SYNEOS HEALTH BRANCHES LIMITED

Company Registration Number:
03900753 (England and Wales)

Unaudited statutory accounts for the year ended 31 December 2019

Period of accounts

Start date: 1 January 2019

End date: 31 December 2019

SYNEOS HEALTH BRANCHES LIMITED

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for the Period Ended 31 December 2019

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SYNEOS HEALTH BRANCHES LIMITED

Directors' report period ended 31 December 2019

The directors present their report with the financial statements of the company for the period ended 31 December 2019

Principal activities of the company

The principal activity of the company is the provision of specialist clinical research services to the pharmaceutical industry. The company also acts as an intermediate holding company.

Directors

The directors shown below have held office during the whole of the period from
1 January 2019 to 31 December 2019

NN Singh
KMM Connell
AJ Macdonald

The above report has been prepared in accordance with the special provisions in part 15 of the Companies Act 2006

This report was approved by the board of directors on
1 October 2020

And signed on behalf of the board by:
Name: NN Singh
Status: Director

SYNEOS HEALTH BRANCHES LIMITED

Profit And Loss Account

for the Period Ended 31 December 2019

	2019	*2018*
	£	*£*
Turnover:	**353,312**	4,199,297
Cost of sales:	**(281,674)**	(3,538,800)
Gross profit(or loss):	**71,638**	660,497
Administrative expenses:	**(2,493,605)**	(286,459)
Operating profit(or loss):	**(2,421,967)**	374,038
Interest receivable and similar income:	**485,000**	35,952,174
Interest payable and similar charges:	**(54,153)**	(22,253)
Profit(or loss) before tax:	**(1,991,120)**	36,303,959
Tax:	**(4,886)**	(7,665)
Profit(or loss) for the financial year:	**(1,996,006)**	36,296,294

SYNEOS HEALTH BRANCHES LIMITED

Balance sheet

As at 31 December 2019

	Notes	*2019*	*2018*
		£	*£*
Fixed assets			
Investments:	3	**4,859,143**	4,859,143
Total fixed assets:		**4,859,143**	4,859,143
Current assets			
Debtors:	4	**34,578**	1,274,917
Cash at bank and in hand:		**4,285,513**	41,975,736
Total current assets:		**4,320,091**	43,250,653
Creditors: amounts falling due within one year:	5	**(1,117,990)**	(897,029)
Net current assets (liabilities):		**3,202,101**	42,353,624
Total assets less current liabilities:		**8,061,244**	47,212,767
Total net assets (liabilities):		**8,061,244**	47,212,767
Capital and reserves			
Called up share capital:		**5**	5
Share premium account:		**2,544,286**	2,544,286
Other reserves:		**29,457**	29,457
Profit and loss account:		**5,487,496**	44,639,019
Total Shareholders' funds:		**8,061,244**	47,212,767

The notes form part of these financial statements

SYNEOS HEALTH BRANCHES LIMITED

Balance sheet statements

For the year ending 31 December 2019 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

This report was approved by the board of directors on 1 October 2020 and signed on behalf of the board by:

Name: NN Singh
Status: Director

The notes form part of these financial statements

1. Accounting policies

Basis of measurement and preparation

These financial statements have been prepared in accordance with the provisions of Section 1A (Small Entities) of Financial Reporting Standard 102

Turnover policy

Revenue is recognized on a cost-plus basis, and is independently assessed against the Transfer Pricing Guidelines for the Multinational Enterprises as published by the Organization for Economic Cooperation and Development (OECD).

Tangible fixed assets depreciation policy

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives using the straight-line method.Depreciation is provided on the following basis:Computer equipment - 33%The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Valuation information and policy

Investments in subsidiaries are measured at cost less provision for impairment. The carrying value of investments are reviewed annually for impairment when events or changes in circumstances indicate the full carrying value may not be recoverable. Carrying value is determined by reference to net assets of the company and underlying group or the present value of future cash flows if more relevant.

Other accounting policies

Accounting policiesBasis of preparation of financial statements. The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).The 2019 financial statements contain information about Syneos Health Branches Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken exemption under Section 401 of the Companies Act 2006 from the requirement to prepare group accounts as the company and all of its subsidiaries are included in the consolidated accounts of Syneos Health Inc., which are publicly available at the address included in note 22.2.1Financial reporting standard 102 -reduced disclosure exemptionsThe company has taken advantage of the following disclosure exemptions in preparing these financial statements: as permitted by FRS 102 paragraph 1.12b, the company has not prepared a cash flow statement; as permitted by FRS 102 paragraph 33.1a, the company has not disclosed any related party transactions with wholly-owned subsidiaries; and as permitted by FRS 102 paragraph 1.12e, the company has not disclosed key management personnel compensation.2.2Going concernDuring the year the ultimate parent company (Note 22) initiated legal entity restructuring and as a part of the restructuring the company will be liquidated or struck off and so the financial statements are prepared on a basis other than going concern.2.3TurnoverRevenue is recognised on a cost-plus basis, and is independently assessed against the Transfer Pricing Guidelines for Multinational Enterprises as published by the Organization for Economic Cooperation and Development (OECD).2.4Tangible fixed assetsProperty, plant and equipment under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred. At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount. Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. Depreciation is provided on the following basis: Computer equipment-33%The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.2.5Impairment of fixed assetsAssets that are subject to depreciation or amortisation 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). Non-financial 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.2.6Valuation of investments Investments in subsidiaries are measured at cost less provision for impairment. The carrying value of investments are reviewed annually for impairment when events or changes in circumstances indicate the full carrying value may not be recoverable. Carrying value is determined by reference to net assets of the company and underlying group or the present value of future cash flows if more relevant.2.7DebtorsShort term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.2.8Financial instrumentsThe company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares. Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement. For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.2.9CreditorsShort term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.2.10Foreign currency translationFunctional and presentation currency. The company's functional and presentational currency is GBP.Transactions and balances Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions. At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.2.11Finance costsFinance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.2.12Operating leases: the company as lesseeRentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.2.13Interest incomeInterest income is recognised in profit or loss using the effective interest method.2.14Dividends paidEquity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.2.15Dividend incomeDividend income is recognised when the company's right to receive payment is established.2.16Current and deferred taxationTax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and 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 operates and generates income. Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that: 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; and Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met. 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 tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date. 2.17Research and developmentResearch and development expenditure is written off as it is incurred.

2. Employees

	2019	*2018*
Average number of employees during the period	**4**	69

SYNEOS HEALTH BRANCHES LIMITED

Notes to the Financial Statements

for the Period Ended 31 December 2019

3. Fixed assets investments note

Fixed asset investmentsInvestments in subsidiary companiesCost or valuationAt 1 January 2019 4,859,143At 31 December 2019 4,859,143Net book valueAt 31 December 2019 4,859,143At 31 December 2018 4,859,143

4. Debtors

	2019	*2018*
	£	***£***
Prepayments and accrued income		15,456
Other debtors	**34,578**	1,259,461
Total	**34,578**	1,274,917

Notes to the Financial Statements

for the Period Ended 31 December 2019

5. Creditors: amounts falling due within one year note

	2019	*2018*
	£	*£*
Trade creditors	**880**	36
Accruals and deferred income	**4,705**	37,230
Other creditors	**1,112,405**	859,763
Total	**1,117,990**	897,029