

**PPD Global Ltd**  
**Annual report**  
**for the year ended 31 December 2015**

**Registered Number 1564604**

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# PPD Global Ltd

## Annual report for the year ended 31 December 2015

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# PPD Global Ltd

## Strategic report for the year ended 31 December 2015

### Principal activity

The principal activity of the company and its branches overseas is the provision of advisory, research and consultancy services to the pharmaceutical and biotechnology industries, which is carried out in the United Kingdom, Portugal, Kenya, Turkey, Greece, New Zealand and Israel. This includes clinical trial design and management, data collection, biostatistical analysis and product registration support.

### Review of business

Our revenues depend on a relatively small number of industries and clients. As a result, we closely monitor the market for our services. We believe the fundamentals of the clinical research services market remain intact. We expect many clinical trial sponsors will continue to reduce the number of service providers on their approved vendor lists and outsource a greater percentage of their research and development budgets in the years ahead. We plan to continue to pursue and establish innovative and strategic client relationships, while enhancing our focus on execution and quality to differentiate our company from our competitors and create value for our clients and our sponsors. We also expect to expand the scope of our discovery services offerings through new technologies that should further differentiate us from our competitors. We continue to focus on all selling, general and administrative expenses and on driving efficiencies, while selectively investing for future growth and productivity gains. Finally, we continue to focus on the initiatives to improve productivity and control costs to achieve our 2016 financial objectives. We have identified several initiatives that we expect could result in significant cost savings for our business. These initiatives include strategic sourcing and information technology optimisation.

Net revenue (turnover less reimbursement of out of pocket expenses) increased over the prior year to £158 million (2014: £147 million).

The profit and loss account for the year is set out on page 8. Gross profit increased over the prior year due to the increase in net revenue to £106 million (2014: £99 million). A profit was made on ordinary activities before taxation of £67 million (2014: £56 million).

Net current assets increased to £286 million (2014: £224 million). The company has 1,305 employees (2014: 1,292 employees).

The company had year end cash balances of £60.8m (2014: £29.5m) and the balance sheet on page 9 of these financial statements shows the company's full financial position at that date.

The increases in gross profit and cash balances are in line with the expectations of the company's stakeholders and the directors expect further increases during 2016.

The directors are not aware, at the date of this report, of any planned significant changes in the company's activities in the next twelve months. The company has a number of long term contracts with customers and suppliers operating across different geographic areas and industries. As a consequence, the directors believe that the company is well placed to manage its business risks successfully.

### Financial risk management objectives and policies

The company's activities expose it to a number of financial risks including price risk, credit risk, cash flow risk and liquidity risk. The company does not use derivative financial instruments for speculative purposes.

*Cash flow risk* - The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The company uses foreign exchange forward contracts to hedge these exposures as required.

*Credit risk* - The company's principal financial assets are cash balances and trade and other debtors. The company's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of provisions for doubtful debts. The company has no significant concentration of credit risk, with exposure spread over a small number of industries and clients.

*Liquidity risk* - In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses intra-group financing where required.

*Price risk* - The company is exposed to price risk. The company seeks to actively manage its price risk as an integral part of its contract negotiations.

# PPD Global Ltd

## Strategic report (continued)

### Financial risk management objectives and policies (continued)

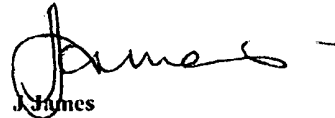
*Contract risk* - The company enters into contracts to perform services over an extended period of time. Most of the contracts can be terminated either immediately or after a specified period following notice. These contracts typically require the client to pay any fees earned to date, the fees and expenses to wind down the contract and in some cases, a termination fee or some portion of the fees or profit that the company could have earned under the contract if it had not been terminated early.

*Scientists and other technical professionals* - The company's ability to maintain, expand or renew existing business with clients and to get business from new clients depends on our ability to hire and retain scientists with the skills necessary to keep pace with continuing changes in drug discovery and development technologies. The company seeks to mitigate the risk of staff turnover by continually reviewing its reward package which includes assistance for continuing professional development.

### By order of the board



C D Neild  
Director



J. James  
Director

Date: 28 JUN 2016

Date: 28 JUN 2016

Registered Office:  
Granta Park  
Great Abington  
Cambridge  
CB21 6GQ

# **PPD Global Ltd**

## **Directors' report for the year ended 31 December 2015**

The directors present their report together with the audited financial statements for the year ended 31 December 2015.

### **Going concern**

The financial position of the company, its profit and loss account and balance sheet are shown on pages 8 and 9.

Given this, and the directors' assessment based on forecasts and projections of expected business levels and cash flows for a period of one year from the date of approval of these financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, being at least the forthcoming 12 months. Accordingly, they continue to adopt the going concern basis in preparing the financial statements and believe that the company is well placed to manage its business risks successfully.

### **Dividends**

On 13 March 2015 the company paid an interim dividend of £5,106,439 (2014: nil).

The directors do not recommend the payment of a final dividend for 2015 (2014: nil).

On 31 March 2016 the company paid an interim dividend of £34,085,257 and on 25 May 2016 the company paid an interim dividend of £153,720,025.

### **Directors**

The directors of the company who served throughout the year and to the date of this report are shown below:

C D Neild  
R Newbery  
P Summerfield  
J James

### **Employees**

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that views are taken into account when decisions are made that are likely to affect their interest and that employees are aware of the financial and economic performance of their business units and of the company as a whole. Communication with all employees continues through the in-house newsletters, the intranet home page and staff briefings.

