

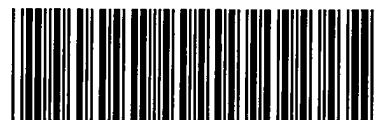
eResearchTechnology Limited

Annual report and financial statements

Registered number 02126652

For the year ended 31 December 2014

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Strategic report

The directors present their annual report on the affairs of the Company, together with the financial statements and auditor's report, for the year ended 31 December 2014.

Principal activity

The principal activity of the Company is the provision of cardiac data analysis services.

Business review

Net revenues for 2014 totalled £20.8 million, an increase of £3.2 million (18%) from £17.6 million in 2013. Operating margin percentage was 0.0% in 2014 compared to 28.9% in 2013. In 2014, the Company revised its Transfer Price Structure from a royalty and management fee method to a residual profit split method which more accurately identifies returns from routine and non-routine functions.

Operating expenses were £20.8 million for 2014, an increase of £8.3 million (66%) from £12.5 million in 2013. Staff costs have decreased to £4.7 million in 2014 from £4.9 million in 2013 due to the control of hiring and a reduction in bonus expense. Depreciation of tangible fixed assets decreased to £1.4 million from £2.0 million in 2013 due to a decrease in rental equipment. The cost of other operating expenses increased to £13.5 million in 2014 from £4.4 million in 2013 as a result of a change in the transfer price structure.

Principal risks and uncertainty

The Company operates in a market that is intensely competitive, continuously evolving and subject to rapid technological change. Increased competition could result in price reductions, reduced gross margins and loss of market share.

Our primary financial market risks include fluctuations in interest rates and currency exchange rates.

Interest rate risk

Another company in the group, eResearchTechnology, Inc. is responsible for group investments and places investments in money market funds, municipal securities, bonds of government sponsored agencies, certificates of deposit with fixed rates with maturities of less than one year, and A1P1 rated commercial bonds and paper. Due to the current financial market conditions, we have invested primarily in liquid money market funds. Due to the average maturity and conservative nature of our investment portfolio, a sudden change in interest rates would not have a material effect on the value of the portfolio. The impact on our future interest income of future changes in investment yields will depend largely on the gross amount of our cash, cash equivalents, short-term investments and long-term investments.

Foreign currency risk

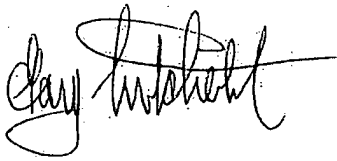
All international net revenues are earned in either US Dollars or Pounds Sterling. As such, we face exposure to adverse movements in the exchange rate of the Pounds Sterling and US Dollars.

Strategic report *(continued)*

Results and dividends

The results for the year are shown in the profit and loss account on page 6. The directors do not recommend the payment of a final dividend (2013: £nil).

By order of the board



G Mitcheltree
Director

19 January 2016

Peterborough Business Park
Lynch Wood
Peterborough
Cambridgeshire
PE2 6FZ

Directors' report

Directors and their interests

The directors who held office during the year and up to the date of this report were as follows:

W Nasim	American	
G Mitcheltree	American	Appointed 10 June 2014
J Corrigan	American	Appointed 2 November 2014

Certain directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Political and charitable contributions

The Company made no political donations or incurred any political expenditure during the year. The Company made £2,900 in charitable donations to UK charities during the year (2013:£6,212).

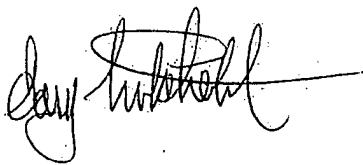
Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



G Mitcheltree
Director

19 January 2016

Peterborough Business Park
Lynch Wood
Peterborough
Cambridgeshire
PE2 6FZ

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Independent auditor's report to the members of eResearchTechnology Limited

We have audited the financial statements of eResearchTechnology Limited for the year ended 31 December 2014 set out on pages 6 to 23. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 set out on page 4, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with UK 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.

