

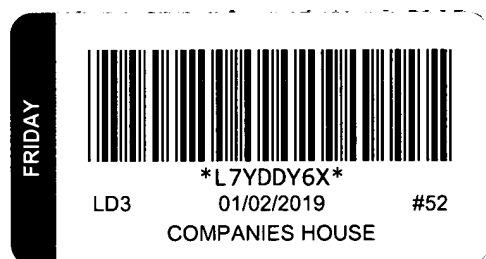
Kinapse Topco Limited

Report and Financial Statements

For the year ended

31 March 2018

Company Number 09964306



Kinapse Topco Limited

Report and financial statements for the year ended 31 March 2018

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Directors

S Donald
M McLoughlin

Company secretary

Skadden, Arps, Slate, Meagher & Flom (Corporate Services) Limited, 40 Bank Street, London, E14 5DS

Registered office

27-37 St George's Road, London, SW19 9EU

Company number

09964306

Auditors

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

Kinapse Topco Limited

Strategic report for the year ended 31 March 2018

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

Principal activities

The principal activity of the company in the year under audit was that of an ultimate holding company for the Kinapse group of companies which provide support services to the clinical research industry.

Review of the business

The Kinapse group of companies have had a year of strong turnover growth and continuing success that is due in equal measure to the group's clients for trusting us with their important work and to the people of the Kinapse group who consistently deliver outstanding service, often going beyond their contractual obligations to do whatever it takes to enable our clients to achieve their goals.

We have further advanced the implementation of our strategy, improved our operational performance and strengthened our senior team and all areas of our client delivery capability. Most importantly, our clients continue to report a high degree of satisfaction with the services we provide to them and this is reflected in performance metrics, testimonials and repeat business.

Group turnover for the year was £36.2m (period ended 2017*: £37.9m) and the Group ended the year with cash of £7.6m (2017: £9.2m).

At the year end, the group was managed and advised by HgCapital Nominees Limited.

Post balance sheet events

On 20 August 2018, the Company was purchased by Syneos Health, Inc, as US based market leading advisory and operational solutions provider to the global life sciences industry. The Group is in the process of integrating with the Syneos systems and processes, and it is expected that significant revenue and cost synergies will be generated from the integration. On 31 December 2018, Kinapse, Inc. was transferred from Kinapse Limited to inVentiv Health Inc., a fellow subsidiary of Syneos Health, Inc. for an amount of \$5.9m (£4.7m).

Going concern

Following the acquisition by Syneos Health, Inc it is the directors' intention to liquidate the Company. Furthermore it is the directors' intention to liquidate other intermediate holding companies within the legacy Kinapse group, namely, Kinapse Holdco Limited, Kinapse Midco Limited and Kinapse Bidco Limited. The directors' have confirmed that they intend to commence an orderly disposal of the company's remaining assets with a view to realising cash to settle liabilities. The directors have also confirmed that the Group headed by Kinapse Limited will continue normal operations for the foreseeable future. Further information on how the decision to cease trading has affected the financial statements can be found in note 1.

Financial and other key performance indicators

The group uses a range of performance measures to monitor and manage its business and that of its subsidiaries, effectively. These are both financial and non-financial, and the most significant of these are the key performance indicators (KPIs). KPIs for the year ended 31 March 2018 (Period ended 31 March 2017*) are set out below:

	2018 £'000	2017 £'000
Turnover	36,201	37,895
Gross profit	12,704	14,438
'Adjusted EBITDA'	1,705	2,573
Operating loss	(10,439)	(11,265)
Cash	7,596	9,210

*The results for the prior period are for the period from 22 January 2016 to 31 March 2017.

Kinapse Topco Limited

Strategic report for the year ended 31 March 2018 (continued)

'Adjusted EBITDA' represents earnings before interest, tax, depreciation, amortisation and share based payment expense. The positive change in all five key performance indicators has been consistent with the performance of the business overall as more and larger client contracts have been won.

Adjusted EBITDA	2018 £'000	2017 £'000
Loss for the financial year	(23,890)	(25,482)
Adjust for:		
Amortisation	11,257	13,133
Depreciation	876	698
Share based payment expense	11	7
Interest expense	13,999	14,569
Interest income	(8)	(21)
Taxation	(540)	(331)
'Adjusted EBITDA'	1,705	2,573

Principal risks and uncertainties

The principal risks affecting the group relate to demand for services in the pharmaceutical sector and general market risk (including foreign exchange risk, cash flow and liquidity risk and credit risk). The directors review these risks regularly and agree with management the strategies for managing them. From time to time the group has assets and liabilities denominated in foreign currencies and takes appropriate action to manage foreign exchange risks by matching income and expenditure in foreign currency and seeking to hedge other exposures where possible. Cash is managed on a daily basis to ensure that the group has sufficient liquid funds to meet its obligations as they fall due. The group's credit risk arises from credit exposure to clients and also with banks with which cash is held. The group's clients are generally of strong financial standing and present low credit risks and the board ensures that cash is only placed with banks with a high credit rating.

Future developments

The directors intend to promote the growth of the operating group through increased revenues from its existing contracts, and the development of new profitable revenue streams.