### **Directors' indemnities**

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year and these remain in force at the date of this report.

# PPD Global Ltd

## Directors' report (continued)

### Auditor

Each of the persons who is a director at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

By order of the board



C D Neild  
Director

Date: 28 JUN 2016



J James  
Director

Date: 28 JUN 2016

Registered Office:  
Granta Park  
Great Abington  
Cambridge  
CB21 6GQ

# PPD Global Ltd

## Directors' responsibilities statement

The directors are responsible for preparing the Annual 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), including FRS 102 "The Financial Reporting Standard applicable to the UK and Republic of Ireland. 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 period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **Independent Auditor's Report to the members of PPD Global Ltd**

We have audited the financial statements of PPD Global Ltd for the year ended 31 December 2015 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, and the related notes 1 to 27. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable to the UK and Republic of Ireland".

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.

### **Respective responsibilities of directors and auditor**

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



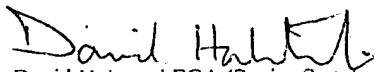
## PPD Global Ltd

### Independent Auditor's Report to the members of PPD Global Ltd (continued)

#### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.



David Halstead FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
St. Albans, United Kingdom

Date: 28/06/16

## PPD Global Ltd

### Profit and loss account for the year ended 31 December 2015

	Note	Years ended 31 December	
		2015	2014
		£'000	£'000
<b>Turnover</b>	3	217,519	202,203
Cost of sales		(111,628)	(103,646)
<b>Gross profit</b>		105,891	98,557
Administrative expenses		(39,970)	(42,531)
Interest receivable	4	5,640	3,917
Interest payable	5	(4,505)	(4,371)
Financing costs in relation to pension liability	20	(265)	(44)
<b>Profit on ordinary activities before taxation</b>	6	66,791	55,528
Tax on profit on ordinary activities	9	1,057	(315)
<b>Profit for the year</b>		67,848	55,213

The above results all relate to continuing operations.

### Statement of comprehensive income for the year ended 31 December 2015


		Years ended 31 December	
		2015	2014
		£'000	£'000
Profit for the financial year		67,848	55,213
Exchange difference on translating the net assets of foreign operations		17	(200)
Actuarial gain/(loss) recognised in respect of the pension scheme	20	1,946	(6,550)
Movement on deferred tax relating to actuarial gain/(loss)		(350)	1,310
<b>Total comprehensive income for the year</b>		69,461	49,773

# PPD Global Ltd

## Balance sheet as at 31 December 2015

	Note	As at 31 December	
		2015	2014
		£'000	£'000
<b>Fixed assets</b>			
Tangible assets	11	9,908	11,568
Investments	12	1	1
		<b>9,909</b>	<b>11,569</b>
<b>Current assets</b>			
Debtors due within 1 year	13	494,236	395,245
Debtors due after more than 1 year	14	8,976	1,163
Cash at bank and in hand		60,766	29,463
		<b>563,978</b>	<b>425,871</b>
<b>Creditors: amounts falling due within one year</b>	15	<b>(277,832)</b>	<b>(201,970)</b>
<b>Net current assets</b>		<b>286,146</b>	<b>223,901</b>
<b>Total assets less current liabilities</b>		<b>296,055</b>	<b>235,470</b>
Creditors: Amounts falling due after more than one year	16	(90,052)	(89,692)
Provision for liabilities	17	5,780	1,420
Deferred income	18	(1,320)	(1,416)
<b>Net assets</b>		<b>210,463</b>	<b>145,782</b>
<b>Capital and reserves</b>			
Called up share capital	19	10,526	10,526
Profit and loss account		199,937	135,256
<b>Shareholders' funds</b>		<b>210,463</b>	<b>145,782</b>

The financial statements of PPD Global Ltd, registered number 1564604, were approved by the board of directors and were signed on its behalf by:

  
C D Neild  
Director  
Date:

28 JUN 2016

  
J James  
Director  
Date:

28 JUN 2016

## PPD Global Ltd

### Statement of changes in equity as at 31 December 2015

	Called up share capital £'000	Profit and loss account £'000	Total £'000
At 31 December 2013 as previously stated	10,526	86,019	96,545
Changes on transition to FRS 102 (see note 27 )	-	(740)	(740)
At 1 January 2014 as restated	10,526	85,279	95,805
Profit for the year	-	55,213	55,213
Exchange difference on translating the net assets of foreign operations	-	(200)	(200)
Credit to equity for share based payments (see note 10)	-	204	204
Actuarial loss on pension scheme (see note 20)	-	(6,550)	(6,550)
Movement on deferred tax relating to pension scheme	-	1,310	1,310
At 31 December 2014	10,526	135,256	145,782
Profit for the year	-	67,848	67,848
Exchange difference on translating the net assets of foreign operations	-	17	17
Credit to equity for share based payments (see note 10)	-	326	326
Dividends paid	-	(5,106)	(5,106)
Actuarial gain on pension scheme (see note 20)	-	1,946	1,946
Movement on deferred tax relating to pension scheme	-	(350)	(350)
At 31 December 2015	10,526	199,937	210,463

# **PPD Global Ltd**

## **Notes to the financial statements for the year ended 31 December 2015**

### **1 Principal accounting policies**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

#### **BASIS OF ACCOUNTING**

This basis of accounting section needs to be updated so it is in line with the model financial statements:

PPD Global Ltd is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 4. The nature of the group's operations and its principal activities are set out in the strategic report on pages 1 to 2.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The prior year financial statements were restated for material adjustments on adoption of FRS 102 in the current year. For more information see note 27.

