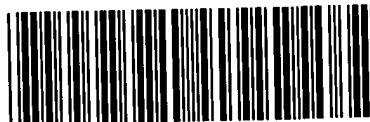


PPD Global Ltd
Annual report
for the year ended 31 December 2017

Registered Number 1564604

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PPD Global Ltd

PPD Global Ltd

Annual report for the year ended 31 December 2017

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PPD Global Ltd

Strategic report for the year ended 31 December 2017

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 Ghana, Greece, Israel, Kenya, Portugal, New Zealand, Turkey, and the United Kingdom. This includes clinical trial design and management, data collection, biostatistical analysis and product registration support.

On 11 May 2017 the ultimate holding company became Eagle Holding Company I, a company registered in the State of Delaware, USA. This company is controlled by funds managed by the Carlyle Group, Hellman & Friedman, a subsidiary of the Abu Dhabi Investment Authority (ADIA), and an affiliate of GIC, Singapore's sovereign wealth fund.

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 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 2018 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 £302 million (2016: £242 million). The increase is primarily due to PPD Global Ltd acquiring the unearned revenue on existing contracts from PPD Development (S) Pte. Ltd (incorporated in Singapore), a fellow group company.

The profit and loss account for the year is set out on page 11. Gross profit increased to £215 million (2016: £187 million) over the prior year due to the increase in net revenue. A profit was made on ordinary activities before taxation of £98 million (2016: £114 million). In 2017 the Eagle I group began charging a royalty fee for its intellectual property and technology. This replaced the management fee charged in prior years. The effect of this change decreased gross profit in 2017 by £29 million. Profit on ordinary activities before taxation was not impacted by this change. Net current assets increased to £280 million primarily due to an increase in cash balances (2016: £206 million). The group had 1,508 employees at the end of 2017 (2016: 1,471 employees). The group had year end cash balances of £137 million (2016: £68 million) and the balance sheet on page 12 of these financial statements shows the group's full financial position at that date. The increases in gross profit and cash balances are in line with the expectations of the group's stakeholders and the directors expect further increases during 2017.

The directors are not aware, at the date of this report, of any planned significant changes in the group's activities in the next twelve months. The group 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 group is well placed to manage its business risks successfully.

The directors consider the gross and operating profit margins to be key performance indicators. The gross profit margin decreased to 51% from 58% in 2016, this was due to the royalty fee that began being charged in 2017 replacing the management fee. The operating profit decreased to 24% from 36% due to an exchange loss occurring in 2017 compared to a gain in 2016.

PPD Global Ltd

Strategic report (continued)

Financial risk management objectives and policies

The group'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 group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The group uses foreign exchange forward contracts to hedge these exposures as required.

Credit risk - The group's principal financial assets are cash balances and trade and other debtors. The group'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 group 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 group uses intra-group financing where required.

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

Contract risk - The group 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 group could have earned under the contract if it had not been terminated early.

Scientists and other technical professionals - The group'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 group seeks to mitigate the risk of staff turnover by continually reviewing its reward package which includes assistance for continuing professional development.

United Kingdom's vote to exit the European Union - The group has operations in multiple countries, including the United Kingdom ("UK"), and has transactions in multiple currencies, including pound sterling. The group also employs nationals of EU countries in the UK and UK nationals are employed in fellow group companies in the EU. The UK government formally initiated the process to leave the European Union ("EU") on 29 March 2017 (this process is commonly referred to as "Brexit"). Economic conditions and regulatory changes leading up to, and following, Brexit could negatively affect the group and results of operations. The impact from Brexit, if any, will depend, in part on the outcome of tariff, trade, regulatory, immigration and other negotiations between the UK and the EU over the next two years. In the period since the Brexit vote, there has been volatility in the global stock markets and foreign currency exchange rates, as well as general economic uncertainty in both the UK and EU. Whilst currently hard to predict, the effects of Brexit could have an adverse impact on the group's business, results of operations, financial condition, or cash flows. The group has set up a Brexit committee which meets regularly to review new information on Brexit as it becomes available to determine how these risks could affect the group.

Future developments

Detailed below is an overview of some of the key factors we consider important to our business and the future developments:

Increase in Potential New Drug Candidates - The number of drug compounds in various stages of development has increased steadily over the past five years, with particularly strong growth in the number of compounds in early stages of development. While research and development spending and the number of drug candidates are increasing, the time and cost required to develop a new drug candidate also have increased. Many pharmaceutical and biotechnology companies do not have sufficient internal resources to pursue development of all of these new drug candidates on their own. Consequently, these companies are looking to the drug discovery and development services industry for cost-effective, innovative and rapid means of developing new drugs.

PPD Global Ltd

Strategic report (continued)

Future developments (continued)

Research and Development Productivity - While the total number of compounds in clinical development has increased in the last several years, thereby increasing the aggregate spending on research and development programs associated with new drug candidates, the number of novel new drugs approved for marketing remained relatively flat or even declined in recent years. Pharmaceutical and biotechnology companies have responded by focusing on efforts to extend the value of existing products, improve clinical success rates, restructure and re-engineer business processes and business units and lower clinical study costs. Furthermore, many pharmaceutical and biotechnology companies have also responded to the productivity challenge by increasing their focus on licensing and collaborative arrangements to improve new drug pipelines and gain financing for future development and marketing programs.

Biotechnology Industry Growth - The biotechnology industry has grown rapidly over the last decade and has emerged as a key client segment for the drug discovery and development services industry. While the biotechnology industry accounts for a smaller percentage of total industry R&D expenditure, the rate of biotechnology companies' spending is higher than traditional pharmaceutical companies. In recent years, this industry has generated significant numbers of new drug candidates that will require development and regulatory approval. Many biotechnology companies do not have the necessary staff, operating procedures, experience or expertise to conduct clinical trials on their own. Because of the time and cost involved, these companies rely heavily on CROs to conduct clinical research for their drug candidates.

