

Overture Topco Limited

Report and Financial Statements

For the year ended

31 December 2018

Company Number 10429491



Overture Topco Limited

Report and financial statements for the year ended 31 December 2018

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Directors

K Roy
R Riegel
S Veness
S Kent
J McNeill

Registered office

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

Company number

10429491

Auditors

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

Overture Topco Limited

Strategic report for the year ended 31 December 2018

The directors present their strategic report together with the audited consolidated 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 ultimate holding company for the Phlexglobal Group of companies. The principal activity of the Phlexglobal Group in the year under audit was that of providing support services to the clinical research industry.

Review of the business and future developments

The 2018 year saw the results of the investments made in 2017. The Group continued to focus on both the product and services, with expansion in Poland. During the year, the Group also suffered foreign exchange losses from adverse exchange movements between GB Pound and US Dollar which increased the operating loss.

The UK and US divisions continue to work very well together, providing seamless, high quality services to our global clients.

The directors are extremely encouraged by the continued growth in demand and are very confident about the Group's future prospects.

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).

The key financial indicators are turnover, gross profit, operating loss, EBITDA (before exceptional expenses) and cash. These KPIs indicate the volume of business the Group has undertaken as well as the efficiency and profitability of this business. The key non-financial performance indicator is the number of employees.

KPIs for the year ended 31 December 2018 are set out below:

	Year ended 31 December 2018 £'000	Period ended 31 December 2017 £'000
Turnover	30,942	24,930
Gross profit	19,422	14,037
Operating loss	7,996	4,734
Cash	4,958	3,454
EBITDA (before exceptional expenses)	9,899	6,585
Number of employees	367	357
Gross profit (%)	62.8%	56.3%

Overture Topco Limited

Strategic report for the year ended 31 December 2018 (*continued*)

Principal risks and uncertainties

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 Group 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.

The Group continues to monitor the British exit from the European Union, the effect of which is not yet known.

Research and development

Due to the development of PhlexEview, the other solutions offered by the Group, the average number of staff employed by the Group on research and development has increased. The main research and development projects involve improved functionality and further enhancements to the Group's core software offerings.

Approval

This strategic report was approved on behalf of the Board on

27/9/2019



S Veress

Director

Overture Topco Limited

Directors' report for the year ended 31 December 2018

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

Results and dividends

The consolidated income statement is set out on page 8 and shows a turnover of £30,942,000 (2017 - £24,930,000) and gross profit of £19,422,000 (2017 - £14,037,000). The Group made a loss before tax of £20,373,000 (2017 - £16,635,000) for the year to 31 December 2018.

The company declared and paid dividends of £nil during the year (2017: £nil).

Directors

The directors of the company during the year were:

K Roy
R Riegel
S Veness
S Kent
J McNeil (appointed 8 May 2019)
P McNaney (resigned 26 February 2018)

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, who were appointed as first auditors of the company by the directors, 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.

Overture Topco Limited

Directors' responsibilities statement for the year ended 31 December 2018

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.

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.

Overture Topco Limited

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

TO MEMBERS OF OVERTURE TOPCO LIMITED

Opinion

We have audited the financial statements of Overture Topco Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 December 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 December 2018 and of the Group's loss 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.

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 Group or the Parent Company'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.

Overture Topco Limited

Independent auditor's report for the year ended 31 December 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 Directors' 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.

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 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.

Overture Topco Limited

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

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 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).

Overture Topco Limited

Consolidated income statement for the year ended 31 December 2018

	Note	Year ended 31 December 2018 £'000	Period ended 31 December 2017 £'000
Turnover	2	30,942	24,930
Cost of sales		(11,520)	(10,893)
Gross profit		19,422	14,037
Administrative expenses		(27,418)	(18,771)
Operating loss	3	(7,996)	(4,734)
Interest payable and similar charges	6	(12,580)	(11,953)
Interest receivable and similar income	7	203	52
Loss on ordinary activities before taxation		(20,373)	(16,635)
Taxation	8	313	(131)
Loss for the financial year		(20,060)	(16,766)

All amounts relate to continuing activities.

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

Overture Topco Limited

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

	Year ended 31 December 2018 £'000	Period ended 31 December 2017 £'000
Loss for the financial year	(20,060)	(16,766)
Other comprehensive loss for the year		
Exchange difference on the retranslation of subsidiary undertakings	331	(157)
	<hr/>	<hr/>
Total comprehensive loss for the year	(19,729)	(16,923)
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The notes on pages 15 to 30 form part of these financial statements.

