

Company Registration No. 04394761 (England and Wales)

**CLINICAL SOLUTIONS INTERNATIONAL LIMITED**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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# CLINICAL SOLUTIONS INTERNATIONAL LIMITED

## COMPANY INFORMATION

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**Directors** S J S Mayall on behalf of Capita Corporate Director Limited  
S J Maynard  
C F Baker  
J Cowan

**Secretary** Capita Group Secretary Limited

**Company number** 04394761

**Registered office** 30 Berners Street  
London  
England  
W1T 3LR

**Banker** Barclays Bank PLC  
1 Churchill Place  
London  
E14 5HP

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# CLINICAL SOLUTIONS INTERNATIONAL LIMITED

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# CLINICAL SOLUTIONS INTERNATIONAL LIMITED

## STRATEGIC REPORT

***FOR THE YEAR ENDED 31 DECEMBER 2018***

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The Directors present their Strategic report and unaudited financial statements for the year ended 31 December 2018.

### **Review of the business**

Clinical Solutions International Limited (the "Company") is a wholly owned subsidiary (indirectly held) of Capita plc and operates within the Group's Software division. Capita plc along with its subsidiaries is hereafter referred to as "the Group".

The principal activity of the Company continued to be that of the supply of flexible evidence based support and clinical software solutions to the global healthcare industry. There have not been any significant changes in the Company's principal activities in the year under review. The Directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

As shown in the Company's Income statement on page 5, the Company's profit before tax decreased from £2,418,692 in 2017 to loss before tax of £1,862,573 in 2018.

The balance sheet on page 6 and 7 of the financial statements shows the Company's financial position at the year end. Net asset decreased from £8,963,263 in 2017 to £7,500,759 in 2018. Details of amounts owed by/to its parent Company and fellow subsidiary undertakings are shown in note 11 and 13 to the financial statements.

Key performance indicators used by Capita plc are operating margins, free cash flow, capital expenditure and return on capital employed. Capita plc and its subsidiaries manage their operations on a divisional basis and as a consequence, some of these indicators are monitored only at a divisional level. The performance of the Software division of Capita plc is discussed in the Group's annual report which does not form part of this report.

### **Principal risks and uncertainties**

The Company is subject to various risks and uncertainties during the ordinary course of its business, many of which result from factors outside of its control. The Company's risk management framework provides reasonable (but cannot provide absolute) assurance that significant risks are identified and addressed. An active risk management process identifies, assesses, mitigates and reports on strategic, financial, operational and compliance risk.

The principal themes of risk for the Company are:

- *Strategic*: changes in economic and market conditions such as contract pricing and competition.
- *Financial*: significant failures in internal systems of control and lack of corporate stability.
- *Operational*: including recruitment and retention of staff, maintenance of reputation and strong supplier and customer relationships, operational IT risk, and failures in information security controls.
- *Compliance*: non-compliance with laws and regulations. The Company must comply with an extensive range of requirements that govern and regulate its business.

# CLINICAL SOLUTIONS INTERNATIONAL LIMITED

## STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2018**

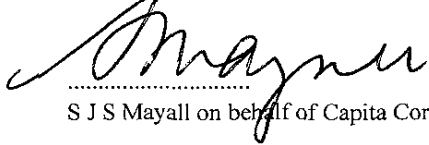
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To mitigate the effect of these risks and uncertainties, the Company adopts a number of systems and procedures, including:

- Regularly reviewing trading conditions to be able to respond quickly to changes in market conditions.
- Applying procedures and controls to manage compliance, financial and operational risks, including adhering to an internal control framework.

Capita plc has also implemented appropriate controls and risk governance techniques across all of its businesses these are discussed in the Capita plc's annual report which does not form part of this report.

On behalf of the Board



S J S Mayall on behalf of Capita Corporate Director Limited

**Director**

20 September 2019

# CLINICAL SOLUTIONS INTERNATIONAL LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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The Directors present their Directors' report and unaudited financial statements for the year ended 31 December 2018.

### Results and dividends

The results for the year are set out on page 5.

No dividend was paid or proposed during the year (2017: £nil).

### Directors

The Directors who held office during the year and up to the date of signature of the financial statements were as follows:

S J S Mayall on behalf of Capita Corporate Director Limited  
S J Maynard  
C F Baker  
J Cowan

### Political donations

The Company made no political donations and incurred no expenditure during the year (2017: £nil).

### Statement of Directors' responsibilities in respect of Strategic report, Directors' report and the financial statements.

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 judgements 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

# CLINICAL SOLUTIONS INTERNATIONAL LIMITED

## DIRECTORS' REPORT (CONTINUED)

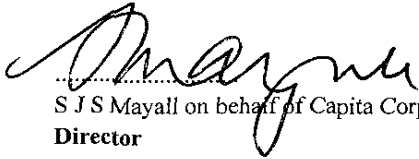
***FOR THE YEAR ENDED 31 DECEMBER 2018***

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### **Qualifying third party indemnity provisions**

The Company has granted an indemnity to the Directors of the Company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' report.