The functional currency of PPD Global Ltd is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The consolidated financial statements are also presented in pounds sterling. Foreign operations are included in accordance with the policies set out below.

PPD Global Ltd meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, on the grounds consolidated financial statements are prepared by Jaguar Holdings I LLC, which incorporate these disclosures. Exemptions have been taken in relation to presentation of a cash flow statement.

#### **GOING CONCERN**

The financial position of the company, its profit and loss account and balance sheet are shown on pages 8 and 9.

The company has considerable financial resources with a year end cash balance of £60.9m (2013: £29.5m). Given this, and the directors' assessment based on forecasts and projections of expected business levels and cash flows for a period of one year from the date of approval of these financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the forthcoming 12 months and the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements. As a consequence the directors believe that the company is well placed to manage its business risks successfully.

#### **TURNOVER AND REVENUE RECOGNITION**

Turnover excludes trade and volume discounts, value added tax and other sales related taxes and represents the value of work performed during the year based on a estimate of the percentage of completion of each study.

The company enters into contracts to perform services over an extended period of time. Most of the contracts can be terminated either immediately or after a specified period following notice. These contracts typically require the client to pay any fees earned to date, the fees and expenses to wind down the contract and in some cases, a termination fee or some portion of the fees or profit that the company could have earned under the contract if it had not been terminated early.

Estimates of total contract revenues are reviewed periodically and the effects of changes are recognised in the period in which they occur. All known or anticipated losses are provided for in full as soon as they are foreseen.

Advance billings represent billings for services not yet rendered and are included under creditors due within one year. The amount by which turnover exceeds payments on account is shown under debtors as amounts recoverable on contracts.

# **PPD Global Ltd**

## **Notes to the financial statements for the year ended 31 December 2015**

### **1 Principal accounting policies (continued)**

#### **RESEARCH AND DEVELOPMENT COSTS**

The company incurs research and development expenditure on behalf of its clients and this is written off as incurred. The company does not expect any additional future economic benefits as a result of the expenditure.

#### **LONG TERM CONTRACTS**

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done less amounts received as progress payments on account. Excess progress payments are included in creditors as advanced billings. Cumulative costs incurred are transferred to cost of sales or provisions as appropriate and anticipated future losses on contracts are fully provided for.

#### **TANGIBLE FIXED ASSETS**

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned as follows:

Freehold property	40 years
Leasehold improvements	shorter of lease or 10 years
Furniture	10 years
Equipment	5 years
Vehicles	4 years
Computer equipment	3 years
Software	3 years

#### **TAXATION**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided on an undiscounted basis, on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### **FOREIGN CURRENCIES**

Transactions denominated in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange prevailing at the year end.

The results of the Portuguese, New Zealand, Greek, Kenyan, Israeli and Turkish branches are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Foreign exchange gains/losses on these branches are recognised through the statement of comprehensive income.

# **PPD Global Ltd**

## **Notes to the financial statements for the year ended 31 December 2015**

### **1 Principal accounting policies (continued)**

#### **PENSION COSTS**

The company provides pensions to certain employees through a defined benefit pension scheme. It is the general policy of the company to provide for and fund pension liabilities on a going concern basis, on the advice of the scheme's actuaries, by payments to an independent trust.

For the defined benefit scheme the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. The interest cost and the expected return on assets are shown as a net amount of other finance costs. Actuarial gains and losses are recognised immediately in the statement of other comprehensive income.

The defined benefit scheme is funded, with the assets of the scheme held separately from those of the company, in separate trustee administered funds. The pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit liability, net of the related deferred tax, is presented separately after net assets on the face of the balance sheet.

The company also operates defined contribution pension schemes for certain other employees in the UK and Israel branch. For the defined contribution scheme the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year.

#### **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 are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

#### **FINANCIAL ASSETS AND LIABILITIES**

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires

#### **DERIVATIVE FINANCIAL INSTRUMENTS**

The company uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The company does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

## **PPD Global Ltd**

### **Notes to the financial statements for the year ended 31 December 2015**

#### **1 Principal accounting policies (continued)**

##### **LEASES**

Assets held under finance leases which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of the capital repayments outstanding.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

##### **GOVERNMENT GRANTS**

Government grants relating to tangible fixed assets are treated as deferred income and released to the profit and loss account over the expected useful lives of the assets concerned.

##### **SHARE BASED PAYMENTS**

The fair value of equity-settled share based payments is determined at the date of the grant and is expensed on a straight line basis over the vesting period based on the company's estimate of shares or options that will eventually vest. In the case of options granted, the fair value is measured by a Black-Scholes option pricing model.

#### **2 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

##### **Critical judgements in applying the Company's accounting policies**

The following are the critical judgements that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

##### **Revenue recognition**

The company enters into contracts to perform services over an extended period of time. Most of the contracts can be terminated either immediately or after a specified period following notice. These contracts typically require the client to pay any fees earned to date, the fees and expenses to wind down the contract and in some cases, a termination fee or some portion of the fees or profit that the company could have earned under the contract if it had not been terminated early. Estimates of total contract revenues are reviewed periodically and the effects of changes are recognised in the period in which they occur. All known or anticipated losses are provided for in full as soon as they are foreseen.



