

# **Kinapse Holdco Limited**

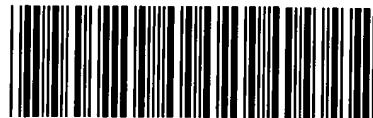
Report and Financial Statements

Year ended

31 March 2018

Company Number 09964345

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# **Kinapse Holdco 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

### **Registered office**

27-37 St George's Road, London, SW19 4EU

### **Company number**

09964345

### **Auditors**

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

# Kinapse Holdco Limited

## Strategic report for the year ended 31 March 2018

The directors present their strategic report together with the audited financial statements for the year ended 31 March 2018. The company was incorporated on 22 January 2016, as part of the Kinapse Topco Limited group (the 'Group').

### Principal activities

The company is a wholly owned subsidiary of Kinapse Topco Limited.

The principal activity of the company in the year under review was that of an intermediate holding company for the Kinapse group of companies, which provide advisory and operational services to the global life sciences industries. However, as explained in the review of the business, the directors intend to liquidate the company within 12 months from the date of signing the financial statements.

### Review of the business and future developments

The company's investment performed well during the current year. The directors do not consider that any provision for impairment is required to the investment values of the shares in its group undertaking.

The combined EBITDA of the company's subsidiaries exceeded £2.6m for the year ended 31 March 2018 (2017 - £3.2m). In view of the positive trading performance of the company's subsidiaries, the directors are satisfied that neither the company's investment in group undertakings of £689,000 (2017 - £689,000) nor the inter-company receivables of £116.4m (2017 - £103.7m) require any impairment or provisioning.

As an intermediate holding company the company's principal key performance indicator is the profitability of its investment and the recoverability of amounts due from group undertakings. These matters are addressed above.

### Principal risks and uncertainties

As an intermediate holding company, the principal risks for the company are that either the investment value of the shares in group undertakings, or the amounts owed by group undertakings might not be fully recoverable.

The directors regularly review the performance of the company's subsidiaries to ascertain whether there are any indicators which might indicate any risks threatening full recovery.

As an intermediate holding company, all principal risks relate to the investment and intercompany balances which are discussed above.

### Post balance sheet events

On 20 August 2018, the Group was purchased by Syneos Health Inc., a US based market leading advisory and operational solutions provider to the global life sciences industry. Following the acquisition, the directors have commenced a strategic review of the business and decided to restructure the group. It is the directors' intention to liquidate the Company as part of this restructuring. 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. Further information on how the decision to cease trading has affected the financial statements can be found in note 1. 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).

### Approval

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



M McLoughlin  
Director

# Kinapse Holdco Limited

## Directors' report for the year ended 31 March 2018

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

### Results

The income statement is set out on page 7 and shows the result for the year.

### Principal activity

The principal activity of the company is that of an intermediate 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 within 12 months from the date of signing the financials.

### Directors

The directors of the company during the year were:

A Black	(resigned 31 January 2018)
K Brykman	(resigned 31 May 2017)
D Bednar	(appointed 13 April 2017, resigned 1 December 2018)
M McLoughlin	(appointed 21 March 2018)
S Donald	(appointed 30 November 2018)

# Kinapse Holdco Limited

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

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### Directors' responsibilities

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

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### 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 Holdco Limited

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

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### TO THE MEMBERS OF KINAPSE HOLDCO LIMITED

#### Opinion

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

In our opinion, the financial statements:

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

#### Basis for opinion

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

#### Emphasis of matter - 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 Company and therefore do not consider the company to be a going concern. Accordingly, the financial statements have been prepared on a basis other than that of going concern as described in Note 1.

Our opinion is not modified in respect of this matter.

# Kinapse Holdco Limited

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

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

# Kinapse Holdco 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 determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### 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.

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 Holdco Limited

## Income statement for the year ended 31 March 2018

	Note	Year ended 31 March 2018 £'000	Period 22 January 2016 to 31 March 2017 £'000
<b>Operating result</b>	4	-	-
Interest income and similar income	5	<b>12,505</b>	12,320
Interest expense and similar charges	6	<b>(12,505)</b>	(12,320)
		<hr/>	<hr/>
<b>Result from ordinary activities before and after taxation</b>		-	-
		<hr/>	<hr/>

All amounts relate to continuing activities.