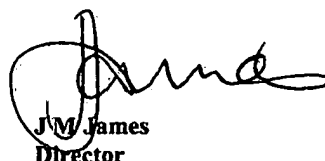
Globalization of Clinical Trials - Clinical trials have become increasingly global as sponsors seek to accelerate patient recruitment, broaden access to trained investigators, reduce costs and gain access to new sources of market expertise. Moreover, pharmaceutical and biotechnology companies are increasingly seeking to file drug registration packages in multiple countries to expand drug product markets. More clinical study work is being conducted in Asia, Eastern Europe, and Latin America, as well as other geographic regions. The clinical studies to support these registration packages frequently include a combination of multinational and domestic trials. This trend puts an emphasis on global experience and coordination throughout the development process, including the collection, analysis, integration and reporting of clinical trial data.

By order of the board



C D Neild
Director

Date: 29 MAY 2018



J M James
Director

Date: 29 MAY 2018

Registered Office:
Granta Park
Great Abington
Cambridge
CB21 6GQ

PPD Global Ltd

Directors' report for the year ended 31 December 2017

The directors present their report together with the audited financial statements for the year ended 31 December 2017.

Financial risk management objectives and policies are considered in the strategic report.

Going concern

The financial position of the group, its profit and loss account and balance sheet are shown on pages 11 and 12.

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 group 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 group is well placed to manage its business risks successfully.

Dividends

On 31 March 2016 the company paid an interim dividend of £34,085,257, on 25 May 2016 the company paid a further interim dividend of £153,720,025, and on 15 December 2016 the company paid a further interim dividend of £4,378.

On 28 April 2017 the company paid an interim dividend of £31,127,993.

The directors do not recommend the payment of a final dividend for 2017 (2016: nil).

Directors

The directors who served throughout the year and to the date of this report, unless otherwise stated, are shown below:

C D Neild
R S Newbery
P J F Summerfield (resigned 28 June 2017)
J M 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 group continues and the appropriate training is arranged. It is the policy of the group 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 group as a whole. Communication with all employees continues through the in-house newsletters, the intranet home page and staff briefings.

Existence of branches outside the UK

The company has branches, as defined in section 1046(3) of the Companies Act 2006, outside the United Kingdom as follows: Ghana, Greece, Israel, Kenya, Portugal, New Zealand, and Turkey.

PPD Global Ltd

Directors' report (continued)

Directors' indemnities

The group 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.

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 appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Future developments

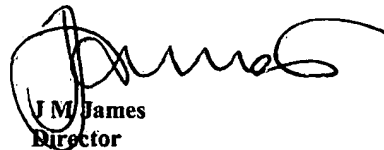
Details of future developments can be found in the Strategic Report on page 2 and form part of this report by cross-reference.

By order of the board



C D Neild
Director

Date: 29 MAY 2018



J M James
Director

Date: 29 MAY 2018

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.

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

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2017 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of PPD Global Ltd (the 'parent company') and its subsidiaries (the 'group') which comprise:

- the consolidated profit and loss account;
- the consolidated statement of comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated cash flow statement; and
- the related notes 1 to 29.

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).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

PPD Global Ltd

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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 on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

PPD Global Ltd

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

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.

Report on other legal and regulatory requirements

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 the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

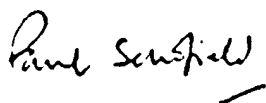
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Other matter

As the company was exempt from preparing consolidated financial statements under section 401 of the Companies Act 2006 in the prior year we have not audited the corresponding amounts for that year.



Paul Schofield, FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Cambridge, United Kingdom
Date: 29 May 2018

PPD Global Ltd

Consolidated profit and loss account for the year ended 31 December 2017

	Note	Years ended 31 December	
		2017 £'000	2016 £'000 (Unaudited)
Turnover	3	417,755	323,008
Cost of sales		(202,734)	(135,922)
Gross profit		215,021	187,086
Administrative expenses		(113,690)	(71,467)
Operating profit		101,331	115,619
Interest receivable and other similar income	4	2,135	3,593
Interest payable and other similar expenses	5	(5,004)	(4,616)
Financing costs in relation to pension liability	22	(446)	(126)
Profit before taxation	6	98,016	114,470
Tax on profit	9	(6,563)	(61)
Profit for the year		91,453	114,409

The above results all relate to continuing operations.

Consolidated statement of comprehensive income for the year ended 31 December 2017

		Years ended 31 December	
		2017 £'000	2016 £'000 (Unaudited)
Profit for the financial year		91,453	114,409
Exchange difference on translating the net assets of foreign operations		11	1,072
Actuarial gain/(loss) recognised in respect of the pension scheme	22	10,448	(13,537)
Movement on deferred tax relating to actuarial gain/(loss)	19	(1,881)	2,437
Total comprehensive income for the year		100,031	104,381

PPD Global Ltd

Consolidated balance sheet as at 31 December 2017

	Note	As at 31 December	
		2017 £'000	2016 £'000 (Unaudited)
Fixed assets			
Intangible assets	12	24,550	6,870
Tangible assets	13	8,738	10,462
Investments	14	1	1
		33,289	17,333
Current assets			
Debtors due within 1 year	15	594,924	549,349
Debtors due after more than 1 year	16	12,202	10,951
Cash at bank and in hand		137,420	68,027
		744,546	628,327
Creditors: amounts falling due within one year	17	(464,437)	(422,027)
Net current assets		280,109	206,300
Total assets less current liabilities		313,398	223,633
Creditors: Amounts falling due after more than one year	18	(113,659)	(94,354)
Deferred income	20	(1,255)	(1,274)
Net assets		198,484	128,005
Capital and reserves			
Called up share capital	21	10,526	10,526
Profit and loss account	21	187,958	117,479
Shareholders' funds		198,484	128,005