**PPD Global Ltd****Notes to the financial statements for the year ended 31 December 2015****3 Turnover**

Turnover relates to one class of business, the provision of advisory, research and consultancy services to the pharmaceutical and biotechnology industries and is analysed by geographical destination as follows:

	2015 £'000	2014 £'000
Europe	82,247	76,461
United States of America	129,898	120,745
Far East	4,626	4,301
Other	748	696
	<b>217,519</b>	<b>202,203</b>

An analysis of the company's turnover is as follows:

	2015 £'000	2014 £'000
Rendering of services	<b>217,519</b>	<b>202,203</b>

**4 Interest receivable**

	2015 £'000	2014 £'000
On loans to fellow group undertakings	4,671	3,851
On tax refund	-	47
On bank balances	969	19
	<b>5,640</b>	<b>3,917</b>

**5 Interest payable**

	2015 £'000	2014 £'000
On loans from fellow group undertakings	4,309	4,320
On bank balances	196	51
	<b>4,505</b>	<b>4,371</b>

**PPD Global Ltd**  
**Notes to the financial statements for the year ended 31 December 2015**

**6 Profit on ordinary activities before taxation**

Profit on ordinary activities before taxation is stated after charging/(crediting):

	2015 £'000	2014 £'000
Depreciation of owned tangible fixed assets	2,302	2,621
Depreciation of leased tangible fixed assets	29	17
Loss on disposal of tangible fixed assets	6	136
Hire of plant and machinery - operating lease rentals	916	1,163
Hire of other assets - operating lease rentals	2,659	2,669
Government grant income	(42)	(42)
Remuneration paid to Deloitte LLP – audit of company's annual accounts	77	77
Exchange loss/(gain)	6,648	(6,762)

**7 Directors' emoluments**

**Directors' remuneration**

The directors received the following emoluments:

	2015 £'000	2014 £'000
<b>Aggregate emoluments</b>		
Emoluments and benefits	1,087	1,007
Company contributions to money purchase pension schemes	69	75
	1,156	1,082

There are four directors (2014: four) to whom benefits are accruing in respect of money purchase pension schemes. No directors (2014: none) exercised share options in the ultimate parent company during the year.

**Remuneration of the highest paid director:**

	2015 £'000	2014 £'000
<b>Aggregate emoluments</b>		
Emoluments and benefits	313	305
Company contributions to money purchase pension schemes	18	30
	331	335

The highest paid director did not exercise any share options in the ultimate parent company during the year.

**PPD Global Ltd****Notes to the financial statements for the year ended 31 December 2015****8 Employee information**

The average monthly number of persons (including executive directors) employed by the company during the year was as follows:

	2015 Number	2014 Number
<b>By activity</b>		
Scientific operations	1,064	1,046
Administration	241	246
	<b>1,305</b>	<b>1,292</b>
	2015 £'000	2014 £'000
<b>Staff costs (for the above persons)</b>		
Wages and salaries	60,286	60,603
Social security costs	6,127	5,735
Other pension costs (see note 20)		
Defined contribution scheme	3,609	3,707
Equity-settled share based payments (see note 10)		
Incentive schemes (Equity Compensation Plan)	326	305
	<b>70,348</b>	<b>70,350</b>

**PPD Global Ltd****Notes to the financial statements for the year ended 31 December 2015****9 Tax on profit on ordinary activities****(a) Analysis of charge in year**

	2015 £'000	2014 £'000
Current tax		
- UK Corporation Tax on profits for the year	-	-
- Overseas tax	186	456
- Adjustments in respect of prior years	-	237
Total current tax (see note 9b)	186	693
Deferred tax		
Origination and reversal of timing differences (see note 17)	1,670	261
Adjustments in respect of prior years (see note 17)	(2,884)	(674)
Rate change and exchange differences	(29)	35
Total deferred tax (see note 17)	(1,243)	(378)
Total tax on profit on ordinary activities	(1,057)	315

**(b) Total tax**

The tax assessed for the year to 31 December 2015 is lower than the average rate of corporation tax in the UK of 20.25% (2014: 21.5%) due to the following:

	2015 £'000	2014 £'000
Profit on ordinary activities before tax	66,790	55,528
Multiplied by 20.25% (2014: 21.5%)	13,525	11,935
Effects of		
Expenses not deductible for tax purposes	429	166
Group relief received for Nil payment	(12,350)	(11,887)
Adjustment to tax in respect of prior periods	(2,884)	(437)
Rate and Exchange differences	(29)	39
Deferred tax not recognised	207	44
Overseas profits taxed at a higher rate	45	455
Total tax (8a)	(1,057)	315

## PPD Global Ltd

### Notes to the financial statements for the year ended 31 December 2015

#### 9 Tax on profit on ordinary activities (continued)

##### (c) Future tax charge

The Finance (No 2) Act 2015, which provides for reductions in the main rate of corporation tax from 20% to 19% effective from 1 April 2017 and to 18% effective from 1 April 2020, was substantively enacted on 26 October 2015. These rate reductions have been reflected in the calculation of deferred tax at the balance sheet date.

The closing deferred tax asset as at 31 December 2015 has been calculated at 18% reflecting the tax rate at which the deferred tax asset is expected to be utilised in future periods.

The Government intends to enact a further reduction in the main tax rate down to 17% effective from 1 April 2020. As this tax rate was not substantively enacted at the balance sheet date, the relevant rate reductions are not yet reflected in these financial statements in accordance with FRS 102 Section 32, as it is a non-adjusting event occurring after the reporting period.