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

The notes on pages 10 to 17 form part of these financial statements.

# Kinapse Holdco Limited

## Balance sheet at 31 March 2018

<b>Company number 09964345</b>	<b>Note</b>	<b>2018 £'000</b>	<b>2018 £'000</b>	<b>2017 £'000</b>	<b>2017 £'000</b>
<b>Fixed assets</b>					
Investment in subsidiary	9		689		689
<b>Current assets</b>					
Debtors					
- due within one year	10	240		42	
- due after more than one year	11	116,185		103,680	
<b>Total debtors</b>		<b>116,425</b>		<b>103,722</b>	
<b>Creditors: amounts falling due within one year</b>	12	<b>(42)</b>		<b>(42)</b>	
<b>Net current assets</b>			<b>116,383</b>		<b>103,680</b>
<b>Total assets less current liabilities</b>			<b>117,072</b>		<b>104,369</b>
<b>Creditors: amounts falling due after more than one year</b>	13		<b>(116,155)</b>		<b>(103,680)</b>
<b>Net assets</b>			<b>917</b>		<b>689</b>
<b>Capital and reserves</b>					
Called up share capital	14		37		7
Share premium			880		682
Profit and loss account			-		-
<b>Shareholders' funds</b>			<b>917</b>		<b>689</b>

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 10 to 17 form part of these financial statements.

# Kinapse Holdco Limited

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

	Called up share capital £'000	Share premium £'000	Profit and loss account £'000	Total £'000
<b>22 January 2016</b>	-	-	-	-
<b>Result for the period</b>	-	-	-	-
<i>Contribution by owners:</i>				
Issue of share capital	7	682	-	689
	<hr/>	<hr/>	<hr/>	<hr/>
<b>31 March 2017</b>	7	682	-	689
<b>Result for the year</b>	-	-	-	-
<i>Contribution by owners:</i>				
Issue of share capital	30	198	-	228
	<hr/>	<hr/>	<hr/>	<hr/>
<b>31 March 2018</b>	37	880	-	917
	<hr/>	<hr/>	<hr/>	<hr/>

The notes on pages 10 to 17 form part of these financial statements.

# Kinapse Holdco Limited

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

### 1 Accounting policies

Kinapse Holdco Limited is a private company incorporated in England and Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the Company's operations and its principal activities are set out in the strategic report. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the group's accounting policies. In the case of Kinapse Holdco Limited, the critical accounting estimates and judgements used in the preparation of the financial statements are included in note 2.

#### *Basis of preparation and going concern*

The 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 the company 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. As a result, the directors have concluded that it is not appropriate to adopt a going concern basis of preparation in these financial statements.

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

#### *Basis of consolidation*

The company is exempt from preparing consolidated financial statements for its group under Section 400 of the Companies Act 2006, as the company's ultimate parent, Kinapse Topco Limited, is incorporated in the United Kingdom and prepares group financial statements. These financial statements present information about the company only and not the group which it heads.

The following principal accounting policies have been applied:

#### *Valuation of investments*

Investments held as fixed assets are stated at cost less any provision for impairment.

#### *Current and deferred taxation*

The charge for taxation is based on the profit or loss for the year and taken 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:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and
- the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met. Deferred tax balances are not discounted.

# Kinapse Holdco Limited

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

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### 1 Accounting policies *(continued)*

#### *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.

#### *Reserves*

The Company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- The share premium account includes the amount subscribed for share capital in excess of the nominal value.
- Profit and loss account represents cumulative profits or losses.

### 2 Judgement and critical accounting estimates

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

- Determine whether there are indicators of impairment of the company's investments. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the investment.
- Determine whether there are indicators of impairment of the amounts due from group undertakings. Factors taken into consideration in reaching such a decision include the group undertakings' economic viability financial provision and expected future financial performance.

### 3 Employees

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

### 4 Operating result

Auditor's remuneration is borne by a fellow group company. The amount in relation to the company is £2,100 (2017 - £3,000).