Overture Topco Limited

Consolidated balance sheet at 31 December 2018

Company number 10429491	Note	2018 £'000	2018 £'000	2017 £'000	2017 £'000
Fixed assets					
Intangible assets	9		101,399		113,368
Tangible assets	10		453		386
			<u>101,852</u>		<u>113,754</u>
Current assets					
Debtors	12	8,654		5,390	
Cash at bank and in hand		4,958		3,454	
		<u>13,612</u>		<u>8,844</u>	
Creditors: amounts falling due within one year	13	(6,029)		(4,673)	
Net current assets			<u>7,583</u>		<u>4,171</u>
Total assets less current liabilities			<u>109,435</u>		<u>117,925</u>
Creditors: amounts falling due after more than one year	14	(140,986)		(128,885)	
Provisions for liabilities	16	(5,001)		(5,863)	
Net liabilities			<u>(36,552)</u>		<u>(16,823)</u>
Capital and reserves					
Called up share capital	18	1		1	
Share premium account		99		99	
Profit and loss account		(36,652)		(16,923)	
Shareholders' deficit			<u>(36,552)</u>		<u>(16,823)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 27/19/2019.

S Veness
Director

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

Overture Topco Limited

Consolidated 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
<i>Comprehensive loss for the period to 31 December 2016:</i>				
Loss for the period	-	-	(16,766)	(16,766)
Exchange difference on the retranslation of subsidiary undertakings	-	-	(157)	(157)
Total comprehensive loss for the period	-	-	(16,923)	(16,923)
<i>Contributions by owners:</i>				
Issue of share capital	1	99	-	100
Total contributions by owners	1	99	-	100
31 December 2017	1	99	(16,923)	(16,823)
<i>Comprehensive loss for the year:</i>				
Loss for the year	-	-	(20,060)	(20,060)
Exchange difference on the retranslation of subsidiary undertakings	-	-	331	331
Total comprehensive loss for the year	-	-	(19,729)	(19,729)
<i>Contributions by owners:</i>				
Issue of share capital	-	-	-	-
Total contributions by owners	-	-	-	-
31 December 2018	1	99	(36,652)	(36,552)

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

Overture Topco Limited

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

		Year ended 31 December 2018 £'000	Period ended 31 December 2017 £'000
	Note		
Cash flows from operating activities			
Loss for the financial year before taxation		(20,373)	(16,635)
Adjustments for:			
Depreciation of fixed assets	10	251	234
Amortisation of intangible assets	9	12,529	669
Amortisation of goodwill and other acquired intangible fixed assets	9	919	13,294
Interest payable	6	12,035	11,408
Interest receivable	7	(203)	(52)
Increase in trade and other debtors		(3,264)	(291)
Increase / (decrease) in trade creditors and other creditors		1,692	(2,350)
Amortisation of capitalised debt issue costs	6	545	545
Foreign exchange	3	2,771	(3,669)
Cash from operations		6,902	3,153
Interest paid		(2,897)	(2,646)
Interest received		167	-
Taxation paid		(585)	(751)
Net cash generated from/(used in) operating activities		3,587	(244)
Cash flows used in investing activities			
Purchases of tangible fixed assets	10	(318)	(204)
Purchases of intangible fixed assets	9	(1,479)	(909)
Payment of deferred consideration	16	(300)	-
Acquisition of subsidiary net of cash received	9	-	(73,987)
Net cash used in investing activities		(2,097)	(75,100)
Cash flows generated from financing activities			
Proceeds from share capital issued	18	-	100
Proceeds from preference shares	14	14	73,931
Repayment of loan		-	(24,498)
Repayment of loan notes		-	(11,100)
Proceeds from long-term debt		-	42,000
Payment of debt issue costs		-	(1,635)
Net cash generated from financing activities		14	78,798
Net increase in cash and cash equivalents		1,504	3,454
Cash and cash equivalents at beginning of year		3,454	-
Cash and cash equivalents at end of year		4,958	3,454
Cash and cash equivalents comprise:			
Cash at bank and in hand		4,958	3,454

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

Overture Topco Limited

Company balance sheet at 31 December 2018

Company number 10429491	Note	2018 £'000	2018 £'000	2017 £'000	2017 £'000
Fixed assets					
Fixed asset investments	11		82,830		82,830
Current assets					
Debtors	12	-		-	
Creditors: amounts falling due within one year	13	(55)		(66)	
Net current liabilities			(55)		(66)
Total assets less current liabilities			82,777		82,764
Creditors: amounts falling due after one year	14		(100,658)		(91,506)
Net liabilities			(17,881)		(8,742)
Capital and reserves					
Called up share capital	18		1		1
Share premium			99		99
Profit and loss account			(17,981)		(8,842)
Shareholders' deficit			(17,881)		(8,742)

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 Group loss for the year includes a loss after tax in relation to the company of £9,139,000 (2017 - £8,842,000).