##### (d) Branch profits

The company paid tax in the overseas locations of its branches, based on branch profits at the following rates during the year ended 31 December 2015:

Portugal	24.5% (2014: 24.5%)
New Zealand	28% (2014: 28%)
Greece	29% (2014: 26%)
Israel	26.5% (2014: 26.5%)
Turkey	20% (2014: 20%)
Kenya	37.5% (2014: 37.5%)

#### 10 Share based payments

In April 2012, Pharmaceutical Product Development, LLC ('PPD LLC') adopted the Jaguar Holding Company I 2011 Equity Incentive Plan (the "Plan"). This is a group scheme of which the company is a part. Under the Plan, PPD LLC can issue stock options, restricted stock and other stock-based awards to employees, directors and consultants of the Company. PPD LLC reserved 14,044,402 shares of common stock for issuance of awards under the Plan. The Plan will be administered by the Board of Directors of the Company or any committee or committees thereof to which the Board delegates authority (the "Administrator"). The Plan provides that the Administrator will have the authority to determine who receives awards, to grant awards and to set all terms and conditions of awards, including vesting, exercise and forfeiture provisions. Stock options granted under the Plan may not have a term that exceeds ten years from the date of grant. The exercise price of stock options issued under the Plan may not be less than the fair market value of the Company's common stock on the date of grant. For stock options that have time-based vesting, the fair value of such options will be expensed on a straight-line basis over the vesting period. For stock options that have performance-based vesting, the fair value of such options will be expensed on a straight-line basis over the vesting period when it is probable that the performance condition will be met. Details of the share options outstanding during the year are as follows:

**PPD Global Ltd****Notes to the financial statements for the year ended 31 December 2015****10 Share based payments (continued)**

	2015		2014	
	No of share options	Weighted average exercise price USD	No of share options	Weighted average exercise price USD
Outstanding at the beginning of the year	829,500	8.30	862,500	8.99
Granted during the year	147,500	14.89	49,000	14.28
Exercised during the year	(1,050)	3.22	-	-
Forfeited during the year	(72,480)	10.18	(65,114)	11.45
Expired during the year	(29,442)	5.59	(16,886)	9.66
Outstanding at the end of the year	874,028	9.23	829,500	8.30
Exercisable at the end of the year	537,530	8.61	378,027	9.13

The options outstanding at 31 December 2015 had a weighted average share price at the date of exercise of \$8.61 (2014: \$9.13) and a weighted average remaining contractual life of 7 years (2014: 7 years). The aggregate of the estimated fair values of the options granted during 2015 was £422,920 (2014: £133,331).

The share based compensation charge for the year is £326,281 (2014: £305,000).

The fair value of the share options at the grant date was calculated using the Black Scholes model, which is considered to be the most appropriate generally accepted valuation method of measuring fair value.

# PPD Global Ltd

## Notes to the financial statements for the year ended 31 December 2015

### 11 Tangible fixed assets

	Freehold property £'000	Leasehold improvements £'000	Software £'000	Furniture, computer equipment, and vehicles £'000	Total £'000
<b>Cost</b>					
At 1 January 2015	8,324	5,002	13,432	9,104	35,862
Exchange adjustment	-	(14)	(1)	(12)	(27)
Additions	-	111	31	577	719
Disposals	-	(30)	(17)	(535)	(582)
<b>At 31 December 2015</b>	<b>8,324</b>	<b>5,069</b>	<b>13,445</b>	<b>9,134</b>	<b>35,972</b>
<b>Depreciation</b>					
At 1 January 2015	1,632	3,570	11,878	7,214	24,294
Exchange adjustment	-	(7)	-	(6)	(13)
Charge for year	200	454	894	783	2,331
Disposals	-	(30)	(1)	(517)	(548)
<b>At 31 December 2015</b>	<b>1,832</b>	<b>3,987</b>	<b>12,771</b>	<b>7,474</b>	<b>26,064</b>
<b>Net book value at 31 December 2015</b>	<b>6,492</b>	<b>1,082</b>	<b>674</b>	<b>1,660</b>	<b>9,908</b>
<b>Net book value at 31 December 2014</b>	<b>6,692</b>	<b>1,432</b>	<b>1,554</b>	<b>1,890</b>	<b>11,568</b>

Included within the freehold property is land at cost of £350,000 (2014: £350,000) which is not depreciated. The directors believe that the market value of the land is in line with the carrying value.

The company has leased equipment which are considered to meet the definition of finance leases and are accounted for accordingly. Included within Furniture, computer equipment, equipment and vehicles are assets held under finance leases at a cost of £131,000 (2014: £131,000). The net carrying amount at the end of the reporting period for assets held under Finance Leases was £84,000 (2014: £113,000).

## PPD Global Ltd

### Notes to the financial statements for the year ended 31 December 2015

#### 12 Fixed asset investments

£'000

##### Cost and net book value

At 1 January 2015 and 31 December 2015

1

Interests in group undertakings at 31 December 2015

Name of undertaking	Description of shares held	% held	Principal activity
PPD Slovak Republic s.r.o (incorporated in Slovak Republic)	Ordinary	15%	Provision of advisory, research and consultancy services to the pharmaceutical and biotechnology industries
Clinical Technology Centre (International) Limited (incorporated in the United Kingdom)	Ordinary	100%	Provision of advisory, research and consultancy services to the pharmaceutical and biotechnology industries

#### 13 Debtors: amounts falling due within one year

	2015 £'000	2014 £'000
Trade debtors	49,227	43,653
Amounts recoverable on contracts	149,013	96,640
Amounts due from group undertakings (see below)	282,033	240,105
RDEC receivable from HMRC	9,086	-
Other debtors	635	10,671
Asset held for sale (see below)	1,600	1,600
Overseas tax recoverable	389	108
Prepayments and accrued income	2,253	2,468
	494,236	395,245

At 31 December 2015 £189,508,000 (2014: £175,237,000) of the amounts due from group undertakings in the table above are unsecured and interest free. The remaining £92,525,000 (2014: £64,868,000) is also unsecured and is repayable on demand with interest charged on the outstanding principal at a variable rate. During 2015 the interest rate varied between 1% and 10%. The interest charged is repayable on demand.

