

Emerald Topco Limited

Report and Financial Statements

For the year ended

31 December 2019

Company Number 09019417

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Emerald Topco Limited

Report and financial statements for the year ended 31 December 2019

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Directors

K Roy
A D Johnson
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 2019

The directors present their strategic report together with the financial statements for the year ended 31 December 2019.

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 (2018: £36,191,000) and recorded a result for the financial year of £nil (2018: loss of £63,000). It has investments of £36,947,000 (2018: £36,947,000) in subsidiaries at 31 December 2019.

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.

The group completed the acquisition of Cunesoft GmbH in December 2019 expanding the range of software and services the company can offer in support of the clinical trial life cycle.

The impact of the Covid-19 pandemic on the business has been mostly limited to date, The Group operates within the life sciences sector and whilst the commencement of some clinical trials have been delayed there has also been some increase in demand by customers pursuing Covid-19 related trials, resulting in continued growth in 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.

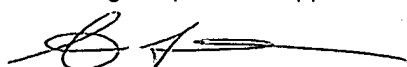
The main financial risks arising from the Group's activities are liquidity risk and foreign exchange risk. These are monitored by the board of directors.

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 21 December 2020.



A D Johnson
Director

Emerald Topco Limited

Directors' report for the year ended 31 December 2019

The directors present their report together with their strategic report and the audited financial statements for the year ended 31 December 2019.

Results and dividends

The company's statement of comprehensive income is set out on page 4 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 (resigned 4 December 2019)
J McNeill (appointed 28 March 2019)
A D Johnson (appointed 7 January 2020)

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



A D Johnson
Director

Date 21 December 2020

Emerald Topco Limited

Directors' responsibilities statement for the year ended 31 December 2019

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

Statement of comprehensive income for the year ended 31 December 2019

	Note	2019 £'000	2018 £'000
Administrative expenses		-	-
		<hr/>	<hr/>
Operating result	3	-	-
		<hr/>	<hr/>
Result on ordinary activities before taxation		-	-
Taxation	4	-	-
		<hr/>	<hr/>
Result on ordinary activities after taxation		-	-
		<hr/>	<hr/>

All amounts relate to continuing activities.

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

The notes on pages 7 to 13 form part of these financial statements.

Emerald Topco Limited

Balance sheet at 31 December 2019

<i>Company number 09019417</i>	<i>Note</i>	2019 £'000	2019 £'000	2018 £'000	2018 £'000
Fixed assets					
Fixed asset investments	5		36,947		36,947
Current assets					
Debtors	6	3,454		3,454	
Creditors: amounts falling due within one year	7	(4,210)		(4,210)	
Net current liabilities			(756)		(756)
Total assets less current liabilities			36,191		36,191
Net assets			36,191		36,191
Capital and reserves					
Called up share capital	8		44		44
Share premium account	9		42,444		42,444
Profit and loss account	9		(6,297)		(6,297)
Shareholders' funds			36,191		36,191

The financial statements were approved by the Board of Directors and authorised for issue on 21 December 2020.



A D Johnson
Director

The notes on pages 7 to 13 form part of these financial statements.

Emerald Topco Limited

Statement of changes in equity for the year ended 31 December 2019

	Called up share capital £'000	Share premium £'000	Profit and loss account £'000	Total £'000
1 January 2018	44	42,444	(6,297)	36,191
<i>Comprehensive income for the year:</i>				
Result for the year	-	-	-	-
31 December 2018	44	42,444	(6,297)	36,191
<i>Comprehensive income for the year:</i>				
Result for the year	-	-	-	-
31 December 2019	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 7 to 13 form part of these financial statements.

Emerald Topco Limited

Notes forming part of the financial statements for the year ended 31 December 2019

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.