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 15 to 30 form part of these financial statements.

Overture Topco Limited

Company 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
<i>Comprehensive loss for the period to 31 December 2016:</i>	-	-	(8,842)	(8,842)
Total comprehensive loss for the period	-	-	(8,842)	(8,842)
<i>Contributions by owners:</i>				
Issue of share capital	1	99	-	100
Total contributions by owners	1	99	-	100
31 December 2017	1	99	(8,842)	(8,742)
<i>Comprehensive loss for the year:</i>				
Total comprehensive loss for the year	-	-	(9,139)	(9,139)
<i>Contributions by owners:</i>				
Issue of share capital	-	-	-	-
Total contributions by owners	-	-	-	-
31 December 2018	1	99	(17,981)	(17,881)

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

Overture Topco Limited

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

1 Accounting policies

Overture Topco Limited is a private 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 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 below.

The following principal accounting policies have been applied:

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 period 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

The consolidated income statement and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 December 2018 on the acquisition accounting basis. The results of subsidiaries sold or acquired are included in the income statement up to, or from the date control passes. Intra-Group sales and profits are eliminated fully on consolidation.

Going concern

The directors consider that the Group has access to sufficient funding to meet its financial obligations as they fall due. In addition the Group is expected to continue to generate positive cash flows on its own account for the foreseeable future. As a result the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover and revenue recognition

Turnover represents revenue (excluding VAT) earned under a wide variety of contracts to provide a range of different professional services. Revenue is generally recognised as contract activity progresses so that for incomplete contracts it reflects the partial performance of the contractual obligations. For such contracts the amount of revenue reflects the accrual of the right to consideration by reference to the value of work performed. Revenue not billed to clients is included in debtors as accrued revenue and invoices on account in excess of the relevant amount of revenue are included in creditors as deferred revenue.

Overture Topco Limited

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

1 Accounting policies (continued)

Software development

Software development costs are recognised as an intangible asset when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during development. Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised evenly over the period of expected future benefit. During the year of development the asset is tested for impairment annually.

All costs that the directors consider relate to the ongoing maintenance of the underlying platform are expensed directly to the income statement.

Intangible assets acquired in a business combination - Customer relationships and Brand

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
Technology	-	over 10 years
Trade Name	-	over 10 years
Trademarks and Licences	-	over 10 years
Capitalised software development	-	over 3 years

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 year following acquisition;
- in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

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:

Leasehold land and buildings	-	life of the lease
Computer equipment	-	33% on the straight line basis
Fixtures, fittings and equipment	-	25% on the straight line basis

Leases

Rentals payable under operating leases are charged to the income statement on a straight-line basis over the term of the lease.

Overture Topco Limited

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

1 Accounting policies (*continued*)

Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company's subsidiaries operate and generate taxable income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Investments

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

Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the income statement in the year they are payable.

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.

Overture Topco Limited

Notes forming part of the financial statements for the year ended 31 December 2018 (*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 Group'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 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.
- 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 financial position and expected future financial performance of the investment.

Other key sources of estimation uncertainty

- *Intangible fixed assets (note 9)*

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.

- *Tangible fixed assets (see note 10)*

Tangible fixed assets are depreciated over their estimated 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.

- *Deferred tax liability (note 17)*

A deferred tax liability has been recognised in relation to the separately identifiable intangible assets. This deferred tax liability has been recognised with reference to tax rates enacted as at 31 December 2018, at which the liability is expected to unwind.

- *Development expenditure*

Development expenditure is capitalised in accordance with the accounting policy in note 1. Initial capitalisation of costs is based on management's judgement that technical and economic feasibility is confirmed. In determining the amounts to be capitalised management makes assumptions regarding the expected future cash generation of the assets, discount rates to be applied and the expected period of benefits.

2 Rendering of services

The Group has one class of business and in the year to 31 December 2018, 89.9% (2017:85.7%) of the group's services were rendered to markets outside the United Kingdom.