The asset held for sale is for a freehold property held in Scotland.



**PPD Global Ltd****Notes to the financial statements for the year ended 31 December 2015****14 Debtors: amounts falling due after more than one year**

	2015 £'000	2014 £'000
Long term rental deposit	414	425
Other debtors	168	408
Research and development grant receivable	8,132	-
Amounts due from group undertakings (see below)	262	330
	<b>8,976</b>	<b>1,163</b>

At 31 December 2015 £262,000 (2014: £330,000) of the amounts due from group undertakings in the table above are unsecured with interest charged on the outstanding principal at a rate of 1.4% to 1.5%. The interest charged is repayable on demand.

**15 Creditors: amounts falling due within one year**

	2015 £'000	2014 £'000
Trade creditors	47,158	38,301
Payments on account on long-term contracts	119,735	86,473
Amounts due to group undertakings (see below)	90,859	51,681
Taxation and social security	1,659	3,914
Overseas taxation payable	5	47
Obligations under finance leases	39	28
Accruals and deferred income	13,974	14,115
Defined benefit pension scheme deficit	4,403	7,411
	<b>277,832</b>	<b>201,970</b>

At 31 December 2015 £86,855,000 (2014: £47,425,000) of the amounts due to group undertakings are unsecured, interest free and repayable on demand. The remaining £94,005,000 (2014: £93,823,000) is also unsecured and repayable on demand with interest charged on the outstanding principal at a variable rate. During 2015 the interest rate varied between 1% and 5%.

**PPD Global Ltd****Notes to the financial statements for the year ended 31 December 2015****16 Creditors: amounts falling due after more than one year**

	2015 £'000	2014 £'000
Amounts due to group undertakings (see below)	89,998	89,567
<b>Finance leases</b>		
Between one to two years	28	28
Between two and five years	26	97
	<b>90,052</b>	<b>89,692</b>

At 31 December 2015 £89,998,000 (2014: £89,567,000) of the amounts due to group undertakings are unsecured and repayable on demand with interest charged on the outstanding principal at a variable rate. During 2015 the interest rate varied between 1% and 5%.

The company has leased equipment which are considered to meet the definition of finance leases and are accounted for accordingly.

**PPD Global Ltd****Notes to the financial statements for the year ended 31 December 2015****17 Provision for liabilities**

	Deferred taxation £'000
At 1 January 2015	(1,420)
Origination and reversal of timing differences	1,670
Notional Tax on R&D Expenditure credit	(3,468)
Effect of changes in tax rate	(27)
Adjustments in respect of prior years	(2,882)
Exchange adjustment	(3)
OCI movement	350
<b>At 31 December 2015</b>	<b>(5,780)</b>

The company has opted not to discount the value of deferred tax assets and liabilities. The value of deferred tax assets and liabilities provided and not provided are shown below.

## Amounts provided:

	2015 £'000	2014 £'000
Accelerated capital allowances	1,391	3,252
Short term timing differences	(49)	(349)
R&D Expenditure credit notional tax credits	(6,330)	(2,861)
Defined benefit pension scheme	(792)	(1,462)
<b>As at 31 December 2015</b>	<b>(5,780)</b>	<b>(1,420)</b>

## Amounts not provided:

	2015 £'000	2014 £'000
Short term timing differences	(1,080)	(1,135)
Accelerated capital allowance's	-	(1,375)
Tax losses	(364)	(404)
	<b>(1,444)</b>	<b>(2,914)</b>

The unrecognised deferred tax asset principally relates to the deferred tax asset arising on share options in excess of what can be recognised as a result of the accounting share option charge.

## PPD Global Ltd

### Notes to the financial statements for the year ended 31 December 2015

#### 17 Provision for liabilities (continued)

Total deferred tax:

	2015 £'000	2014 £'000
R&D Expenditure credit notional tax credits	(6,330)	(2,861)
Accelerated capital allowances	1,391	1,877
Short term timing differences	(1,131)	(1,484)
Tax losses	(364)	(404)
Defined benefit pension scheme	(792)	(1,482)
	(7,226)	(4,354)

#### 18 Deferred income

	2015 £'000	2014 £'000
Deferred grant income (see below)	1,311	1,353
Deferred rental income	9	63
	1,320	1,416

In 2007 the company received a grant from the Scottish Executive in relation to the construction of freehold premises in Bellshill, Scotland. The grant is being amortised to the profit and loss account over the useful economic life of the building of 40 years.

#### 19 Called up share capital and reserves

	2015 £000	2014 £'000
Allotted, called up and fully paid		
10,526,336 ordinary shares of £1 each	10,526	10,526

The Company has one class of ordinary shares which carry no right to fixed income.

The Company's other reserves is as follows:

The profit and loss reserve represents cumulative profit and losses net of dividends paid and other adjustments.

#### 20 Pensions

During the year the company operated a defined benefit pension scheme with assets held in a separately administered fund. In addition, certain employees participated in defined contribution pension schemes in the UK and Israel.