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:

29 MAY 2018

J M James
Director
Date:

29 MAY 2018


PPD Global Ltd

Company balance sheet as at 31 December 2017

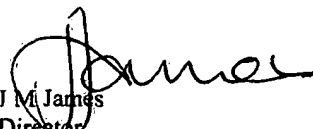
	Note	As at 31 December	
		2017 £'000	2016 £'000
Fixed assets			
Intangible assets	12	24,550	6,870
Tangible assets	13	8,738	10,462
Investments	14	1	1
		33,289	17,333
Current assets			
Debtors due within 1 year	15	594,935	549,358
Debtors due after more than 1 year	16	12,202	10,951
Cash at bank and in hand		137,420	68,027
		744,557	628,336
Creditors: amounts falling due within one year	17	(464,435)	(422,024)
Net current assets		280,122	206,312
Total assets less current liabilities		313,411	223,645
Creditors: Amounts falling due after more than one year	18	(113,659)	(94,354)
Deferred income	20	(1,255)	(1,274)
Net assets		198,497	128,017
Capital and reserves			
Called up share capital	21	10,526	10,526
Profit and loss account	21	187,971	117,491
Shareholders' funds		198,497	128,017

The profit for the financial year dealt with in the financial statements of the parent company was £91 million (2016: £114 million).

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:

29 MAY 2018


J M James
Director
Date:

29 MAY 2018

PPD Global Ltd

Consolidated statement of changes in equity as at 31 December 2017

	Called up share capital £'000	Profit and loss account £'000	Total £'000
At 31 December 2015	10,526	199,929	210,455
Profit for the year	-	114,409	114,409
Exchange difference on translating the net assets of foreign operations	-	1,072	1,072
Actuarial loss on pension scheme (see note 22)	-	(13,537)	(13,537)
Movement on deferred tax relating to pension scheme	-	2,437	2,437
Total comprehensive income	-	104,381	104,381
Credit to equity for share based payments (see note 11)	-	979	979
Dividends paid (see note 10)	-	(187,810)	(187,810)
At 31 December 2016	10,526	117,479	128,005
Profit for the year	-	91,453	91,453
Exchange difference on translating the net assets of foreign operations	-	11	11
Actuarial gain on pension scheme (see note 22)	-	10,448	10,448
Movement on deferred tax relating to pension scheme	-	(1,881)	(1,881)
Total comprehensive income	-	100,031	100,031
Credit to equity for share based payments (see note 11)	-	13,467	13,467
Debit to equity for cash settlement of cancelled share options (see note 11)	-	(11,891)	(11,891)
Dividends paid (see note 10)	-	(31,128)	(31,128)
At 31 December 2017	10,526	187,958	198,484

PPD Global Ltd

Company statement of changes in equity as at 31 December 2017

	Called up share capital £'000	Profit and loss account £'000	Total £'000
At 31 December 2015	10,526	199,937	210,463
Profit for the year	-	114,413	114,413
Exchange difference on translating the net assets of foreign operations	-	1,072	1,072
Actuarial loss on pension scheme (see note 22)	-	(13,537)	(13,537)
Movement on deferred tax relating to pension scheme	-	2,437	2,437
Total comprehensive income	-	104,385	104,385
Credit to equity for share based payments (see note 11)	-	979	979
Dividends paid (see note 10)	-	(187,810)	(187,810)
At 31 December 2016	10,526	117,491	128,017
Profit for the year	-	91,454	91,454
Exchange difference on translating the net assets of foreign operations	-	11	11
Actuarial gain on pension scheme (see note 22)	-	10,448	10,448
Movement on deferred tax relating to pension scheme	-	(1,881)	(1,881)
Total comprehensive income	-	100,032	100,032
Credit to equity for share based payments (see note 11)	-	13,467	13,467
Debit to equity for cash settlement of cancelled share options (see note 11)	-	(11,891)	(11,891)
Dividends paid (see note 10)	-	(31,128)	(31,128)
At 31 December 2017	10,526	187,971	198,497

PPD Global Ltd

Consolidated cash flow statement For the year ended 31 December 2017

	Note	Year ended 31 December	
		2017 £'000	2016 £'000 (Unaudited)
Net cash flow from operating activities	23	102,298	211,891
Cash flows from investing activities			
Proceeds from the sale of buildings		1,575	-
Purchase of equipment		(1,381)	(827)
Purchase of intangible assets		-	(14,365)
Interest received		1,691	1,279
Net cash flows from investing activities		104,183	197,978
Cash flows from financing activities			
Dividends paid		(31,128)	(187,810)
Cash settlement of cancelled share options		(11,891)	-
Repayments of obligations under finance lease		(99)	(66)
Net cash flows from financing activities		(43,118)	(187,876)
Net increase in cash and cash equivalents		61,065	10,102
Cash and cash equivalents at the beginning of year		68,027	60,766
Effect of foreign exchange rate changes		8,328	(2,841)
Cash and cash equivalents at end of year		137,420	68,027
Reconciliation to cash at bank and in hand:			
Cash at bank and in hand		137,420	68,027

PPD Global Ltd

Notes to the financial statements for the year ended 31 December 2017

1 Principal accounting policies

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

GENERAL INFORMATION AND BASIS OF ACCOUNTING

PPD Global Ltd is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. 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 2 to 4.

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 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 Eagle Holding Company I, which incorporate these disclosures. Exemptions have been taken in relation to share-based payments, financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

BASIS OF CONSOLIDATION

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 December each year.

Clinical Technology Centre (International) Limited is accounted for at cost less impairment.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation. In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition.