Charles le Strange Meakin

Charles le Strange Meakin (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

Botanic House
100 Hills Road
Cambridge
CB2 1AR

26 January 2016

Profit and loss account
for the year ended 31 December 2014

	<i>Note</i>	2014 £	2013 £
Turnover	2	20,764,494	17,628,796
Operating expenses	3	(20,776,000)	(12,532,715)
		<hr/>	<hr/>
Operating (loss)/profit		(11,506)	5,096,081
Other interest receivable and similar income	7	1,434,464	329,484
Interest payable and similar charges	8	(3,157,872)	(2,548,861)
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before taxation	4	(1,734,914)	2,876,704
Tax on (loss)/profit on ordinary activities	9	(214,954)	183,919
		<hr/>	<hr/>
(Loss)/profit for the financial year	19	(1,949,868)	3,060,623
		<hr/>	<hr/>

All of the above results relate to continuing activities.

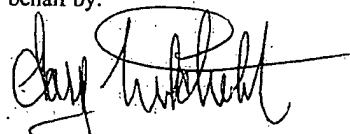
The notes on pages 10 to 23 form part of these financial statements.

Balance sheet
at 31 December 2014

	Note	2014	2013
		£	£
Fixed assets			
Tangible assets	10	1,549,772	2,622,305
Investments	11	54,104,257	50,967,208
		<u>55,654,029</u>	<u>53,589,513</u>
Current assets			
Debtors	12	25,672,488	9,233,851
of which £18,481,734 (2013: £4,208,280) due after more than one year			
Cash at bank and in hand		2,169,121	4,438,275
Inventory		78,264	
		<u>27,919,874</u>	<u>13,672,126</u>
Creditors: amounts falling due within one year	14	(13,530,909)	(6,144,166)
Net current assets		<u>14,388,964</u>	<u>7,527,960</u>
Total assets less current liabilities		<u>70,042,993</u>	<u>61,117,473</u>
Creditors: amounts falling due after more than one year	15	(30,997,068)	(22,635,594)
Net assets		<u>39,045,925</u>	<u>38,481,879</u>
Capital and reserves			
Called up share capital	17	259	259
Share premium account	18	16,701,386	16,701,386
Capital contributions reserve	18	1,512,620	1,507,677
Translation reserve	18	(1,170,652)	(3,679,623)
Profit and loss account	18	22,002,312	23,952,180
Shareholders' funds	19	<u>39,045,925</u>	<u>38,481,879</u>

The notes on pages 10 to 23 form part of these financial statements.

These financial statements were approved by the board of directors on 19 January 2016 and were signed on its behalf by:



G Mitchelltree
Director

eResearchTechnology Limited
Registered number: 02126652

Statement of total recognised gains and losses
for the year ended 31 December 2014

	2014 £000	2013 £000
(Loss)/profit for the financial year	(1,949,868)	3,060,623
Net exchange differences on the retranslation of net investments and related borrowings	(2,508,971)	(888,029)
	<hr/>	<hr/>
Total recognised gains and losses relating to the financial year	(4,458,839)	2,172,594
	<hr/>	<hr/>

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Related parties

The Company was a wholly owned subsidiary of eResearchTechnology UK 2 Ltd at the year end. eResearchTechnology UK 2 Ltd and its parent company eResearchTechnology UK 1 Ltd are wholly owned subsidiaries of the company's ultimate parent company, Explorer Holdings, Inc.

The Company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

As the Company is a wholly owned subsidiary of eResearchTechnology UK 1 Ltd, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the group.

Going concern

The company's business activities, together with the factors likely to affect its future development and position, are set out in the Business Review section of the Strategic Report on pages 1 to 2.

The company participates in the centralised treasury arrangements of another company in the group and so shares banking arrangements with other entities in the group and fellow subsidiaries.

The directors, having assessed the responses of the directors of the company's parent, Explorer Holdings, Inc to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the company to continue as a going concern or its ability to continue with the current banking arrangements.