Approval

This strategic report was approved on behalf of the Board on 31 January 2019


M McLoughlin
Director

Kinapse Topco Limited

Directors' report for the year ended 31 March 2018

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

Results

The group income statement is set out on page 8 and shows the loss for the year.

The directors have not declared or paid a dividend and the loss after tax of £23.9m (2017: £25.5m) for the year is transferred to reserves.

Principal activity

The principal activity of the company is the ultimate holding company for the Kinapse group of companies. The principal activity of the company's subsidiaries, in the year under review, was the provision of support services to the clinical research industry.

Going concern

As explained in the Strategic report on page 1, the directors intend to liquidate the Company, as well as the other intermediate holding companies within the legacy Kinapse group within 12 months from the date of signing the financial statements.

Directors

The directors of the company during the year and after the year end were:

D Bednar	(appointed 13 April 2017, resigned 1 December 2018)
A Black	(resigned 31 January 2018)
K Brykman	(resigned 31 May 2017)
S Kent	(resigned 1 May 2018)
A Land	(resigned 20 August 2018)
P Schwalber	(resigned 11 September 2017)
S Ferrarini	(resigned 20 August 2018)
S Donald	(appointed 30 November 2018)
M McLoughlin	(appointed 30 November 2018)

Kinapse Topco Limited

Directors' report for the year ended 31 March 2018 (continued)

Directors' responsibilities

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 group and 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 group and company and of the profit or loss of the group and 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. As explained in note 1 to the financial statements, the directors do not believe the going concern basis to be appropriate and consequently, the Company financial statements have not been prepared on that basis.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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



M McLoughlin
Director

Date 31/01/2019

Kinapse Topco Limited

Independent auditor's report for the year ended 31 March 2018

TO THE MEMBERS OF KINAPSE TOPCO LIMITED

Opinion

We have audited the financial statements of Kinapse Topco Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 March 2018 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated and company balance sheets, the consolidated and company statements of changes in equity, the consolidated statement of cash flows 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 Group's and of the Parent Company's affairs as at 31 March 2018 and of the Group's loss and the Parent Company's profit 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 Group and the Parent 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.

Emphasis of matter - Parent Company financial statements prepared on a basis other than going concern

We draw attention to Note 1 to the financial statements, which explains that the directors intend to liquidate the Parent Company and therefore do not consider the Parent Company to be a going concern. Accordingly, the financial statements of the Parent Company have been prepared on a basis other than that of going concern as described in Note 1. As there is no intention by the directors to liquidate the operating Group headed by Kinapse Limited, the directors have prepared the Group financial statements on the going concern basis. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern in respect of the Group

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 Group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Kinapse Topco Limited

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

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.

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 Group and the Parent 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 by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company 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.

Kinapse Topco Limited

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

Responsibilities of Directors

As explained more fully in the Directors' report, 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 are 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 Group's and the Parent 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 Group or the Parent 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.

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Andrew Gandell (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

Date 31/01/2019

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

Kinapse Topco Limited

Consolidated income statement for the year ended 31 March 2018

		Year ended 31 March 2018 £'000	Period 22 January 2016 to 31 March 2017 £'000
	Note		
Turnover	3	36,201	37,895
Cost of sales		(23,497)	(23,457)
Gross profit		12,704	14,438
Administrative expenses		(23,317)	(25,850)
Share based payment expense		(11)	(7)
Total administrative expenses		(23,328)	(25,857)
Other operating income		185	154
Operating loss	4	(10,439)	(11,265)
Interest expense and similar charges	7	(13,999)	(14,569)
Interest income and similar income	8	8	21
Loss before taxation		(24,430)	(25,813)
Taxation on ordinary activities	9	540	331
Loss for the financial year		(23,890)	(25,482)

All amounts relate to continuing activities.

The notes on pages 15 to 30 form part of these financial statements.

Kinapse Topco Limited

Consolidated statement of comprehensive income for the year ended 31 March 2018

	Year ended 31 March 2018 £'000	Period 22 January 2016 to 31 March 2017 £'000
Loss for the financial year	(23,890)	(25,482)
Currency translation differences	(224)	853
Other comprehensive (loss)/ income for the year	(224)	853
Total comprehensive loss for year	(24,114)	(24,629)

The total comprehensive loss for the year is wholly attributable to the owners of the parent company. There are no non-controlling interests.

The notes on pages 15 to 30 form part of these financial statements.

Kinapse Topco Limited

Consolidated balance sheet at 31 March 2018

<i>Company number 09964306</i>	<i>Note</i>	2018 £'000	2018 £'000	2017 £'000	2017 £'000
Fixed assets					
Intangible assets	10		88,179		99,436
Tangible assets	11		1,730		2,270
			89,909		101,706
Current assets					
Debtors:					
- amounts falling due within one year	13	12,994		10,474	
- amounts falling due after more than one year	14	140		66	
Total debtors		13,134		10,540	
Cash at bank and in hand		7,596		9,210	
		20,730		19,750	
Creditors: amounts falling due within one year	15	(34,853)		(33,035)	
Net current liabilities			(14,123)		(13,285)
Total assets less current liabilities			75,786		88,421
Creditors: amounts falling due after more than one year	16		(123,581)		(112,311)
Total net liabilities			(47,795)		(23,890)
Capital and reserves					
Called up share capital	17		11		11
Share premium			955		757
Treasury shares			(36)		(36)
Profit and loss account			(48,725)		(24,622)
Shareholders' deficit			(47,795)		(23,890)

The financial statements were approved by the Board of Directors and authorised for issue on 31 January 2019


M McLoughlin
Director

The notes on pages 15 to 30 form part of these financial statements.