GOING CONCERN

The financial position of the group, its profit and loss account and balance sheet are shown on pages 11 and 12.

The group has considerable financial resources with a year-end cash balance of £137m (2016: £68m). 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 group 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 group 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 an estimate of the percentage of completion of each study.

The group 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 group could have earned under the contract if it had not been terminated early.

PPD Global Ltd

Notes to the financial statements for the year ended 31 December 2017

1 Principal accounting policies (continued)

TURNOVER AND REVENUE RECOGNITION (CONTINUED)

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.

RESEARCH AND DEVELOPMENT COSTS

The group incurs research and development expenditure on behalf of its clients and this is written off as incurred. The group 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.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

PPD Global Ltd

Notes to the financial statements for the year ended 31 December 2017

1 Principal accounting policies (continued)

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, Ghanaian, 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.

INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

Investments in subsidiary undertakings are stated on the balance sheet at values determined by the directors on the basis of the cost of each investment less any permanent impairment in value.

Investments in subsidiary undertakings are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised

INTANGIBLE ASSETS

Definite-lived intangible assets consist of backlog which relates to the unearned revenue on existing contracts acquired from PPD Bulgaria EOOD and PPD Development (S) Pte. Ltd, fellow group companies. The group amortizes backlog primarily using the straight-line method over their estimated useful lives of between 22 and 23 months. The group reviews definite-lived intangible assets for impairment when circumstances indicate that the carrying amount of assets might not be recoverable. This evaluation involves various analyses, including undiscounted cash flow projections. In the event undiscounted cash flow projections or other analyses indicate that the carrying amount of the intangible asset is not likely to be recovered, the group records an impairment charge reducing the carrying value of the intangible asset to its estimated fair value. The group estimates fair value based on generally accepted valuation techniques, including cost and income approaches. These approaches may include a discounted cash flow income model or other generally accepted approaches. The new fair value of the intangible asset is amortized over the remaining useful life.

PENSION COSTS

The group provides pensions to certain employees through a defined benefit pension scheme. It is the general policy of the group 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.

PPD Global Ltd

Notes to the financial statements for the year ended 31 December 2017

1 Principal accounting policies (continued)

PENSION COSTS (CONTINUED)

The group 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 group 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 group 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 balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group 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 group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the group, 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 group uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The group 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.

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.

PPD Global Ltd

Notes to the financial statements for the year ended 31 December 2017

1 Principal accounting policies (continued)

LEASES (CONTINUED)

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.

DIVIDEND AND INTEREST REVENUE

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably).

Interest income is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

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 group's estimate of options that will eventually vest and adjusted for non market-based vesting conditions. 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 group'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 Group's accounting policies

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

Revenue recognition

The group 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 group 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 2017

2 Critical accounting judgements and key sources of estimation uncertainty (continued)

Fair Value of intangible Assets

The group has purchased, at fair value, the right to future revenue from contracts with customers ("backlog") from fellow subsidiaries of the ultimate parent company and carries these assets initially at cost. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants.

In the absence of quoted prices or other observable market-corroborated data, the group uses internal valuation models to estimate the fair value of purchased backlog. Changes in the assumptions used in these models could have a material impact on the carrying amounts of these assets.

The group has determined useful lives for its backlog assets as set out in note 12, based on the expected rate of conversion of backlog to revenue, discounted at an appropriate rate to take account of the timing of the cashflows. This expectation considers the contract lives and historic profiling. The group amortises backlog over its useful life and if this estimation does not match the actual rate of conversion to revenue then profits could be increased or reduced accordingly.

There are no key sources of estimation uncertainty.

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:

	2017 £'000	2016 £'000
Europe	157,959	122,138
United States of America	249,474	192,889
Far East	8,885	6,870
Other	1,437	1,111
	417,755	323,008

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

	2017 £'000	2016 £'000
Rendering of services	417,755	323,008

4 Interest receivable and other similar income

	2017 £'000	2016 £'000
On loans to fellow group undertakings	444	2,313
On tax refund	-	1
On bank balances	1,691	1,279
	2,135	3,593

PPD Global Ltd

Notes to the financial statements for the year ended 31 December 2017

5 Interest payable and other similar expenses

	2017 £'000	2016 £'000
On loans from fellow group undertakings	4,799	4,311
On bank balances	205	305
	5,004	4,616

6 Profit before taxation

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

	2017 £'000	2016 £'000
Amortisation of owned intangible assets	10,746	7,495
Depreciation of owned tangible fixed assets	1,486	1,797
Depreciation of leased tangible fixed assets	26	27
Loss on disposal of tangible fixed assets	8	1
Hire of plant and machinery - operating lease rentals	1,211	1,211
Hire of other assets - operating lease rentals	3,103	2,986
Government grant income	(43)	(42)
Remuneration paid to Deloitte LLP – audit of group and company's annual accounts	77	80
Exchange loss/(gain)	34,770	(17,224)

Amortisation of intangible assets is included in administrative expenses.

7 Directors' emoluments

Directors' remuneration

The directors received the following emoluments:

	2017 £'000	2016 £'000
Aggregate emoluments		
Emoluments and benefits	5,903	1,495
Company contributions to money purchase pension schemes	63	66
	5,966	1,561

There are three directors (2016: four) to whom benefits are accruing in respect of money purchase pension schemes. No directors (2016: none) exercised share options in the ultimate parent company during the year.