On the basis of their assessment of the company's financial position and of the enquiries made of the directors of Explorer Holdings, Inc, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Cash flow statement

Under the provisions of FRS 1 (revised), the Company has not prepared a cash flow statement because it was a wholly-owned subsidiary of eResearchTechnology UK 1 Ltd. at the year end whose consolidated financial statements are publicly available.

Notes (continued)

1 Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost, less accumulated depreciation.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset on a straight-line basis over its expected useful life, as follows:

Tools and equipment	-	3-4 years
Fixtures and fittings	-	5 years

Turnover

Revenue is recognised as follows:

Cardiac safety service revenues consist of revenues from services that the Company provides on a fee-for-service basis and the Company recognises such revenues as the services are performed. The rental of cardiac safety equipment is recognised over the rental period.

Sales of equipment and supplies are recognised at the date of dispatch. The Company provides consulting and training services on a time and materials basis and recognises revenues as it performs the services.

Customer deposits are included within deferred income until the agreed services are performed.

Share based payments

On 3 July 2012 a new share scheme was established for executive and non-executive level employees, allowing employees to acquire shares in Explorer Holdings, Inc.

The fair value of options that have not yet vested as at 31 December 2014 is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using an option pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to share prices not achieving the threshold for vesting. The Company's ultimate parent grants rights to its equity instruments to the Company's employees. These are accounted for as equity settled share based payments in the consolidated accounts of the parent and in these financial statements.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Notes (continued)

1 Accounting policies (continued)

Clarification of financial instruments issued by the Company

Financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

Foreign currency

Transactions denominated in foreign currencies are recorded in sterling at the actual exchange rate as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

Investments

Where the Company has a foreign currency loan to finance a foreign equity investment a net investment in a subsidiary situation is created. The investment is revalued at the period end date at the closing exchange rate and the resulting gain or loss on exchange is offset to the translation reserve account.

Any exchange differences arising on the related borrowings are recorded in the statement of total recognised gains and losses to the extent that they offset translation differences arising on the related foreign equity investment.

Leases

The Company enters into operating leases. 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. Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

Pension costs

The Company operates a defined contribution scheme and the amounts charged to the profit and loss account represent the contributions payable in respect of the accounting period. The assets of the scheme are held separately from those of the Company in an independently administered fund.

Notes (continued)

2 Analysis of turnover

The turnover for the year was derived from the Company's principal activity.

The analysis of turnover by geographical area is as follows:

	2014 £	2013 £
United Kingdom	6,850,805	4,710,723
USA	2,258,342	2,979,008
Europe	11,025,122	7,059,780
Other	630,225	2,879,285
	<u>20,764,494</u>	<u>17,628,796</u>

3 Operating expenses

	2014 £	2013 £
Raw materials, consumables and other external charges	1,219,801	1,184,647
Staff costs (note 5)	4,640,682	4,907,800
Depreciation of tangible fixed assets	1,450,331	2,001,540
Other operating charges	13,465,186	4,438,728
	<u>20,776,000</u>	<u>12,532,715</u>

4 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2014 £	2013 £
Depreciation and other amounts written off tangible fixed assets:		
- Owned	1,450,331	2,001,540
Operating lease rentals		
- Plant and machinery	13,983	13,860
- Other assets	260,701	262,620
Profit on disposal of fixed assets	119,130	100,338
<i>Auditor's remuneration:</i>		
Audit of the financial statements	22,982	35,044
Services relating to tax	20,790	20,000
	<u>22,982</u>	<u>35,044</u>

Notes (continued)

5 Staff numbers and costs

Particulars of employees (including directors) are as shown below:

	2014 £	2013 £
Employee costs during the year amounted to:		
Wages and salaries	3,931,085	4,160,519
Share based payments (see note 22)	4,943	4,416
Social security costs	551,102	601,112
Other pension costs	153,552	141,753
	<u>4,640,682</u>	<u>4,907,800</u>

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

	2014 Number	2013 Number
Management	-	-
Administration and selling	95	102
	<u>95</u>	<u>102</u>

6 Remuneration of directors

	2014 £	2013 £
Directors' emoluments	-	-
Company contributions to money purchase pension schemes	-	-
	<u>-</u>	<u>-</u>

	Number of directors 2014	2013
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	-	-
	<u>-</u>	<u>-</u>

The directors have not been remunerated for their services as directors of the Company.