Overture Topco Limited

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

3 Operating loss

	Year ended 31 December 2018 £'000	Period ended 31 December 2017 £'000
This is arrived at after charging/(crediting):		
Hire of other assets - operating leases	834	326
Amortisation of goodwill and other acquired intangible fixed assets	12,529	13,294
Amortisation of capitalised software development	919	669
Depreciation of tangible fixed assets	251	234
Defined contribution pension cost	316	274
Loss/(gain) on foreign exchange transactions	2,404	(3,512)
Auditor's remuneration for statutory audit services – company	2	2
Auditor's remuneration for statutory audit services – Group companies	70	62
Auditor's remuneration for taxation services	42	47
Auditors' remuneration for other services	4	4
	<u> </u>	<u> </u>

4 Employees

	Year ended 31 December 2018 £'000	Period ended 31 December 2017 £'000
Staff costs (including directors) consist of:		
Wages and salaries	11,864	11,600
Social security costs	1,123	1,178
Other post retirement benefit costs (note 22)	316	274
	<u> </u>	<u> </u>
	13,303	13,052
	<u> </u>	<u> </u>

The average number of employees (including directors) during the year was as follows:

	Number	Number
Clinical services staff	289	284
Administration	78	73
	<u> </u>	<u> </u>
	367	357
	<u> </u>	<u> </u>

Overture Topco Limited

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

5 Key management personnel

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

	Year ended 31 December 2018 £'000	Period ended 31 December 2017 £'000
Directors' emoluments	735	960
Company contributions to pension schemes	42	42
	<u>777</u>	<u>1,002</u>

The total amount payable to the highest paid director during the year was £304,000 (2017 - £375,976). Company contributions to the defined contribution scheme for the highest paid director amounted to £19,000 (2017 - £11,000).

There were 2 (2017 – 2) directors in the company's defined contribution scheme during the year.

6 Interest payable and similar charges

	Year ended 31 December 2018 £'000	Period ended 31 December 2017 £'000
Bank loans and overdrafts	2,897	2,646
Amortisation of loan arrangement fees	545	545
Preference share interest	9,138	8,762
	<u>12,580</u>	<u>11,953</u>

7 Interest receivable and similar charges

	Year ended 31 December 2018 £'000	Period ended 31 December 2017 £'000
Movement on fair value of interest rate swap	203	52

Overture Topco Limited

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

8 Taxation

	Year ended 31 December 2018 £'000	Period ended 31 December 2017 £'000
<i>UK corporation tax</i>		
Current tax for the year	(747)	(1,171)
Adjustments to tax charge in respect of previous periods	498	148
Total current tax	(249)	(1,023)
<i>Deferred tax</i>		
Origination and reversal of timing differences	562	892
Taxation on ordinary activities	313	(131)

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 December 2018 £'000	Period ended 31 December 2017 £'000
Loss on ordinary activities before tax	(20,373)	(16,635)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	(3,871)	(3,202)
Effects of:		
Fixed asset differences	5	3
Expenses not deductible for tax purposes	4,002	3,319
Adjustments to tax charge in respect of previous periods	(498)	(148)
Differences in tax rates	63	156
Deferred tax not recognised	(14)	3
Total tax for the year	313	(131)

The deferred tax balances comprise:

	Group deferred tax liability £'000
At 1 January 2017	5,508
Credited to the income statement in the year	(562)
At 31 December 2018	4,946

There were no unrecognised losses for the year.

Overture Topco Limited

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

9 Intangible fixed assets

Group	Goodwill £'000	Technology £'000	Customer relationships £'000	Trade name £'000	Trademarks and licences £'000	Capitalised software development £'000	Total £'000
<i>Cost</i>							
At 1 January 2018	86,972	14,802	17,656	4,060	1,898	3,172	128,560
Additions	-	-	-	-	-	1,479	1,479
	<u>86,972</u>	<u>14,802</u>	<u>17,656</u>	<u>4,060</u>	<u>1,898</u>	<u>4,651</u>	<u>130,039</u>
At 31 December 2018	<u>86,972</u>	<u>14,802</u>	<u>17,656</u>	<u>4,060</u>	<u>1,898</u>	<u>4,651</u>	<u>130,039</u>
<i>Amortisation</i>							
At 1 January 2018	9,222	1,569	1,872	430	201	1,898	15,192
Charge for the year	8,698	1,469	1,766	406	190	919	13,448
	<u>17,920</u>	<u>3,038</u>	<u>3,638</u>	<u>836</u>	<u>391</u>	<u>2,817</u>	<u>28,640</u>
31 December 2018	<u>17,920</u>	<u>3,038</u>	<u>3,638</u>	<u>836</u>	<u>391</u>	<u>2,817</u>	<u>28,640</u>
<i>Net book value</i>							
At 31 December 2018	<u>69,052</u>	<u>11,764</u>	<u>14,018</u>	<u>3,224</u>	<u>1,507</u>	<u>1,834</u>	<u>101,399</u>
At 31 December 2017	<u>77,750</u>	<u>13,233</u>	<u>15,784</u>	<u>3,630</u>	<u>1,697</u>	<u>1,274</u>	<u>113,368</u>

There were no intangible fixed assets held by the company.