##### DEFINED BENEFIT SCHEME

The company did not make contributions to the PPD Global Ltd Retirement Benefits Scheme for the year ended 31 December 2015 (2014: £nil). A lump sum payment of £1,327,000 was paid in 2015 as part of the agreed plan to fund the scheme's deficit. Additional lump sum payments are scheduled to be made in the subsequent two years (2016: £850,000, 2017: £946,000).

## PPD Global Ltd

### Notes to the financial statements for the year ended 31 December 2015

#### 20 Pensions (continued)

A full actuarial valuation was carried out as at 5 April 2014 and updated to 31 December 2015 by a qualified independent actuary. Valuations take place every three years. The major assumptions used by the actuary were:

	2015	2014	2013
Rate of increase in salaries	3.6%	3.8%	4.2%
Rate of increase in pensions in payment	3.0%	3.0%	3.3%
Rate of increase of pensions in deferment	3.0%	3.0%	3.3%
Discount rate	3.9%	3.8%	4.7%
Inflation assumption	3.0%	3.3%	2.9%

The mortality assumptions were:

	2015	2014
Pensioners	PA92 (year of birth) medium cohort with a 1% minimum improvement per annum	PA92 (year of birth) medium cohort with a 1% minimum improvement per annum
Non-pensioners	PA92 (year of birth) medium cohort with a 1% minimum improvement per annum	PA92 (year of birth) medium cohort with a 1% minimum improvement per annum

The fair value of the assets in the scheme were:

	2015 £'000	2014 £'000	2013 £'000
Equities	34,201	32,451	30,630
Bonds	13,802	14,522	12,107
Cash	29	30	30
Total market value of assets	48,032	47,003	42,767
Actuarial value of liability	(52,435)	(54,414)	(44,038)
<b>Deficit in the scheme</b>	<b>(4,403)</b>	<b>(7,411)</b>	<b>(1,271)</b>

The Trustees investment manager has appointed Citibank, Euroclear and HSBC Global Investor Services as custodians of the Scheme's assets. The custodians are responsible for the safe keeping, monitoring and reconciliation of documentation relating to the ownership of listed investments. Investments are held in the name of the custodians' nominee companies, in line with the common practise for pension scheme investments.

PFT Limited has been appointed by the Trustees of the scheme as custodian of the cash held in connection with the administration of the scheme. The Trustees of the scheme are responsible for ensuring the Scheme's assets continue to be securely held.

**PPD Global Ltd****Notes to the financial statements for the year ended 31 December 2015****20 Pensions (continued)****ANALYSIS OF THE AMOUNT CHARGED TO NET FINANCE CHARGES**

	2015	2014
	£'000	£'000
Net interest charge	265	(44)

**ANALYSIS OF THE ACTUARIAL GAIN RECOGNISED IN THE STATEMENT OF COMPREHENSIVE INCOME**

	2015	2014
	£'000	£'000
Actual return less expected return on assets	(1,468)	2,282
Changes in assumptions	3,414	(8,832)
Net actuarial gain/(loss) recognised	1,946	(6,550)
Cumulative amount of actuarial loss recognised	(10,601)	(12,547)

**MOVEMENTS IN THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATIONS**

	2015	2014
	£'000	£'000
Benefit obligation at beginning of year	54,414	44,038
Interest cost	2,029	2,058
Actuarial (gain)/loss	(3,414)	8,832
Benefits paid	(594)	(514)
Benefit obligation at end of year	52,435	54,414

The liabilities of the scheme result wholly from obligations to provide pensions and related benefits to employees and former employees. The liabilities of the scheme are measured by discounting the best estimate of future cash flows to be paid out by the scheme using the projected unit credit method. Estimated future cash flows are discounted at the current rate of return on high quality corporate bonds of an equivalent term to the liability. Actuarial gains and losses are recognised in full in the year in which they occur in the statement of total recognised gains and losses.

**PPD Global Ltd****Notes to the financial statements for the year ended 31 December 2015****20 Pensions (continued)****CHANGE IN PLAN ASSETS**

	2015 £'000	2014 £'000
Fair value of plan assets at beginning of year	47,003	42,767
Actual (loss)/return on plan assets	(1,468)	2,282
Interest income	1,764	2,014
Employer contributions	1,327	454
Benefits paid from plan	(594)	(514)
<b>Fair value of plan assets at end of year</b>	<b>48,032</b>	<b>47,003</b>

**AMOUNTS RECOGNISED IN THE BALANCE SHEET**

	2015 £'000	2014 £'000
Present value of funded obligations	52,435	54,414
Fair value of plan assets	(48,032)	(47,003)
<b>Deficit for funded plans</b>	<b>4,403</b>	<b>7,411</b>

The actuarial valuation at 31 December 2015 showed a decrease in the deficit, from £7,411,000 to £4,403,000.

The scheme was closed to new members with effect from December 2002 and therefore under the projected unit method the current service cost would be expected to increase as the members of the scheme approach retirement.

On 31 December 2009 the scheme was also closed to existing members and ceased to accept contributions from them. Following the closure, no further contributions based on pensionable salary will be payable by the company going forward. The company will, however, continue to make contributions in respect of the funding plan.

**GOVERNANCE AND RISK MANAGEMENT**

The Trustees of the scheme have in place a business plan which sets out their objectives in areas such as administration, investment, funding and communication. This, together with a list of the main priorities and timetable for completion, helps the Trustees run the scheme efficiently.