Kinapse Topco Limited

Consolidated statement of changes in equity for the period ended 31 March 2018

	Share capital £'000	Share premium £'000	Treasury shares £'000	Profit and loss account £'000	Total £'000
22 January 2016	-	-	-	-	-
Loss for the year	-	-	-	(25,482)	(25,482)
<i>Other comprehensive income for the period:</i>					
Currency translation differences	-	-	-	853	853
Total comprehensive income for the period	-	-	-	(24,629)	(24,629)
<i>Contributions by and distribution to owners:</i>					
Issue of share capital	11	757	-	-	768
Share based payments	-	-	-	7	7
Treasury shares	-	-	(36)	-	(36)
Total contributions by and distributions to owners	11	757	(36)	7	739
31 March 2017	11	757	(36)	(24,622)	(23,890)
Loss for the year	-	-	-	(23,890)	(23,890)
<i>Other comprehensive income for the year:</i>					
Currency translation differences	-	-	-	(224)	(224)
Total comprehensive income for the year	-	-	-	(24,114)	(24,114)
<i>Contributions by and distribution to owners:</i>					
Issue of share capital	1	198	-	-	199
Disposals of shares	(1)	-	-	-	(1)
Share based payments	-	-	-	11	11
Total contributions by and distributions to owners	-	198	-	11	209
31 March 2018	11	955	(36)	(48,725)	(47,795)

The notes on pages 15 to 30 form part of these financial statements.

Kinapse Topco Limited

Consolidated statement of cash flows for the year ended 31 March 2018

	Note	Year ended 31 March 2018 £'000	Period 22 January 2016 to 31 March 2017 £'000
Cash flows from operating activities			
Loss for the financial year		(23,890)	(25,482)
Adjustments for:			
Depreciation of fixed assets	11	876	698
Amortisation of intangibles	10	11,257	13,133
Interest expense	7	13,999	14,569
Interest income	8	(8)	(21)
Taxation credit	9	(540)	(331)
Share based payment charge		11	7
Decrease in trade and other debtors		(1,958)	541
Increase in trade creditors and other creditors		2,042	1,195
Foreign exchange adjustments		(101)	(329)
Loss on sale of fixed assets		229	-
Cash from operations		1,917	3,980
Interest paid		(1,437)	(1,127)
Interest received		8	21
Taxation (paid)/received	9	(1,057)	922
Net cash (used in)/generated from operating activities		(569)	3,796
Cash flows used in investing activities			
Purchases of tangible fixed assets	11	(701)	(1,519)
Proceeds from sale of fixed assets	11	10	-
Acquisition of subsidiary net of cash acquired		-	(89,425)
Payment of acquisition related costs		-	(4,330)
Net cash used in investing activities		(691)	(95,274)
Cash flows from financing activities			
Proceeds from share capital issued	17	199	646
Proceeds from disposal of share capital	17	(1)	-
Proceeds from issuing of bridging loan	20	-	27,500
Proceeds from issue of loan notes	20	-	72,941
Arrangement fees on loan notes	7	-	(795)
Purchase of own shares		-	(36)
Movement in loan due from EBT	13	(500)	-
Net cash from financing activities		(302)	100,256
Net (decrease)/increase in cash and cash equivalents		(1,562)	8,778
Cash and cash equivalents at beginning of year		9,210	-
Effect of exchange rates on cash and cash equivalents		(52)	432
Cash and cash equivalents at end of year		7,596	9,210
Cash and cash equivalents comprise:			
Cash at bank and in hand		7,596	9,210

The notes on pages 15 to 30 form part of these financial statements.

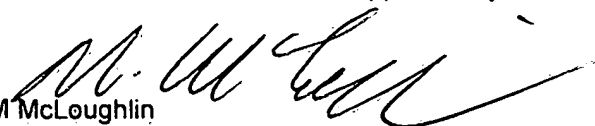
Kinapse Topco Limited

Company balance sheet at 31 March 2018

Company number 09964306	Note	2018 £'000	2018 £'000	2017 £'000	2017 £'000
Fixed assets					
Fixed asset investments	12		923		695
Current assets					
Debtors:					
- amounts falling due within one year	13	807		128	
- amounts falling due after one year	14	-		10,783	
Total debtors		807		10,911	
Creditors: amounts falling due within one year	15	(778)		(85)	
Net current assets			29		10,826
Creditors: amounts falling due after one year	16		-		(10,783)
Net assets			952		738
Capital and reserves					
Called up share capital	17		11		11
Share premium			955		757
Treasury shares			(36)		(36)
Profit and loss account			22		6
Shareholders' funds			952		738

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own income statement in these financial statements. The company reported a profit after tax of £15,000 (2017: loss of £1,000) for the financial year ended 31 March 2018.