PPD Global Ltd

Notes to the financial statements for the year ended 31 December 2017

7 Directors' emoluments (continued)

Remuneration of the highest paid director:

	2017 £'000	2016 £'000
Aggregate emoluments		
Emoluments and benefits	1,901	436
Company contributions to money purchase pension schemes	13	13
	1,914	449

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

8 Employee information

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

	2017 Number	2016 Number
By activity		
Scientific operations	1,266	1,218
Administration	242	253
	1,508	1,471

	2017 £'000	2016 £'000
Staff costs (for the above persons)		
Wages and salaries	78,607	70,381
Social security costs	10,303	7,051
Other pension costs (see note 22)		
Defined contribution scheme	4,587	3,935
Equity-settled share based payments (see note 11)		
Incentive schemes (Equity Compensation Plan)	13,467	979
	106,964	82,346

PPD Global Ltd

Notes to the financial statements for the year ended 31 December 2017

9 Tax on profit

(a) Analysis of charge in year

	2017 £'000	2016 £'000
Current tax		
- UK Corporation Tax on profits for the year	6,741	-
- Overseas tax	477	358
Total current tax	7,218	358
Total deferred tax	(655)	(297)
Total tax on profit	6,563	61

(b) Total tax

The tax assessed for the year to 31 December 2017 is lower than the average rate of corporation tax in the UK of 19.25% (2016: 20%) due to the following:

	2017 £'000	2016 £'000
Profit before tax	98,016	114,470
Multiplied by 19.25% (2016: 20%)	18,868	22,894
Effects of		
Expenses not deductible for tax purposes	157	464
Transfer pricing adjustment	225	-
Group relief received for nil payment	(12,320)	(22,046)
Share based payment adjustment	206	52
Adjustment to tax in respect of prior periods	(419)	(618)
Rate and exchange differences	(9)	7
Deferred tax asset not previously recognised utilised during the year	(193)	-
Deferred tax not recognised	(58)	(765)
Overseas profits taxed at a higher rate	106	73
Total tax (9a)	6,563	61

(c) Future tax charge

During the year beginning 1 January 2018, the net reversal of deferred tax assets and liabilities is expected to decrease the corporation tax charge for the year by £256,000. This is due to depreciation exceeding capital allowances, payment of bonuses and tax deductions for pension contributions spread over four years for tax purposes.

PPD Global Ltd

Notes to the financial statements for the year ended 31 December 2017

9 Tax on profit (continued)

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. Subsequently, the Finance Act 2016, which provides for a further reduction in the main rate of corporation tax to 17% effective from 1 April 2020, was substantively enacted on 6 September 2016. These rate reductions have been reflected in the calculation of deferred tax at the balance sheet date.

The closing deferred tax liability at 31 December 2017 has been calculated at a hybrid rate of 18% reflecting the tax rate at which the deferred tax liability is expected to be reversed in future periods.

(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 2016:

Portugal	22.5% (2016: 22.5%)
New Zealand	28% (2016: 28%)
Greece	29% (2016: 29%)
Israel	24% (2016: 25%)
Turkey	20% (2016: 20%)
Kenya	37.5% (2016: 37.5%)
Ghana	25% (2016: 25%)

10 Dividends

On 31 March 2016 the company paid an interim dividend of £34,085,257, on 25 May 2016 the company paid a further interim dividend of £153,720,025, and on 15 December 2016 the company paid a further interim dividend of £4,378.

On 28 April 2017 the company paid an interim dividend of £31,127,993.

The directors do not recommend the payment of a final dividend for 2017 (2016: nil).

11 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 was a part of.

Under the Plan, PPD LLC could 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 was administered by the Board of Directors of PPD LLC or any committee or committees thereof to which the Board delegated authority (the "Administrator"). The Plan provided 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.

PPD Global Ltd

Notes to the financial statements for the year ended 31 December 2017

11 Share based payments (continued)

In May 2017, the company's parent group was recapitalized into Eagle Holding Company I ("Eagle I"). Upon recapitalization, Eagle I adopted the Eagle I Plan and stock options granted under the Jaguar Holding Company I 2011 Equity Incentive Plan were subject to accelerated vesting and were settled in cash.

Under the Eagle I Plan, Eagle I can issue stock options, restricted stock and other stock-based awards to employees, directors and consultants of Eagle I. Eagle I reserved 13.1 million shares of common stock for issuance of stock-based awards under the Eagle I Plan. The Eagle I Plan is administered by the Board of Directors of Eagle I or any committee or committees thereof to which the Board delegates authority (the "Administrator"). The Eagle I 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 Eagle I Plan may not have a term that exceeds ten years from the date of grant. The exercise price of stock options issued under the Eagle I Plan may not be less than the fair market value of Eagle I's common stock on the date of grant. For stock options that have time-based vesting, the fair value of such options is expensed on a straight-line basis over the requisite service period, which is equal to the vesting period. For stock options that have performance-based vesting, the performance options are eligible to vest at a rate of up to 20% per year (a Tranche) subject to the actual or expected achievement of performance targets for such years. The Company recognized stock-based compensation expense for the performance stock options on a straight-line basis over the period from the grant date through the end of the respective Tranche year, treating all Tranches as if they are each separate awards.

Details of the share options outstanding during the year for the Jaguar I plan are as follows:

	2017		2016	
	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	1,103,826	8.92	874,028	9.23
Granted during the year	-	-	298,000	16.66
Exercised during the year	-	-	(23,550)	9.11
Forfeited during the year	-	-	(38,684)	14.11
Expired during the year	(9,826)	10.03	(5,968)	8.98
Cancelled during the year	(1,094,000)	10.91	-	-
Outstanding at the end of the year	-	-	1,103,826	10.90
Exercisable at the end of the year	-	-	590,118	8.92

The options outstanding at 30 April 2017 had a weighted average share price at the date of exercise of \$10.91 (2016: \$10.91) and a weighted average remaining contractual life of 7 years (2016: 7 years). The aggregate of the estimated fair values of the options granted during 2017 under this plan was £nil (2016: £1,212,045).