Notes (continued)

7 Other interest receivable and similar income

	2014 £	2013 £
Interest from bank	1,100	584
Interest from intercompany loan	1,303,741	278,533
Gain on foreign exchange	129,623	50,367
	<u>1,434,464</u>	<u>329,484</u>

8 Interest payable and similar charges

	2014 £	2013 £
Interest on parent company loan	3,157,872	2,548,861
	<u>3,157,872</u>	<u>2,548,861</u>

9 Tax on profit on ordinary activities

Analysis of charge in year

	£	2014 £	£	2013 £
<i>UK corporation tax</i>				
Current tax on income for the year		(51,484)		261,961
Adjustments in respect of prior years		(11,853)		(371,187)
Total current tax		<u>(63,337)</u>		<u>(109,226)</u>
<i>Deferred tax (see note 16)</i>				
Origination/reversal of timing differences	278,291		(74,693)	
Total deferred tax		<u>278,291</u>		<u>(74,693)</u>
Tax on profit on ordinary activities		<u>214,954</u>		<u>(183,919)</u>

Notes (continued)

9 Tax on profit on ordinary activities (continued)

Factors affecting the tax charge for the current year

The current tax charge for the year is lower (2013: lower) than the standard rate of corporation tax in the UK (21.5%, 2013: 23.25%). The differences are explained below.

	2014 £	2013 £
<i>Current tax reconciliation</i>		
(Loss)/profit on ordinary activities before tax	(1,734,914)	2,876,704
Current tax at 21.5% (2013: 23.25%)	(373,007)	668,834
<i>Effects of:</i>		
Share option charge	1,063	1,027
Expenses not deductible for tax purposes	805	373
Depreciation in excess of capital allowances	24,344	145,890
Effect of share options, gains and charges	9,658	-
Losses for the year carried forward	284,912	-
Research and development extra tax deduction	-	(147,918)
Group relief claimed	-	(406,774)
Adjustments in respect of prior years	(11,853)	(371,187)
Other adjustments	741	529
Total current tax (credit)/charge (see above)	(63,337)	(109,226)

The adjustment in respect of prior years of £11,853 (2013: £371,187) relates to the finalisation of tax computations from prior years.

Factors affecting the tax charge after the current year

The Budget on 20 March 2013 announced that the UK corporation tax rate will reduce to 20% by Apr 2015. A reduction in the rate from 26% to 24% (effective from 1 April 2012) was substantively enacted on 5 July 2011, a further reduction to 23% (effective from 1 April 2013) was substantively enacted on 3 July 2012. Two further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were both substantively enacted on 2 July 2013.

This will reduce the company's future current tax charge accordingly and further reduce the deferred tax asset at 31 December 2014 (which has been calculated based on the rate of 20% substantively enacted at the balance sheet date).

Notes (continued)

10 Tangible fixed assets

	Fixtures, fittings, tools and equipment £
Cost	
At beginning of year	16,761,504
Additions	553,985
Disposals	(565,901)
	<hr/>
At end of year	16,749,588
	<hr/>
Depreciation	
At beginning of year	14,139,199
Charge for the year	1,450,331
Disposals	(389,714)
	<hr/>
At end of year	15,199,816
	<hr/>
Net book value	
At 31 December 2014	1,549,772
	<hr/>
At 31 December 2013	2,622,305
	<hr/>

11 Fixed asset investments

	Shares in group undertakings £
Cost and net book value	
At beginning of year	50,967,208
Foreign exchange movement	3,137,049
	<hr/>
At end of year	54,104,257
	<hr/>

The companies in which the Company's interest at the year-end is more than 20% as follows:

	Country of incorporation	Principal activity	Class and percentage of shares held
Subsidiary undertakings			
eResearchTechnology Europe GmbH	Germany	Provides respiratory diagnostics makes diagnostic devices and provides services for electronically gathering cardiac- safety and patient -reported data.	Issued ordinary 100%

Notes (continued)

12 Debtors

	2014 £	2013 £
Trade debtors	4,034,138	2,765,470
Prepayments and accrued income	193,756	200,567
Amounts due from group undertaking	2,725,295	1,543,678
Amounts due from group undertaking – due after more than one year (see note 13)	18,481,734	4,208,280
Deferred tax asset (see note 16)	237,565	515,856
	<u>25,672,488</u>	<u>9,233,851</u>

13 Debtors: amounts falling due after more than one year

	2014 £	2013 £
Amounts owed from group undertaking	16,736,265	3,939,088
Interest owed from group undertaking	1,745,469	269,192
	<u>18,481,734</u>	<u>4,208,280</u>

On 26 May 2010 an unsecured \$50 million loan from eResearchTechnology UK 2 Ltd was established for the purpose of equity investment. During 2012 and 2013 repayments to eResearchTechnology UK 2 Ltd have resulted in the full repayment of the principal. Subsequent to the repayment of the principal loan amount eRT Limited have continued to make payments to eResearch Technology UK 2 Limited and these payments now represent a long term debtor of \$19.5 million (2013: \$6.5 million).

The directors of the company have given an undertaking to the company from whom the loan is payable that the loan balance will not be recalled within a period of 12 months from the balance sheet date. Until the loan is recalled, interest is payable to eResearchTechnology Ltd each quarter. Any unpaid interest incurs penalty interest in accordance with the terms of the loan.

14 Creditors: amounts falling due within one year

	2014 £	2013 £
Trade creditors	419,839	195,253
Amounts due to group undertaking	8,311,422	1,255,240
Accruals and deferred income	3,665,320	3,937,331
Corporation tax liability	738,653	357,027
Other taxes and social security	395,675	399,315
	<u>13,530,909</u>	<u>6,144,166</u>

15 Creditors: amounts falling due after more than one year

	2014 £	2013 £
Amounts owed to group undertaking	24,594,386	19,832,606
Interest owed to group undertaking	6,402,682	2,802,988
	<u>30,997,068</u>	<u>22,635,594</u>

Notes (continued)

16 Deferred taxation

	£
At beginning of year	(515,856)
Credit to the profit and loss account	278,291
	<hr/>
At end of year	(237,565)
	<hr/>

The elements of the deferred tax are as follows:

	2014 £	2013 £
Short term timing differences on bad debt provision and pension liability	1,665	(36,132)
Difference between accumulated depreciation and amortisation and capital allowances	(504,264)	(479,724)
Other timing differences	265,034	-
	<hr/>	<hr/>
Deferred tax asset	(237,565)	(515,856)
	<hr/>	<hr/>

17 Called up share capital

	2014 £	2013 £
<i>Authorised</i>		
259 ordinary shares of £1 each	259	259
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
259 ordinary shares of £1 each	259	259
	<hr/>	<hr/>

18 Capital and reserves

	Called up share capital £	Share premium £	Capital contributions reserve £	Translation reserve £	Profit and loss account £	Total £
At the beginning of the year	259	16,701,386	1,507,677	(3,679,623)	23,952,180	38,481,879
Loss for the year	-	-	-	-	(1,949,868)	(1,949,868)
Share based payment charge	-	-	4,943	-	-	4,943
Investment foreign exchange movement	-	-	-	2,508,971	-	2,508,971
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	259	16,701,386	1,512,620	(1,170,652)	22,002,312	39,045,925
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Notes (continued)

19 Reconciliation of movements in shareholders' funds

	2014 £	2013 £
Retained profit	(1,949,868)	3,060,623
Credit in relation to share based payments	4,943	4,416
Translation reserve	2,508,971	(888,029)
	<hr/>	<hr/>
Net addition to shareholders' funds	564,046	2,177,010
Opening shareholders' funds	38,481,879	36,304,869
	<hr/>	<hr/>
Closing shareholders' funds	39,045,925	38,481,879
	<hr/>	<hr/>