The financial statements were approved by the Board of Directors and authorised for issue on 31 January 2019


M McLoughlin
Director

The notes on pages 15 to 30 form part of these financial statements.

Kinapse Topco Limited

Company statement of changes in equity for the year ended 31 March 2018

	Share capital £'000	Share premium £'000	Treasury shares £'000	Profit and loss account £'000	Total £'000
22 January 2016	-	-	-	-	-
Loss for the period	-	-	-	(1)	(1)
Total comprehensive income for the period	-	-	-	(1)	(1)
<i>Contributions by and distributions to owners:</i>					
Issue of share capital	11	757	-	-	768
Share based payments	-	-	-	7	7
Treasury shares	-	-	(36)	-	(36)
Total contributions by owners	11	757	(36)	6	738
31 March 2017	11	757	(36)	6	738
Profit for the year	-	-	-	15	15
Total comprehensive income for the year	-	-	-	15	15
<i>Contributions by and distributions to owners:</i>					
Issue of share capital	1	198	-	-	199
Disposal of share capital	(1)	-	-	-	(1)
Share based payments	-	-	-	1	1
Total contributions by owners	-	198	-	1	199
31 March 2018	11	955	(36)	22	952

The notes on pages 15 to 30 form part of these financial statements.

Kinapse Topco Limited

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

1 Accounting policies

Kinapse Topco Limited is a private company incorporated in England & Wales under the Companies Act 2006. The address of the registered office is given on the contents page and the nature of the group'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 the group management to exercise judgement in applying the group's accounting policies. These critical accounting estimates and judgements are discussed in more detail in note 2.

The following principal accounting policies have been applied:

Basis of preparation and going concern

The Parent company financial statements have been prepared on a basis other than going concern.

The Group headed by Kinapse Topco Limited was acquired by Syneos Health, Inc. on 20 August 2018. Following the acquisition, the directors have commenced a strategic review of the business and decided to restructure the group. The directors' intention is to liquidate Kinapse Topco Limited and other intermediate holding companies, namely, Kinapse Holdco Limited, Kinapse Midco Limited and Kinapse Bidco Limited, within twelve months of the date of signing of their financial statements. The directors intend to dispose of the company's remaining assets with a view to realising cash to settle liabilities. The directors have confirmed that the Group headed by Kinapse Limited will continue normal operations for the foreseeable future. As a result, the directors have concluded that it is not appropriate to adopt a going concern basis of preparation of the Parent company financial statements. The group financial statements have been prepared on a going concern basis.

No adjustments have been made to the Parent company financial statements as a result of the financial statements being prepared on a basis other than going concern.

Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the year has been presented as the reconciliations for the group and the parent company would be identical;
- No cash flow statement has been presented for the parent company;
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

Basis of consolidation

These financial statements present the results of Kinapse Topco Limited as a group and as an entity. Kinapse Topco Limited's consolidated financial statements represent the combined results of Kinapse Topco Limited and its wholly owned subsidiaries from the date of acquisition. Intercompany transactions and balances between group companies are therefore eliminated in full.

Turnover and revenue recognition

Turnover derives from the principal activity of the group, being the provision of advisory and operational services, less value added tax or local taxes on sales; services provided include recoverable expenses incurred by the group, where it acts as principal. Turnover is predominantly recognised on a time and material basis, but where appropriate accrued on a percentage to complete basis, with this specific turnover source accrued or deferred when the amounts invoiced are either less or in excess of the value of the work completed.

Kinapse Topco Limited

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

1 Accounting policies (continued)

Goodwill

Goodwill arising on the acquisition of subsidiary undertakings, representing the excess of the fair value of the consideration over the fair value of the identifiable assets and liabilities acquired is capitalised and amortised through the income statement over its economic life which is considered to be 10 years. Impairment tests on the carrying value of goodwill are undertaken:

- at the end of the first full financial period following acquisition;
- in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives at the following rates:

Customer relationships	-	Over 10 years
Brand	-	Over 10 years

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows:

Fixtures, fittings and office equipment	-	25% straight line
Leasehold improvements	-	Over 5 years

Current and deferred taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred.

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 except that the recognition of deferred tax assets is limited to the extent that the group anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the income statement.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the income statement over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

Kinapse Topco Limited

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

1 Accounting policies (*continued*)

Leased assets (continued)

All other leases are treated as operating leases. Their annual rentals are charged to the income statement on a straight-line basis over the term of the lease.

Pension costs

Contributions to the group's defined contribution pension scheme are charged to the income statement in the year in which they become payable.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

Investments

Fixed asset investments are stated at cost less provision for diminution in value.

Impairment of assets

Assets are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the income statement.

The results of overseas operations are translated at the average rate of exchange during the year and the balance sheet translated into sterling at the rate of exchange ruling on the balance sheet date.