Overture Topco Limited

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

10 Tangible assets

Group	Leasehold land and buildings £'000	Computer equipment £'000	Fixtures, fittings and equipment £'000	Total £'000
<i>Cost</i>				
At 1 January 2018	510	2,291	512	3,313
Additions	84	185	49	318
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2018	594	2,476	561	3,631
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 January 2018	421	2,063	443	2,927
Charge for the year	33	170	48	251
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2018	454	2,233	491	3,178
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 December 2018	140	243	70	453
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2017	89	228	69	386
	<hr/>	<hr/>	<hr/>	<hr/>

The company has no tangible fixed assets.

11 Fixed asset investments

Company	Subsidiary undertakings £'000
<i>Cost</i>	
At 31 December 2017 and 31 December 2018	82,830

Overture Topco Limited

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

11 Fixed asset investments *(continued)*

The company has the following subsidiary undertakings:

Name	Address and country of incorporation or registration	Proportion of voting rights and ordinary share capital held	Nature of business
<i>Subsidiary undertakings</i>			
Overture Midco Limited	62 The Broadway, Amersham, Buckinghamshire UK	Ordinary, 100%	Holding company
Overture Midco II Limited *	62 The Broadway, Amersham, Buckinghamshire UK	Ordinary, 100%	Holding company
Overture Bidco Limited *	62 The Broadway, Amersham, Buckinghamshire UK	Ordinary, 100%	Holding company
Emerald Topco Limited *	62 The Broadway, Amersham, Buckinghamshire UK	Ordinary, 100%	Holding company
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
Phlexglobal Poland SP Zoo *	4th Floor, Building A, 6 Szeligowskiego St., Lublin, Poland	Ordinary, 100%	The provision of clinical research services
Phlexglobal Inc *	400 Chesterfield Parkway, Malvern, PA, USA	Ordinary, 100%	The provision of clinical research services
Net Solutions Europe Ltd *	62 The Broadway, Amersham, Buckinghamshire UK	Ordinary, 100%	The provision of clinical research services

* held indirectly

Overture Topco Limited

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

12 Debtors

	Group 2018 £'000	Group 2017 £'000	Company 2018 £'000	Company 2017 £'000
Trade debtors	7,889	4,854	-	-
Other debtors	211	47	-	-
Prepayments and accrued income	518	437	-	-
Fair value of interest rate swap	36	52	-	-
	<u>8,654</u>	<u>5,390</u>	<u>-</u>	<u>-</u>

All amounts fall due in less than one year.

During 2017 and 2018, the Group purchased interest rate swaps to manage interest rate risk volatility. These assets and liabilities are held at fair value through the profit and loss (refer to note 15).

13 Creditors: amounts falling due within one year

	Group 2018 £'000	Group 2017 £'000	Company 2018 £'000	Company 2017 £'000
Trade creditors	1,076	1,081	-	-
Corporation tax	538	874	-	-
Amounts due to Group companies	-	-	54	65
Other creditors	204	194	1	1
Accruals and deferred income	4,096	2,481	-	-
Taxation and social security	115	43	-	-
	<u>6,029</u>	<u>4,673</u>	<u>55</u>	<u>66</u>

Overture Topco Limited

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

14 Creditors: amounts falling due after more than one year

	Group 2018 £'000	Group 2017 £'000	Company 2018 £'000	Company 2017 £'000
Bank loans falling due after more than one year	40,873	38,469	-	-
Loan fees capitalised	(545)	(1,090)	-	-
Preference share capital	82,758	82,744	82,758	82,744
Accrued interest	17,900	8,762	17,900	8,762
	<u>140,986</u>	<u>128,885</u>	<u>100,658</u>	<u>91,506</u>

82,729,999 preference shares were issued during the prior period for £82,744,455. 73,931,201 were issued for cash and 8,798,798 were issued as rollover consideration. The preference shares carry a coupon of 10% and are repayable upon an exit. A further 14,000 shares were issued for cash during the year.

