parent company is Overture Bidco Limited. The ultimate controlling party of the Company are certain funds advised by Vitruvian Partners.