Exchange differences which arise from transactions of the opening net assets and results of foreign subsidiary undertakings are taken to reserves.

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments deemed to be 'basic financial instruments' are initially measured at the amount of the net proceeds received and held at amortised cost which amounts to their fair value. They are subsequently measured using the effective interest method. Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

The company has no 'other financial instruments' held at fair value through the income statement.

Kinapse Topco Limited

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

2 Judgements in applying accounting policies and key sources of estimation uncertainty

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

- Determine whether leases entered into by the group either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the group's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- *Tangible fixed assets (note 11)*

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- *Intangible fixed assets (note 10)*

Intangible fixed assets, including goodwill are amortised over their estimated useful lives, with no residual value. The actual lives of the assets are assessed annually and may vary depending on a number of factors.

3 Turnover

Turnover is wholly attributable to the principal activity of the group and arises within and outside of the United Kingdom.

	Year ended 31 March 2018 £000	Year ended 31 March 2018 %	Period 22 January 2016 to 31 March 2017 £000	Period 22 January 2016 to 31 March 2017 %
UK	10,441	29	9,851	26
Europe	11,942	33	5,600	15
North America	13,353	37	22,086	58
Rest of World	465	1	358	1
	36,201	100	37,895	100

Kinapse Topco Limited

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

4 Operating loss

	Year ended 31 March 2018 £'000	Period 22 January 2016 to 31 March 2017 £'000
This is arrived at after charging/(crediting):		
Hire of other assets - finance leases	-	7
Amortisation of goodwill and acquisition costs	11,257	13,133
Depreciation of tangible fixed assets	876	698
Loss/(gain) on foreign exchange transactions	54	(329)
Share based payment	11	7
Auditor's remuneration for statutory audit services	77	75
Auditor's remuneration for taxation services	-	39
Auditors' remuneration for other services	10	2
Loss on disposal of fixed assets	229	-
	<hr/>	<hr/>

5 Employees

	Year ended 31 March 2018 £'000	Period 22 January 2016 to 31 March 2017 £'000
Staff costs (including directors) consist of:		
Wages and salaries	15,847	17,171
Social security costs	1,281	1,818
Other post-retirement benefit costs (note 24)	365	899
	<hr/>	<hr/>
	17,493	19,888
	<hr/>	<hr/>
The average number of employees (including directors) during the year was as follows:	Number	Number
Clinical services staff	615	726
Administration	61	28
	<hr/>	<hr/>
	676	754
	<hr/>	<hr/>

Kinapse Topco Limited

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

6 Key management personnel

The directors are considered to be the key management personnel and their remuneration is set out below:

	Year ended 31 March 2018 £'000	Period 22 January 2016 to 31 March 2017 £'000
Directors' emoluments	627	914
Company contributions to pension schemes	4	6
	<hr/> 631	<hr/> 920
Highest paid director:		
Directors' emoluments	260	323
Contributions to pension scheme	4	2
	<hr/> 264	<hr/> 325

There was 2 (2017: 3) directors in the group's defined contribution scheme during the year. During the year, no director exercised share options (2017 - none), and there was a share based payment charge of £11k (2017: £7k) in respect of the share options held by directors.

7 Interest expense and similar charges

	Year ended 31 March 2018 £'000	Period 22 January 2016 to 31 March 2017 £'000
Loan note interest payable to shareholders	1,659	1,875
Loan note interest payable to Hg Capital	10,843	10,445
Bridging loan interest payable to Hg Capital	1,475	1,394
Amortisation of loan arrangement fees	-	795
Other interest expense	22	60
	<hr/> 13,999	<hr/> 14,569

Kinapse Topco Limited

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

8 Interest income and similar charges

	Year ended 31 March 2018 £'000	Period 22 January 2016 to 31 March 2017 £'000
Bank interest received	8	21
	<hr/>	<hr/>

9 Taxation

	Year ended 31 March 2018 £'000	Period 22 January 2016 to 31 March 2017 £'000
<i>Current tax</i>		
UK corporation tax on profits of the year	158	61
Foreign tax on profits of the year	545	716
Adjustments in respect of previous years	125	(88)
	<hr/>	<hr/>
Total current tax	828	689
<i>Deferred tax</i>		
Origination and reversal of deferred tax on intangibles	(1,253)	(1,020)
Adjustment in respect of previous years	(157)	-
Effect of changes in tax rates	42	-
	<hr/>	<hr/>
	(1,368)	(1,020)
	<hr/>	<hr/>
Tax (credit)/ charge on ordinary activities	(540)	(331)
	<hr/>	<hr/>

Kinapse Topco Limited

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

9 Taxation (continued)

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:

	Year ended 31 March 2018 £'000	Period 22 January 2016 to 31 March 2017 £'000
Loss on ordinary activities before tax	(24,430)	(25,813)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 19% (2017: 20%)	(4,641)	(5,163)
Effects of:		
Expenses not deductible for tax purposes	3,558	4,246
Differences in overseas tax rates	272	455
Non-taxable income	-	(33)
Foreign exchange movements	52	2
Losses utilised	-	(167)
Deferred tax not provided	-	353
Adjustments to tax charge in respect of previous years- current tax	125	(88)
Adjustments to tax charge in respect of previous years- deferred tax	(157)	-
Effect of changes in tax rate	42	(3)
Taxation paid on overdrawn directors loan account	156	-
Other	53	67
Total tax for the year	(540)	(331)