PPD Global Ltd
Notes to the financial statements for the year ended 31 December 2017

11 Share based payments (continued)

Details of the share options outstanding during the year for the Eagle I plan are as follows:

	2017		2016	
	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	-	-	-	-
Granted during the year	673,406	27.09	-	-
Forfeited during the year	(17,906)	27.09	-	-
Outstanding at the end of the year	655,500	27.09	-	-
Exercisable at the end of the year	65,550	27.09	-	-

The options outstanding at 31 December 2017 had a weighted average share price at the date of exercise of \$27.09 and a weighted average remaining contractual life of 7 years. The aggregate of the estimated fair values of the options granted during 2017 was £502,496.

The share based compensation charge for the year is £1,070,000 (2016: £979,000). The accelerated charge as a result of the cancellation of the Jaguar I scheme was £12,397,000. The amount of cash reimbursement for the cancelled share options was £11,891,000.

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.

12 Intangible assets

Group and company	£'000
Cost	
At 1 January 2017	14,365
Additions (see below)	28,426
At 31 December 2017	42,791
Amortization	
At 1 January 2017	7,495
Charge for the year	10,746
At 31 December 2017	18,241
Net book value	
At 31 December 2017	24,550
At 31 December 2016	6,870

PPD Global Ltd

Notes to the financial statements for the year ended 31 December 2017

12 Intangible assets (continued)

The group acquired the unearned revenue on existing contracts from PPD Bulgaria EOOD, a fellow group company in 2016. The carrying amount as at 31 December 2017 was £nil (31 December 2016: £6,870,000). This unearned revenue on existing contracts has been fully amortized.

The group acquired the unearned revenue on existing contracts from PPD Development (S) Pte. Ltd, a fellow group company in 2017. The carrying amount as at 31 December 2017 was £24,550,000. This unearned revenue on existing contracts has an estimated remaining useful life of 19 months.

Amortisation of intangible assets is recognised in administrative expenses.

13 Tangible fixed assets

Group and company	Freehold property £'000	Leasehold improvements £'000	Software £'000	Furniture, computer equipment, equipment and vehicles £'000	Total £'000
Cost					
At 1 January 2017	9,899	5,415	13,455	8,630	37,399
Exchange adjustment	-	38	-	(1)	37
Additions	-	339	-	1,041	1,380
Disposals	(1,575)	(2)	-	(1,945)	(3,522)
At 31 December 2017	8,324	5,790	13,455	7,725	35,294
Depreciation					
At 1 January 2017	2,032	4,584	13,276	7,045	26,937
Exchange adjustment	-	38	-	(2)	36
Charge for year	199	320	167	826	1,512
Disposals	-	(2)	-	(1,927)	(1,929)
At 31 December 2017	2,231	4,940	13,443	5,942	26,556
Net book value at 31 December 2017	6,093	850	12	1,783	8,738
Net book value at 31 December 2016	7,867	831	179	1,585	10,462

Included within the freehold property is land at cost of £350,000 (2016: £350,000) which is not depreciated. The directors believe that the market value of the land is in line with the carrying value.

The group 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 £151,000 (2016: £131,000). The net carrying amount at the end of the reporting period for assets held under Finance Leases was £43,000 (2016: £57,000).

PPD Global Ltd

Notes to the financial statements for the year ended 31 December 2017

14 Fixed asset investments

Group and company	£'000
Cost and net book value of group's investment in minority holdings	
At 1 January 2016 and 31 December 2017	1

Interests in group undertakings at 31 December 2017:

Name of undertaking	Description of shares held	% held	Registered address
PPD Slovak Republic s.r.o (incorporated in Slovak Republic)	Ordinary	15%	Bratislavská cesta 100/D 931 01 Šamorín Slovak Republic
PPD Global Central Labs BVBA (incorporated in Belgium)	Ordinary	0.1%	Kleine Kloosterstraat 19 1932 Sint – Stevens - Woluwe Belgium
PPD Pharmaceutical Development India Private Limited (incorporated in India)	Ordinary	0.01%	Office 101, A-Wing, Fulcrum, Hiranandani Business Park, Sahar Road, Andheri (East), Mumbai-400099, Maharashtra, India

The parent company and the group have an investment in the following subsidiary undertaking that has been consolidated into the group:

Name of undertaking	Description of shares held	% held	Registered address
Clinical Technology Centre (International) Limited (incorporated in the United Kingdom)	Ordinary	100%	Granta Park Great Abington Cambridge CB21 6GQ

PPD Global Ltd

Notes to the financial statements for the year ended 31 December 2017

15 Debtors: amounts falling due within one year

	Group		Company	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
	(Unaudited)			
Trade debtors	57,143	65,431	57,143	65,431
Amounts recoverable on contracts	223,728	189,328	223,728	189,328
Amounts due from group undertakings (see below)	280,749	270,809	280,760	270,818
UK Corporation tax repayable	11,660	-	11,660	-
Research and development expenditure credit receivable	11,675	8,762	11,675	8,762
Other debtors	1,735	1,794	1,735	1,794
Overseas tax recoverable	394	306	394	306
Deferred taxation asset (see note 19)	5,864	11,030	5,864	11,030
Prepayments and accrued income	1,976	1,889	1,976	1,889
	594,924	549,349	594,935	549,358

At 31 December 2017 £247,993,000 (2016: £238,559,000) of the amounts due from group undertakings in the table above are unsecured, interest free, and repayable on demand. The remaining £32,756,000 (2016: £32,250,000) is also unsecured and is repayable on demand with interest charged on the outstanding principal at a variable rate. During 2017 the interest rate varied between 1% and 10%. The interest charged is repayable on demand.

16 Debtors: amounts falling due after more than one year

Group and company	2017	2016
	£'000	£'000
Long term rental deposit	431	507
Other debtors	171	93
Research and development expenditure credit receivable	11,600	10,000
Amounts due from group undertakings (see below)	-	351
	12,202	10,951

At 31 December 2016 £351,000 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.