# Kinapse Holdco Limited

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

## 5 Interest income and similar income

	Year ended 31 March 2018 £'000	Period 22 January 2016 to 31 March 2017 £'000
Interest income on intercompany loans	12,505	12,320

## 6 Interest expense and similar charges

	Year ended 31 March 2018 £'000	Period 22 January 2016 to 31 March 2017 £'000
Interest expense to HG Capital	10,843	10,445
Interest expense to other shareholders	1,138	1,192
Interest expense on intercompany loans	524	683
Interest expense and similar charges	12,505	12,320

## 7 Taxation

No liability to UK corporation tax arose on ordinary activities due to the result for the year (2017 - £nil).

	Year ended 31 March 2018 £'000	Period 22 January 2016 to 31 March 2017 £'000
Tax reconciliation:		
Result for the year	-	-
Tax on result at standard UK tax rate of 19% (2017 – 20%)	-	-
Effects of:		
Expenses not deductible	2,276	2,327
Effects of group relief	(2,276)	(2,327)
Tax charge for the year	-	-

# Kinapse Holdco Limited

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

### 8 Key management personnel

The directors are considered to be the key management personnel.

No directors' remuneration is paid by the company. Directors' remuneration is borne by Kinapse Bidco Limited and Kinapse Limited, both subsidiary companies.

	Year ended 31 March 2018 £'000	Period 22 January 2016 to 31 March 2017 £'000
Fees payable to third parties in respect of directors services	1	169
Remuneration for directors was as follows:		
Directors' emoluments	405	830
Company contributions to pension scheme	4	6
	409	836

The total amount payable to the highest paid director was £264,800 (2017 - £322,871). Contributions to the defined contribution scheme for the highest paid director amounted to was £4,235 (2017 - £1,885).

There were 2 (2017 - 3) directors in the group's defined contribution scheme during the year.

# Kinapse Holdco Limited

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

### 9 Fixed asset investment

**Subsidiary  
undertaking  
£'000**

*Cost and net book value*

At 1 April 2017 and at 31 March 2018

**689**

As at 31 March 2018, the company had the following subsidiary companies:

Company	Registered address	Shares held		Nature of business
		Class	%	
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 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
Kinapse, Inc.	625 Massachusetts Ave, 2 <sup>nd</sup> Fl Cambridge, MA 02139	Ordinary	100%	Clinical research services

\*held directly

### 10 Debtors: amounts due in less than one year

	<b>2018 £'000</b>	<b>2017 £'000</b>
Amounts due from group undertakings	<b>240</b>	<b>42</b>

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 Holdco Limited

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

### 11 Debtors: amounts due after more than one year

	2018 £'000	2017 £'000
Loans due from group undertakings	116,185	103,680

On 29 January 2016, £81.3m net of fixed rate unsecured loan notes were issued by a subsidiary undertaking, Kinapse Midco Limited. As at 31 March 2018, cumulative accrued interest included in the balance of debtors due after more than one year totalled £22.8m (2017: £11.6m). Interest on the loan notes accrues at 12%, compounding annually.

On 29 January 2016, £10.1m net of variable rate unsecured loan notes were issued by a subsidiary undertaking, Kinapse Midco Limited. As at 31 March 2018, cumulative accrued interest included in the balance of debtors due after more than one year totalled £2.1m (2017: £0.7m). Interest on the loan notes accrues at 2.75% per annum plus base rate (London interbank offered rate), compounding annually.

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

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

	2018 £'000	2017 £'000
Loans owed to group undertakings	42	42

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

### 13 Creditors: amounts falling due after more than one year

	2018 £'000	2017 £'000
Amounts due to Hg Capital 7 Nominees Limited	105,532	83,386
Amounts due to other shareholders	10,623	9,512
Amounts due on intercompany loans	-	10,782
	116,155	103,680

On 29 January 2016, £72.9m (Series A payable to Hg Capital 7 Nominees Limited) and £8.3m (Series B payable to other shareholders) of fixed rate unsecured loan notes were issued. In addition, £10.1m of variable rate unsecured loan notes (Series C payable to Kinapse Topco) were issued to the parent undertaking, Kinapse Topco Limited. Interest on the A and B loan notes accrues at 12% per annum on the C loan note at 2.75% per annum plus base rate (London interbank offered rate).