Kinapse Topco Limited

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

9 Taxation (*continued*)

The net deferred tax liability balance comprises:

	Year ended 31 March 2018 £'000	Period 22 January 2016 to 31 March 2017 £'000
At beginning of year	8,657	-
Deferred tax liability acquired (note 22)	-	9,667
OCI translation reserve	-	10
Adjustment in respect of prior year	(157)	-
Deferred tax credit	(1,204)	(1,020)
Effects of foreign exchange	(7)	-
	<u>7,289</u>	<u>8,657</u>
At end of year (note 16)	<u>7,289</u>	<u>8,657</u>

10 Intangible assets

Group	Customer relationships £'000	Brand £'000	Goodwill £'000	Total £'000
<i>Cost</i>				
At 1 April 2017 and 31 March 2018	<u>50,100</u>	<u>6,400</u>	<u>56,069</u>	<u>112,569</u>
<i>Amortisation</i>				
At 1 April 2017	5,845	747	6,541	13,133
Charge for the year	<u>5,010</u>	<u>640</u>	<u>5,607</u>	<u>11,257</u>
At 31 March 2018	<u>10,855</u>	<u>1,387</u>	<u>12,148</u>	<u>24,390</u>
<i>Net book value</i>				
At 31 March 2018	<u>39,245</u>	<u>5,013</u>	<u>43,921</u>	<u>88,179</u>
At 31 March 2017	<u>44,255</u>	<u>5,653</u>	<u>49,528</u>	<u>99,436</u>

The company has no intangible assets.

Kinapse Topco Limited

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

11 Tangible assets

Group	Leasehold improvements £'000	Office equipment, fixtures and fittings £'000	Total £'000
<i>Cost</i>			
At 1 April 2017	1,286	2,878	4,164
Additions	164	537	701
Disposals	(244)	(2)	(246)
Foreign exchange adjustment	(128)	(157)	(285)
	<hr/>	<hr/>	<hr/>
At 31 March 2018	1,078	3,256	4,334
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At 1 April 2017	404	1,490	1,894
Foreign exchange adjustment	(52)	(107)	(159)
Disposals	(5)	(2)	(7)
Charge for the year	242	634	876
	<hr/>	<hr/>	<hr/>
At 31 March 2018	589	2,015	2,604
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31 March 2018	489	1,241	1,730
	<hr/>	<hr/>	<hr/>
At 31 March 2017	882	1,388	2,270
	<hr/>	<hr/>	<hr/>

The company has no fixed assets.

12 Fixed asset investments

Company	Subsidiary undertakings £'000
<i>Cost</i>	
At 1 April 2017	695
Additions	228
	<hr/>
At 31 March 2018	923
	<hr/>

In the current year, Kinapse Holdco Limited, a direct subsidiary of Kinapse Topco Limited, issued 2,925,654 ordinary shares with a nominal value of £0.01 (for £0.01 each) and 94,750 Preferred ordinary shares with a nominal value of £0.01 (for £2.10 each) to the Parent company. This resulted in the addition to investments as shown above.

Kinapse Topco Limited

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

12 Fixed asset investments (continued)

The company has the following subsidiary undertakings:

Name	Country of incorporation or registration	Proportion of voting rights and ordinary share capital held	Nature of business
<i>Subsidiary undertakings</i>			
Kinapse Holdco Limited	27-37 St Georges Road, London, SW19 9EU United Kingdom	Ordinary, 100%	Holding company
Kinapse Midco Limited*	27-37 St Georges Road, London, SW19 9EU United Kingdom	Ordinary, 100%	Holding company
Kinapse Bidco Limited*	27-37 St Georges Road, London, SW19 9EU United Kingdom	Ordinary, 100%	Holding company
Kinapse Limited*	27-37 St Georges Road, London, SW19 9EU United Kingdom	Ordinary, 100%	Clinical research services
Kinapse Inc*	210 Broadway, Suite 201 Cambridge, MA 02139 United States	Ordinary, 100%	Clinical research services
Kinapse India Scientific Services Private Limited*	11th Floor, Tower -B, DLF Cyber City Building No. 10 DLF Phase-II Gurgaon Gurgaon HARYANA 122002	Ordinary, 100%	Clinical research services

(*) held indirectly

13 Debtors: amounts falling due within one year

	Group 2018 £'000	Group 2017 £'000	Company 2018 £'000	Company 2017 £'000
Trade debtors	5,777	6,819	-	-
Other debtors	195	157	66	81
Prepayments and accrued income	6,032	3,498	-	-
Amounts due from shareholder	500	-	500	-
Amounts due from group undertakings	-	-	241	47
VAT	490	-	-	-
	12,994	10,474	807	128

No interest is charged on amounts due from group undertakings. The balances are due on demand and the value is not materially different to the fair value.