PPD Global Ltd

Notes to the financial statements for the year ended 31 December 2017

17 Creditors: amounts falling due within one year

	Group		Company	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
	(Unaudited)			
Trade creditors	118,515	70,222	118,515	70,222
Payments on account on long-term contracts	236,499	197,027	236,499	197,027
Amounts due to group undertakings (see below)	78,212	114,782	78,212	114,782
Taxation and social security	2,740	851	2,740	851
Overseas taxation payable	43	41	43	41
Obligations under finance leases	50	41	50	41
Accruals and deferred income	26,466	22,149	26,464	22,146
Defined benefit pension scheme deficit	1,912	16,914	1,912	16,914
	464,437	422,027	464,435	422,024

At 31 December 2017 £78,212,000 (2016: £110,154,000) of the amounts due to group undertakings are unsecured, interest free and repayable on demand.

At December 2016 £4,628,000 was also unsecured and repayable on demand with interest charged on the outstanding principal at a variable rate. During 2016 the interest rate varied between 1% and 5%.

18 Creditors: amounts falling due after more than one year

Group and company	2017	2016
	£'000	£'000
Amounts due to group undertakings (see below)	113,613	94,310
Finance leases		
Not later than one year	10	10
Later than one year and not later than five years	36	34
	113,659	94,354

At 31 December 2017 £113,613,000 (2016: £94,310,000) 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 2017 the interest rate varied between 1% and 5%.

The group 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 2017

19 Deferred taxation asset

Group and company	£'000
At 1 January 2017	11,030
Origination and reversal of timing differences	243
Utilisation of brought forward Notional Tax on R&D Expenditure credit	(3,521)
Exchange adjustment	(7)
OCI movement	(1,881)
At 31 December 2017	5,864

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

Amounts provided:

	2017 £'000	2016 £'000
Accelerated capital allowances	(1,252)	(1,527)
Short term timing differences	1,451	670
R&D Expenditure credit notional tax credits	5,321	8,843
Defined benefit pension scheme	344	3,044
As at 31 December 2017	5,864	11,030

Amounts not provided:

	2017 £'000	2016 £'000
Long term timing differences	193	134
Tax losses	364	364
As at 31 December 2017	557	498

The unrecognised deferred tax asset in respect of long term timing differences 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.

Deferred tax assets and liabilities are offset only where the Company has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or another entity within the Company.

PPD Global Ltd

Notes to the financial statements for the year ended 31 December 2017

19 Deferred taxation asset (continued)

Total deferred tax:

	2017 £'000	2016 £'000
Research and development expenditure credit notional tax credits	5,321	8,843
Accelerated capital allowances	(1,252)	(1,527)
Short term timing differences	947	670
Long term timing differences	193	134
Tax losses	364	364
Pension spreading	504	-
Defined benefit pension scheme	344	3,044
	6,421	11,528

20 Deferred income

	2017 £'000	2016 £'000
Group and company		
Deferred grant income (see below)	1,225	1,268
Deferred rental income	30	6
	1,255	1,274

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.

21 Called up share capital and reserves

	2017 £000	2016 £'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 group and company's other reserve is as follows:

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

PPD Global Ltd

Notes to the financial statements for the year ended 31 December 2017

22 Pensions

During the year the group operated a defined benefit pension scheme within PPD Global Ltd Retirements Benefits Scheme ('the 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 group made a lump sum payment of £5,000,000 to the Scheme in 2017 as part of the agreed plan to fund the scheme's deficit (2016: £1,152,000). Additional lump sum payments are scheduled to be made in the subsequent years (£800,000 in 2019 and then £2,900,000 in each of 2020 to 2022 inclusive).

A full actuarial valuation was carried out as at 5 April 2017 and updated to 31 December 2017 by a qualified independent actuary. Such full valuations take place every three years. The major assumptions used by the actuary were:

	2017	2016	2015
Rate of increase in salaries	3.7%	3.7%	3.6%
Rate of increase in pensions in payment	3.0%	3.0%	3.0%
Rate of increase of pensions in deferment	3.0%	3.0%	3.0%
Discount rate	2.6%	2.7%	3.9%
Inflation assumption	3.2%	3.2%	3.0%

The mortality assumptions were:

	2017	2016
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:

	2017 £'000	2016 £'000	2015 £'000
Equities	-	39,995	34,201
Bonds	21,379	16,590	13,802
Cash	494	1,356	29
Diversified growth funds	44,385	-	-
Total market value of assets	66,258	57,941	48,032
Actuarial value of liability	(68,170)	(74,855)	(52,435)
Deficit in the scheme	(1,912)	(16,914)	(4,403)

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 2017

22 Pensions (continued)

ANALYSIS OF THE AMOUNT CHARGED TO NET FINANCE CHARGES

	2017 £'000	2016 £'000
Net interest charge	446	126

ANALYSIS OF THE ACTUARIAL GAIN/(LOSS) RECOGNISED IN THE STATEMENT OF COMPREHENSIVE INCOME

	2017 £'000	2016 £'000
Actual return less expected return on assets	2,966	7,552
Changes in assumptions	7,482	(21,089)
Net actuarial gain/(loss) recognised	10,448	(13,537)
Cumulative amount of actuarial loss recognised	(13,690)	(24,138)

MOVEMENTS IN THE PRESENT VALUE OF DEFINED BENEFIT OBLIGATIONS

	2017 £'000	2016 £'000
Benefit obligation at beginning of year	74,855	52,435
Interest cost	2,005	2,031
Actuarial (gain)/loss	(7,482)	21,089
Benefits paid	(1,208)	(700)
Benefit obligation at end of year	68,170	74,855

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 comprehensive income.