20 Financial commitments

Annual commitments under non-cancellable operating leases are as follows:

	2014		2013	
	Land and buildings £	Other £	Land and Buildings £	Other £
Operating leases which expire:				
- within 1 year	-	-	-	-
- between 2-5 years	260,701	13,983	262,620	13,860
- over five years	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	260,701	13,983	262,620	13,860
	<hr/>	<hr/>	<hr/>	<hr/>

21 Pension scheme

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £153,552 (2013: £141,752). There were no prepaid employer pension contributions at the year end (2013: £nil). There were no accrued employer pension contributions at the year end (2013: £nil).

Notes (continued)

22 Employee share schemes

Share based payments

In July 2012 the shareholders of the parent company adopted the Explorer Holdings, Inc. 2012 Equity Incentive Plan (the 2012 Plan) that authorised the grant of both incentive and non-qualified options and stock purchase rights. The maximum aggregate number of shares of the parent company's common stock which may be issued upon the exercise of options under the 2012 Plan is 17,964,780.

The Compensation Committee of the Parent Company Board of Directors determines or makes recommendations to the Parent Company Board of Directors regarding the recipients of option grants, the exercise price and other terms of the options under the 2012 Plan

All options under the 2012 Plan are non-qualified options, expire ten years from the grant date and are exercisable in two components: (1) fifty percent of the options granted vest on a time vested schedule (the Time Vested Options) and (2) fifty percent of the options granted vest on a performance vested schedule (the Performance Vested Options).

The Time Vested Options are exercisable in five equal annual instalments, with the first such instalment exercisable on the first anniversary of the date of the grant of this option, subject to the recipient continuing to provide services to the company.

For the Performance Vested Options; (i) forty percent of the options vest on the measurement date (defined in the Grant Agreement) on which the ultimate parent company first cumulatively earns or is deemed to earn a Multiple of Money Return equal to 2.0; (ii) forty percent of the options vest on the measurement date on which the ultimate parent company first cumulatively earns or is deemed to earn a Multiple of Money Return equal to 3.0; and (iii) twenty percent of the options vest on the measurement date on which the ultimate parent company first cumulatively earns or is deemed to earn a Multiple of Money Return equal to 3.5. The vesting of all Performance Vested Options is subject to the holder continuing to provide services to the company.

The number and weighted average exercise prices of share options in the 2012 Plan are as follows:

	2014 Weighted average exercise price (£)	2014 Weighted average exercise price (\$)	2014 Number of options	2013 Weighted average exercise price (£)	2013 Weighted average exercise price (\$)	2013 Number of options
Outstanding at the beginning of the period	0.62	1.00	129,724	-	-	-
Granted during the period	-	-	-	0.62	1.00	129,724
Outstanding at the end of the period	0.62	1.00	129,724	0.62	1.00	129,724
Exercisable at the end of the period	0.62	1.00	129,724	0.62	1.00	129,724

Options outstanding at the year end have the following exercise price and weighted average contractual lives:

Notes (continued)

22 Employee share schemes (continued)

Range of exercise price \$	Vested	Unvested	Weighted average exercise price (\$)	Weighted average exercise price (£)	Weighted average remaining contractual life
1.00	25,945	103,779	1.00	0.62	8.3

Share options are granted under a service condition. Such conditions are not taken into account in the grant date fair value measurement of the services received. There is no market conditions associated with the share option grants.

The total expenses recognised for the period arising from share based payments are as follows:

	2014 £	2013 £
Equity settled share based payments	4,943	4,416

23 Ultimate parent company and controlling party

The Company is a wholly owned subsidiary of Explorer Holdings, Inc. Explorer Holdings, Inc., an affiliate of Genstar Capital LLC, is the ultimate Parent Company and controlling party incorporated in Delaware, USA.

The largest group in which the results of the Company are consolidated is that headed by eResearchTechnology, UK 1 Ltd, whose financial statements are available from Companies House.