Kinapse Topco Limited

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

14 Debtors: amounts falling due after more than one year

	Group 2018 £'000	Group 2017 £'000	Company 2018 £'000	Company 2017 £'000
Prepayments	4	66	-	-
Amounts due from group undertakings	136	-	-	10,783
	<u>140</u>	<u>66</u>	<u>-</u>	<u>10,783</u>

On 29 January 2016, the company issued £10.1m net (as at 31 March 2017 the balance inclusive of accrued interest was £10.8m) of variable rate unsecured loan notes to a subsidiary undertaking, Kinapse Holdco Limited. The loan notes were repaid on 18 August 2017.

15 Creditors: amounts falling due within one year

	Group 2018 £'000	Group 2017 £'000	Company 2018 £'000	Company 2017 £'000
Trade creditors	1,751	480	-	-
Other creditors	66	63	-	-
Taxation and social security	573	317	-	-
Accruals and deferred income	4,519	3,960	-	-
Corporation tax	129	394	-	-
Amounts due to group undertakings	-	48	778	85
Bridging loan due to HG Capital	27,815	27,754	-	-
Obligations under finance lease	-	19	-	-
	<u>34,853</u>	<u>33,035</u>	<u>778</u>	<u>85</u>

On 29 January 2016, £27.5m net of variable rate unsecured loan notes were issued to a subsidiary undertaking, Kinapse Bidco Limited, from HG Funds. As at 31 March 2018, cumulative accrued interest included in the balance of creditors falling due within one year totalled £0.3m (2017: £0.3m). Interest on the loan notes accrues at 2.75% per annum plus base rate (London interbank offered rate) for the first six months and thereafter the aggregate of 4% per annum plus base rate. Interest is compounded annually and paid quarterly, and the principal balance is repayable on demand.

No interest is charged on amounts due to group undertakings.

Kinapse Topco Limited

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

16 Creditors: amounts falling due after more than one year

	Group 2018 £'000	Group 2017 £'000	Company 2018 £'000	Company 2017 £'000
Deferred tax (note 9)	7,425	8,657	-	-
Loan notes due to HG Capital	105,532	83,386	-	-
Loan notes due to other shareholders	10,624	20,268	-	10,783
	<u>123,581</u>	<u>112,311</u>	<u>-</u>	<u>10,783</u>

On 29 January 2016, Kinapse Holdco Limited, as a subsidiary undertaking of the group, issued £72.9m (Series A payable to Hg Capital 7 Nominees Limited) and £8.3m (Series B payable to other shareholders) fixed rate unsecured loan notes. As at 31 March 2018, cumulative accrued interest included in the balance of creditors due after more than one year totalled £21.3m (Series A) and £2.3m (Series B) (2017: £10.4m and £1.2m respectively).

On 18 August 2017, HG Capital 7 Nominees invested further in Kinapse Holdco Limited by settling the Series C Loan note. The total value of the Series C Loan note at the date of settlement was £11.3m (2017: £10.8m). In order to fund the settlement, HG Capital 7 Nominees increased the principal of the Series A Loan note by £11.3m.

The loan notes fall due for final repayment on 28 January 2026.

17 Share capital

	Allotted, called up fully paid	
	2018 £'000	2017 £'000
Ordinary A shares of £0.01 each	6	6
Ordinary B shares of £0.01 each	1	1
Ordinary C1 shares of £0.01 each	2	2
Ordinary C2 shares of £1.00 each	1	1
Ordinary D shares of £1.00 each	-	1
Preferred ordinary shares of £0.01 each	1	-
	<u>11</u>	<u>11</u>

On 21 March 2018, preferred ordinary shares with a nominal value of £0.01 were issued for £2.10 each, which was settled in cash. The preferred shares are classified as equity rather than a liability as they are non-redeemable and do not have a right to a fixed cumulative dividend.

On 20 December 2017, 610 ordinary D shares were cancelled. Each share had a nominal value of £1.00.

Kinapse Topco Limited

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

18 Reserves

The Company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- Share premium account represents the excess subscribed for shares over their nominal value.
- Treasury shares represent the value of shares the company has re-purchased.
- Profit and loss account represents cumulative total comprehensive income.

19 Share based payment

Kinapse Topco Limited operates an equity-settled share based remuneration scheme for employees. To date, the scheme is only open to senior management, who are offered to join in a long term incentive scheme, the only vesting condition being that the individual remains an employee to the group over the vesting period.

The options all vest in equal tranches over four years from grant with the first two tranches vesting after a year, and subsequent tranches vesting at three-monthly intervals thereafter.

In 2017, the group issued 120,962 shares to employees for deferred consideration of £2.32 per share. Management determined that the issue of these equity instruments constituted a share based payment and calculated the fair value of the shares on the date they were granted to be £8.32 per share. This value represents management's best estimate of the market value of a share at the date the shares were granted. The actual value of the shares may vary depending on a number of factors. The share based payment expense for this scheme for the year was £10.5k (2017: £7k).

On 21 March 2018, the Group entered a new share scheme with senior management, whereby it issued 94,750 preferred shares at £2.10 each vesting immediately. (Refer to note 17).