**EXPECTED RATE OF RETURN ON SCHEME ASSETS**

The expected rate of return on assets is calculated as the average rate of return expected on the assets held in the scheme over the remaining life. This includes income and changes in the asset fair value, net of scheme expenses, and is based on market expectations at the beginning of the period. This assumption is used to determine the expected return on assets for the pension expense.

**DEFINED CONTRIBUTION SCHEME**

Contributions paid to defined contribution pension schemes during the year amounted to £3,609,000 (2014: £3,707,000). £437,000 of contributions were outstanding at the end of the year.

## PPD Global Ltd

### Notes to the financial statements for the year ended 31 December 2015

#### 21 Financial commitments

The company has entered into various non-cancellable operating leases in respect of plant and equipment, the payments for which extend over a period of over five years. In addition, the company leases certain land and buildings on long term leases. The rents payable under these leases are subject to renegotiation at various intervals as specified in the lease.

The company's future minimum operating lease payments are as follows:

	2015		2014	
	Land and buildings £'000	Plant and equipment £'000	Land and buildings £'000	Plant and equipment £'000
Operating leases which expire:				
- within one year	11	109	55	199
- within two to five years	2,568	1,251	2,405	1,457
- in over five years	14,860	-	16,678	-
	17,439	1,360	19,138	1,656

#### 22 Financial instruments

The carrying values of the Company's financial assets and liabilities are summarised by category below:

##### Financial assets

	2015 £'000	2014 £'000
Measured at undiscounted amount receivable		
- Trade debtors (see note 13)	49,227	43,653
- Other debtors (see note 13 and 14)	9,889	11,079
- Amounts due from group undertakings (see note 13 and 14)	282,295	240,435
	341,411	295,167

##### Financial liabilities

	2015 £'000	2014 £'000
Measured at undiscounted amount payable		
- Trade and other creditors (see note 15)	47,158	38,301
- Amounts owed from group undertakings (see note 15 and 16)	180,857	141,248
	228,015	179,549



## PPD Global Ltd

### Notes to the financial statements for the year ended 31 December 2015

#### 22 Financial instruments (continued)

##### Interest income and expense

	2015 £'000	2014 £'000
On loans to fellow group undertakings	4,671	5,253
On loans from fellow group undertakings	(4,309)	(4,341)
	362	912

#### 23 Derivatives

The company has derivatives which are included at fair value in the accounts. Their fair value at 31 December was:

	2015 £'000	2014 £'000
Forward foreign exchange contracts liability	-	(376)

The company uses the derivatives to hedge against its exposures to changes in foreign currency exchange rates arising from foreign currency sales. The fair values are based on market values of the equivalent instruments at the balance sheet date.

#### 24 Contingent liabilities and guarantees

The company has guaranteed the bank overdrafts of PPD UK Holdings Ltd. The company's exposure at 31 December 2015 under this guarantee was £nil (2014: £nil).

#### 25 Related party transactions

As a wholly owned subsidiary of Jaguar Holdings I LLC. (see note 26), the company is exempt from the requirement to disclose details of transactions with other wholly owned group companies.

There are no other transactions with related parties requiring disclosure under FRS 102 Section 33.

#### 26 Immediate and ultimate parent company

The company is a wholly owned subsidiary undertaking of PPD UK Holdings Ltd, a company registered in England and Wales.

The directors regard Jaguar Holdings I LLC., a company registered in the State of Delaware, USA, as the ultimate holding company. This company is controlled by funds managed by the Carlyle Group and Hellman & Friedman.

The smallest and largest company that PPD Global Ltd is consolidated into is Jaguar Holdings I LLC. Copies of the accounts of Jaguar Holdings I LLC can be obtained from: The Company Secretary; PPD UK Holdings Ltd, Granta Park, Great Abington, Cambridge, CB21 6GQ UK.

## PPD Global Ltd

### Notes to the financial statements for the year ended 31 December 2015

#### 27 Explanation of transition to FRS 102

This is the first year that the Company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The last financial statements under previous UK GAAP were for the year ended 31 December 2014 and the date of transition to FRS 102 was therefore 1 January 2014.

##### *Reconciliation of equity*

	<b>At 31 December 2014 £'000</b>	<b>At 1 January 2014 £'000</b>
Equity reported under previous UK GAAP	147,061	96,545
Adjustments to equity on transition to FRS 102		
Brought forward reserves	(740)	-
Profit and loss account	(693)	(740)
Statement of comprehensive income	154	-
<b>Equity reported under FRS 102</b>	<b>145,782</b>	<b>95,805</b>

##### *Notes to the reconciliation of equity at 1 January 2015*

The adjustments made to the profit and loss account relate to an accrual that was recognised for vacation owed to employees and losses on derivatives which were not included under previous GAAP (see below).

The adjustments made to the statement of comprehensive income to adjustment to the defined benefit scheme financing costs on adoption of FRS 102.

The transition from previous GAAP to FRS 102 has not affected the financial position of the company.

##### *Reconciliation of profit for 2014*

	<b>£'000</b>
<b>Profit for the financial year under previous UK GAAP</b>	<b>55,906</b>
Adjustment for vacation accrual movement	120
Forward foreign exchange contracts loss	(795)
Adjustment for defined benefit scheme financing costs	(153)
Adjustment to taxation	135
<b>Profit for the financial year under FRS 102</b>	<b>55,213</b>

##### *Notes to the reconciliation of profit for 2014*

The adjustments from the transition to FRS102 have reduced the profits of the company by £693,000 but has not affected the financial position of the company.