On 18 August 2017, HG Capital 7 Nominees invested further in Kinapse Holdco Limited by settling the C Note and repaying it to Topco. The total value of the Series C Loan note was £11.3m. In order to fund the settlement, HG Capital 7 Nominees increased the principal of the Series A loan note by £11.3m in order to settle the Series C note.

As at 31 March 2018, cumulative accrued interest included in the balance of creditors due after more than one year totalled £21.3m (2017: £10.4m) (Series A) and £2.3m (2017: £1.2m) (Series B) respectively.

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

# Kinapse Holdco Limited

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

### 14 Called up share capital

	Allotted, called up and fully paid			
	2018 Number	2017 Number	2018 £'000	2017 £'000
Ordinary shares of £0.01	3,628,209	702,555	36	7
Preferred shares of £0.01	94,750	-	1	-
	<u>3,722,959</u>	<u>702,555</u>	<u>37</u>	<u>7</u>

On 21 March 2018, 2,925,654 ordinary shares with a nominal value of £0.01 were issued for £0.01. 94,750 Preferred ordinary shares with a nominal value of £0.01 were also issued for £2.10 each. Both share issues were settled by way of assignment of an intercompany receivable. 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.

### 15 Financial instruments

The company 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 company is partly funded by shareholder loans.

On 29 January 2016, the company issued unsecured loan notes to the value of £72.9m (Series A payable to Hg Capital 7 Nominees Limited) and £8.3m (Series B payable to other shareholders). None of these loan notes were redeemed during the year. Interest on the loan notes accrues at 12%, compounded annually.

The company owed a balance of £10.1m payable on demand to its shareholder. Including accrued interest, this balance was repaid on 18 August 2017, for a total amount of £11.3m. Hg Capital 7 Nominees Limited funded the repayment and used it to increase the liability due on the A note (refer to note 13).

The accrued interest at the year-end is £21.3m (Series A) and £2.3m (Series B).

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 assets

The company has a cumulative balance of £116.2m (2017 - £103.7m) due from a subsidiary undertaking. Accumulated interest of £24.8m (2017 - £12.3m) is due on the balance.

In the opinion of the directors, the value of the amount due in the accounts is not materially different to its fair value.

# Kinapse Holdco Limited

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

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### 16 Related party transactions

The company is a wholly owned subsidiary of Kinapse Topco Limited and has taken advantage of the exemption not to disclose transactions with wholly owned subsidiaries within the Group.

As at 31 March 2018 the company owed £105.5m to Hg Capital 7 Nominees Ltd. Interest of £10.8m accrued on this loan during the year and is unpaid at the year end.

As at 31 March 2018 the company also owed a total of £10.6m to the following shareholders: A Black, S Budsworth, M McLoughlin, A Fisher, Hg Capital Quicksilver Limited, and the Employee Benefit Trust. Interest of £1.1m accrued on this loan during the year and is unpaid at the year end.

### 17 Cash flow statement

The company has not presented a cash flow statement. It has taken advantage of the exemption in Chapter 1 of FRS 102, as the parent company, Kinapse Topco Limited has included a consolidated cash flow statement in its own consolidated financial statements.

### 18 Ultimate parent company

The ultimate controlling party of the company and group at year end are certain funds advised by Hg Capital 7 Nominees Limited (refer to note 19).

The entire share capital of the company is owned by Kinapse Topco Limited, a company incorporated in England and Wales. The largest group in which this entity is consolidated is Kinapse Topco Limited. The consolidated financial statements of the group are publicly available from Companies House.

### 19 Post balance sheet events

On 20 August 2018, the Group was purchased by Syneos Health Inc., a US based market leading advisory and operational solutions provider to the global life sciences industry. As a result of the acquisition, the Company's loans with HG Capital (Series A) and with its other shareholders (Series B) were settled. At 31 March 2018 the balance of the Series A loan is £105.5m and the balance of the Series B loan is £10.6m (refer to note 13).

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).