20 Financial instruments

The group holds or issues financial instruments to finance its operations.

The company does not trade. Long term loans at both fixed rates and variable rates are used in order to secure funding for the future developments of the group as a whole.

Financial liabilities

The group is partly funded by shareholder loans.

On 29 January 2016, the group issued unsecured loan notes to the value of £72.9m (Series A Loan note to Hg Capital 7 Nominees Limited) and £8.3m (Series B Loan note to other shareholders). None of these loan notes were redeemed during the year. Interest on the loan notes accrues at 12% compounded per annum. The accrued interest at the year-end is £21.3m (Series A) (2017: £10.4m) and £2.3m (Series B) (2017: £1.2m). The loan notes fall due for final repayment on 28 January 2026.

In addition, the group owed a balance of £10.8m (Series C Loan note) at 31 March 2017. On 18 August 2017 the Series C loan note (to Hg Capital 7 Nominees Limited) was settled for £11.3m (including accrued interest). In order to fund the settlement, HG Capital Nominees increased the principal of the Series A Loan note by £11.3m.

On 29 January 2016, £27.5m net of variable rate unsecured loan notes (Bridging loan due to Hg Capital) were issued to a subsidiary undertaking, Kinapse Bidco Limited, from HG Funds. As at 31 March 2018, interest of £0.3m (2017: £0.3m) was included within creditors falling due within one year. Interest on the loan notes accrues at 2.75% per annum plus base rate (London interbank offered rate) for the first six months and thereafter the aggregate of 4% per annum plus base rate.

Kinapse Topco Limited

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

20 Financial instruments (continued)

In the opinion of the directors, the value of all loans and accrued interest in the accounts is not materially different to the fair value of the debt. Financial liabilities is comprised of trade creditors, other creditors, accruals and provisions.

Financial assets

The Group has a cash balance of £7.6m (2017: £9.2m). Cash at bank comprises of cash held by the group company's and short-term bank deposits with a maturity of three months or less. In the opinion of the directors, the value of the amount due in the accounts is not materially different to its fair value.

Financial assets is comprised of trade debtors, other debtors, accrued income, cash balances, amounts owed by other group companies and amounts owed by shareholders.

21 Commitments under operating leases

The fair value of minimum lease payments payable on the group's operating leases were as follows:

	2018 Land and buildings £'000	2018 Other £'000	2017 Land and buildings £'000	2017 Other £'000
Within one year	941	-	962	19
In two to five years	3,119	-	1,403	-
	<u>4,060</u>	<u>-</u>	<u>2,365</u>	<u>19</u>

The company had no commitments

Kinapse Topco Limited

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

22 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.

During the year, Kinapse Topco Limited Group accrued interest on loan notes as follows:

- Series A PIK note (held in full by HgCapital Nominees Ltd): £10.8m (2017: £10.5m)
- Series B PIK note (held by management): £1.1m (2017: £1.2m). As at 31 March 2018 the company owed the balance to the following shareholders: A Black, S Budsworth, M McLoughlin, A Fisher, Hg Capital Quicksilver Limited, J Peachey, K Brykman and C Finkle.
- Series C PIK: £0.5m (2017: £0.7m)
- The Series C loan was settled on 18 August 2017 for £11.3m

In a prior period Hg Capital issued a bridge loan to Kinapse Bidco Limited, with a principal value of £27.5m. Interest is paid on a quarterly basis, and at year end, accrued interest was £0.3m (2017: £0.3m). The principal balance is repayable on demand.

Andrew Land and Philip Schwalber provided services as non-executive directors to the company in the current year. They each were paid £74k (2017: £70.5k) and £34k (2017: £70.5k) respectively. Andrew Land resigned as director on 20 August 2018, and Philip Schwalber resigned as director on 11 September 2017. The fees were invoiced by HG Pooled Management. No unpaid balance was outstanding at year end.

Andrew Black provided services as a non-executive director to the company and was paid £7k (2017: £225k) for his services for the year. Andrew Black resigned as director on 31 January 2018. There was no unpaid balance outstanding at year end.

Sergio Ferrarini and Steven Kent provided services as Non-Executive directors to the company in the current financial year. They were paid £40k and £65k respectively.

23 Post-retirement benefit costs

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £0.4m (2017: £0.9m). There are no contributions payable to the fund at the year end and are included in creditors.

24 Ultimate parent undertaking and controlling party

The ultimate controlling party at year end were certain funds advised by HG Capital Ltd.

25 Post balance sheet events

On 20 August 2018, the company was purchased by Syneos Health Inc., a US based market leading advisory and operational solutions provider to the global life sciences industry. As part of the rationalisation of the Group, the directors intend to wind up Kinapse Topco Limited and the Group's intermediary holding companies within 12 months from the date of signing of the financial statements, and accordingly the parent and subsidiaries accounts have been prepared on a basis other than going concern (refer to note 1 for further information). On 31 December 2018, Kinapse, Inc. was transferred from Kinapse Limited to inVentiv Health Inc., a fellow subsidiary of Syneos Health, Inc. for an amount of \$5.9m (£4.7m).