Maturity of debt:

	Preference share capital and accrued interest 2018 £'000	Bank loans 2018 £'000
In more than two years but not more than five years	100,656	40,873
In more than five years	-	-
	<u>100,658</u>	<u>40,873</u>
	Preference share capital and accrued interest 2017 £'000	Bank Loans 2017 £'000
In more than two years but not more than five years	-	-
In more than five years	91,506	38,469
	<u>91,506</u>	<u>38,469</u>

The Group's bank loan is repayable on 15 December 2023 and is denominated in US dollars. Interest is compounded annually at a rate of 4% above the Bank of England base rate.

Overture Topco Limited

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

15 Financial instruments

The Group financial instruments may be analysed as follows:

	2018 £'000	2017 £'000
Financial assets		
Financial assets measured at cost less any impairment	13,092	8,421
Financial assets measured at fair value through the profit & loss	36	52
	<u>13,128</u>	<u>8,473</u>
	2018 £'000	2017 £'000
Financial liabilities		
Financial liabilities measured at amortised cost	146,533	133,038
	<u>146,533</u>	<u>133,038</u>

The parent company had no financial instruments.

Financial assets comprise cash, trade debtors, other debtors and interest rate swap.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals and provisions, bank loans and preference shares.

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

The Group and company do not trade financial instruments. Long term loans are at fixed rates and are used in order to secure funding for the future developments of the Group as a whole.

During 2017 and 2018, the Group purchased interest rate swaps to manage interest rate risk volatility. These assets and liabilities are held at fair value through the profit and loss. At 31 December an asset was recognised for the fair value (note 12).

Overture Topco Limited

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

16 Provisions for liabilities

Group	Deferred consideration £'000	Property provisions £'000	Deferred tax liability £'000	Total £'000
At 1 January 2018	300	55	5,508	5,863
Credited to income statement	-	-	(562)	(562)
Statement in the year	-	-	-	-
Deferred consideration payable	(300)	-	-	(300)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2018	-	55	4,946	5,001
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Property provisions relate to the directors' estimate of dilapidations payable on expiry of property leases held by the Group.

Deferred tax is detailed in note 17.

The company has no provisions.

17 Deferred taxation

Group	Year ended 2018 £'000	Period ended 2017 £'000
At beginning of the period	5,508	-
Acquisition of subsidiary	-	8
Short term timing differences	-	5,500
Credited to the income statement	(562)	-
	<u> </u>	<u> </u>
At 31 December	4,946	5,508
	<u> </u>	<u> </u>

The deferred tax liability relates to short term timing differences on separately identifiable intangible assets.

Overture Topco Limited

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

18 Called up share capital

	Allotted, called up and fully paid	
	2018 £'000	2017 £'000
71,545 - Ordinary A shares of £0.01 each	1	1
8,555 - Ordinary B shares of £0.01 each	-	-
15,484 - Ordinary C shares of £0.01 each	-	-
716 - Ordinary D shares of £0.01 each	-	-
5,399 - Ordinary E shares of £0.01 each	-	-
	<u>1</u>	<u>1</u>

The company issued shares with a nominal value of £0.01 each during the prior period as shown above. The total value of ordinary equity issued was £100,000, which was settled in cash.

A shares have a right to vote. B, C and E shares are non-voting shares. D shares have 25 votes per share.

19 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.

20 Commitments under operating leases

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

	Land and buildings 2018 £'000	Other 2018 £'000	Land and buildings 2017 £'000	Other 2017 £'000
Within one year	376	12	411	12
In two to five years	1,030	-	1,406	-
In more than five years	466	-	466	-
	<u>1,872</u>	<u>12</u>	<u>2,283</u>	<u>12</u>

The company had no commitments.

Overture Topco Limited

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

21 Related party transactions

The company has taken advantage of the exemption not to disclose transactions with wholly owned subsidiaries within the Group.

22 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 £316,000 (2017: £274,000). Contributions totalling £52,544 (2017: £48,529) were payable to the fund at the year end and are included in creditors.

23 Post balance sheet events

There were no significant post balance sheet events.

24 Ultimate controlling party

The majority of the issued share capital of Overture Topco Limited is held by VIP II Nominees Limited, on behalf of investors in the Vitruvian Investment Partnership II. The Vitruvian Investment Partnership II is managed by Vitruvian Partners LLP, and as such Vitruvian Partners LLP is the ultimate controlling party.