PPD Global Ltd

Notes to the financial statements for the year ended 31 December 2017

22 Pensions (continued)

CHANGE IN PLAN ASSETS

	2017 £'000	2016 £'000
Fair value of plan assets at beginning of year	57,941	48,032
Actual return on plan assets	2,966	7,552
Interest income	1,559	1,905
Employer contributions	5,000	1,152
Benefits paid from plan	(1,208)	(700)
Fair value of plan assets at end of year	66,258	57,941

AMOUNTS RECOGNISED IN THE BALANCE SHEET

	2017 £'000	2016 £'000
Present value of funded obligations	68,170	74,855
Fair value of plan assets	(66,258)	(57,941)
Deficit for funded plans	1,912	16,914

The actuarial valuation at 31 December 2017 showed a decrease in the deficit, from £16,914,000 to £1,912,000.

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 £4,587,000 (2016: £3,935,000). £706,000 (2016: £490,000) of contributions were outstanding at the end of the year.

PPD Global Ltd

Notes to the financial statements for the year ended 31 December 2017

23 Cash flow statement

Reconciliation of operating profit to cash generated by operations

	2017	2016
	£'000	£'000 (Unaudited)
Gross profit	215,021	187,086
Administrative expenses	(113,690)	(71,467)
Operating profit	101,331	115,619
Adjustment for:		
Impairment of Asset held for sale	-	600
Share-based payment expense	13,467	979
Depreciation and amortization	12,261	9,319
Amortization of government grant	(42)	(42)
Loss on disposal of fixed assets	8	1
Adjustment for pension funding	(5,000)	(1,152)
Financing costs in relation to pension liability	(446)	(126)
Effect of foreign exchange rate changes	554	647
Foreign exchange on forward contracts	-	147
Operating cash flow before movement in working capital	122,133	125,992
Increase in debtors	(51,460)	(45,432)
Increase in creditors	43,490	131,636
Cash generated by operations	114,163	212,196
Income taxes paid	(11,660)	-
Interest paid	(205)	(305)
Net cash flows from operating activities	102,298	211,891

24 Financial commitments

The group 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 group 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:

	2017		2016	
	Land and buildings £'000	Plant and equipment £'000	Land and buildings £'000	Plant and equipment £'000
Operating leases which expire:				
- within one year	1,520	529	11	237
- within two to five years	3,854	3,002	4,123	1,858
- in over five years	12,404	-	11,026	-
	17,778	3,531	15,160	2,095

PPD Global Ltd

Notes to the financial statements for the year ended 31 December 2017

25 Financial instruments

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

Financial assets

	Group		Company	
	2017	2016	2017	2016
	£'000	£'000	£'000	£'000
	(Unaudited)			
Measured at undiscounted amount receivable				
- Trade debtors (see note 15)	57,143	65,431	57,143	65,431
- Amounts recoverable on contracts (see note 15)	223,728	189,328	223,728	189,328
- Other debtors (see note 15 and 16)	1,906	1,887	1,906	1,887
- Amounts due from group undertakings (see note 15 and 16)	280,749	271,160	280,760	271,169
	563,526	527,806	563,537	527,815

Financial liabilities

Group and company

	2017	2016
	£'000	£'000
Measured at fair value through profit and loss		
- Forward foreign exchange contracts liability (see note 26)	-	147
Measured at undiscounted amount payable		
- Trade and other creditors (see note 17)	118,515	70,222
- Payments on account on long-term contracts (see note 17)	236,499	197,027
- Amounts owed to group undertakings (see note 17 and 18)	191,825	209,092
	546,839	476,488

Interest income and expense

Group and company

	2017	2016
	£'000	£'000
On loans to fellow group undertakings	444	2,313
On loans from fellow group undertakings	(4,799)	(4,311)
	(4,355)	(1,998)

PPD Global Ltd

Notes to the financial statements for the year ended 31 December 2017

26 Derivatives

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

	2017 £'000	2016 £'000
Forward foreign exchange contracts liability	-	147

The group 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.

27 Contingent liabilities and guarantees

The group engages other legal entities within the Group ("affiliates") located in other countries around the world to provide certain services to it. We consider these affiliates to export their services to the group and invoice for them accordingly. Tax legislation differs between the territories in which the affiliates operate and, from time to time, the relationship between the group and its affiliates is subject to audit by local indirect tax authorities. A number of these audits are in progress relating to services provided during 2017 and earlier and the group has assessed the likely outcomes.

As of 31 December 2017 the group had accrued aggregate liabilities of £6.9 million in other current liabilities for all of the contingent matters described in this note. While the directors intend to vigorously defend these matters, there exists the possibility of adverse outcomes that they estimate could reach approximately £9.5 million in aggregate beyond recorded amounts, payable within 3 years. Were unfavourable final outcomes to occur, there exists the possibility of a material adverse impact on the financial statements for the period in which the effects become reasonably estimable.

The group has guaranteed the bank overdrafts of PPD UK Holdings Ltd. The group's exposure at 31 December 2017 under this guarantee was £nil (2016: £nil). The directors consider that the possibility of any outflow of resources is remote.

28 Related party transactions

As a wholly owned subsidiary of Eagle Holding Company I. (see note 29), 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.

PPD Global Ltd

Notes to the financial statements for the year ended 31 December 2017

29 Immediate and ultimate parent company

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

At 31 December 2017 the directors regarded Eagle Holding Company I, 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, Hellman & Friedman, a subsidiary of the Abu Dhabi Investment Authority (ADIA), and an affiliate of GIC, Singapore's sovereign wealth fund.

The registered address of Eagle Holding Company I is:

The Corporation Trust Company
Corporation Trust Centre
1209 Orange Street
Wilmington, DE 19801
USA

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