As a result of Covid-19 and Governments' responses there is currently disruption to the wider markets in which the Group and Company operate. In addition to the usual going concern forecasting process, the directors have assessed additional downside scenario models. The hypothetical scenarios used are downside scenarios representing a material underperformance of the Group and Company and have been stress tested with extreme assumptions. The directors do not believe that the extreme assumptions are realistic outcomes, but if they do occur the directors have identified significant mitigating actions to maintain the Group and Company as a going concern. It is on that basis that the directors consider it appropriate to prepare the Group and Company financial statements on a going concern basis.

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.

Emerald Topco Limited

Notes forming part of the financial statements for the year ended 31 December 2019 (*continued*)

1 Accounting policies (*continued*)

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.

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.

Emerald Topco Limited

**Notes forming part of the financial statements
for the year ended 31 December 2019 (continued)**

1 Accounting policies (continued)

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 (2019: Nil).

3 Operating loss

Auditor's remuneration is borne on a Group basis. The amount in relation to the company is £2,000 (2018 - £2,000).

Emerald Topco Limited

Notes forming part of the financial statements for the year ended 31 December 2019 (*continued*)

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:

	2019 £'000	2018 £'000
Result on ordinary activities before tax	-	-
Tax charge on ordinary activities at the standard rate of corporation tax in the UK of 19% (2018: 19%)	-	-
Effects of:		
Expenses note deductible	-	-
Group relief surrendered	-	-
Total tax for the year	-	-

Emerald Topco Limited

Notes forming part of the financial statements
for the year ended 31 December 2019 (*continued*)

5 Fixed asset investments

Subsidiary
undertakings
£'000

Cost and net book value

At 1 January 2019 and at 31 December 2019

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 th Floor, Building A, 6 Szeligowskiego St., Lublin, Poland	Ordinary, 100%	The provision of clinical research services
Cunesoft GmbH*	Luise-Ullrich-Strasse 20 80636 Munich, Germany	Ordinary, 100%	The provision of clinical regulatory operations platforms
Cunesoft Inc*	103 Carnegie Center 08540 Princeton, USA	Ordinary, 100%	The provision of clinical regulatory operations platforms
Cunesoft India Pvt. Limited*	Unit 104/105/106/107, A Wing, Mittal Towers, M.G. Road, 560 001, Bangalore, India	Ordinary, 100%	The provision of clinical regulatory operations platforms

* held indirectly

Emerald Topco Limited

Notes forming part of the financial statements for the year ended 31 December 2019 *(continued)*

6 Debtors

	2019 £'000	2018 £'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

	2019 £'000	2018 £'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

	2019 £'000	2018 £'000
690,072 (2018 - 690,073) Ordinary A shares of \$0.0126 (2018 - \$0.0126) each	7	7
89,928 (2018 - 89,928) Ordinary B shares of \$0.0126 (2018 - \$0.0126) each	9	9
37,883 (2018 - 37,883) Ordinary C shares of \$0.0126 (2018 - \$0.0126) each	3	3
164,673 (2018 - 164,673) Ordinary D shares of \$0.0126 (2018 - \$0.0126) each	16	16
9,120,675 (2018 - 9,120,676) Preference shares of \$0.00126 (2018 - \$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 2019 (*continued*)

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.

11 Post balance sheet events

Subsequent to the end of the financial year, the COVID-19 outbreak was declared a pandemic by the World Health Organisation in March 2020. Governmental responses in dealing with the pandemic have affected economic activity and the scale and duration of these affects remains uncertain.

Whilst the impact of the pandemic, and various Governments' responses to it, remains uncertain it is not possible or practicable to provide quantitative or qualitative estimates of the potential impact on the business at this time. However, the business is closely monitoring both the risks and opportunities that are presented by the disruption.

The financial statements have been prepared based upon the conditions existing as at 31 December 2019 with due consideration to subsequent events that provide evidence of conditions that existed as at 31 December 2019. As the outbreak of COVID 19 occurred in the regions where we operate after 31 December 2019, its impact is considered an event that arose after the reporting period and accordingly no adjustments have been made to financial statements as at 31 December 2019. The impact on the Group of the outbreak of Covid-19 is discussed in more detail in the Strategic Report.