On behalf of the Board



S J S Mayall on behalf of Capita Corporate Director Limited  
**Director**

20  
..... September 2019

# CLINICAL SOLUTIONS INTERNATIONAL LIMITED

## INCOME STATEMENT

**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	Unaudited 2018 £	Unaudited 2017 £
Revenue	3	7,443,981	10,911,894
Cost of sales		(6,895,058)	(7,533,769)
<b>Gross profit</b>		<b>548,923</b>	<b>3,378,125</b>
Administrative expenses		(2,414,073)	(959,321)
<b>Operating (loss)/profit</b>	<b>4</b>	<b>(1,865,150)</b>	<b>2,418,804</b>
Net finance income / (cost)	5	2,577	(112)
<b>(Loss) / profit before tax</b>		<b>(1,862,573)</b>	<b>2,418,692</b>
Income tax credit / (expense)	6	400,069	(465,717)
<b>Total comprehensive (expense)/income for the year</b>		<b>(1,462,504)</b>	<b>1,952,975</b>

The income statement has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the income statement.

The notes on page 9 to 28 form an integral part of financial statements.



# CLINICAL SOLUTIONS INTERNATIONAL LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	Unaudited 2018 £	Unaudited 2017 £
<b>Non-current assets</b>			
Property, plant and equipment	7	8,497	36,150
Intangible assets	8	465,562	370,650
Investments in subsidiaries	9	3,719,948	3,719,948
Contract fulfilment assets	10	137,239	254,593
Trade and other receivables	11	120,286	368,687
Deferred tax	6	409,810	490,490
<b>Total non-current assets</b>		<b>4,861,342</b>	<b>5,240,518</b>
<b>Current assets</b>			
Trade and other receivables	11	17,430,924	24,913,119
Income tax receivable		45,128	-
Cash	12	1,118,928	201,650
<b>Total current assets</b>		<b>18,594,980</b>	<b>25,114,769</b>
<b>Total assets</b>		<b>23,456,322</b>	<b>30,355,287</b>
<b>Current liabilities</b>			
Trade and other payables	13	14,778,823	14,638,229
Deferred income	14	1,003,428	4,479,222
Income tax payable		-	2,274,573
<b>Total current liabilities</b>		<b>15,782,251</b>	<b>21,392,024</b>
<b>Non-current liabilities</b>			
Deferred income	14	173,312	-
		<b>173,312</b>	<b>-</b>
<b>Total liabilities</b>		<b>15,955,563</b>	<b>21,392,024</b>
<b>Net assets</b>		<b>7,500,759</b>	<b>8,963,263</b>

# CLINICAL SOLUTIONS INTERNATIONAL LIMITED

## BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2018

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		Unaudited 2018	Unaudited 2017
<b>Capital and reserves</b>			
Issued share capital	15	957,500	957,500
Share premium		1,181,500	1,181,500
Retained earnings		5,361,759	6,824,263
<b>Total equity</b>		<u>7,500,759</u>	<u>8,963,263</u>

The notes on pages 9 to 28 form and integral part of financial statements.

### Audit exemption statement

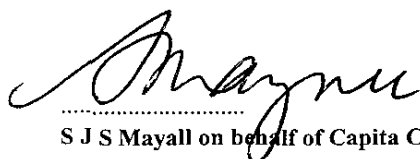
For the year ended 31 December 2018, the Company was entitled to exemption under section 479A of the Companies Act 2006 relating to subsidiary companies.

No members have required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibility for complying with requirements of the act with respect to accounting records and preparation of accounts.

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

Approved by Board and authorised for issue on <sup>26</sup>..... September 2019



S J S Mayall on behalf of Capita Corporate Director Limited  
Director

Company Registration No. 04394761

# CLINICAL SOLUTIONS INTERNATIONAL LIMITED

## STATEMENT OF CHANGES IN EQUITY

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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	Share capital	Share premium account	Retained earnings	Total equity
	£	£	£	£
<b>At 1 January 2017- Unaudited</b>	<b>957,500</b>	<b>1,181,500</b>	<b>4,871,288</b>	<b>7,010,288</b>
Total comprehensive income for the year	-	-	1,952,975	1,952,975
<b>At 31 December 2017- Unaudited</b>	<b>957,500</b>	<b>1,181,500</b>	<b>6,824,263</b>	<b>8,963,263</b>
Total comprehensive expense for the year	-	-	(1,462,504)	(1,462,504)
Contribution in respect of share based payment charge	-	-	(1,641)	(1,641)
Settlement of share based payment charge by intercompany	-	-	1,641	1,641
<b>At 31 December 2018- Unaudited</b>	<b>957,500</b>	<b>1,181,500</b>	<b>5,361,759</b>	<b>7,500,759</b>

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### Share capital

The balance classified as share capital is the nominal proceeds on issue of the Company's equity share capital, comprising £1 ordinary shares.

### Share premium account

The amount paid to the Company by shareholders, in cash or other consideration, over and above the nominal value of shares issued to them.

### Retained earnings

Net profits kept to accumulate in the Company after dividends are paid and retained in the business as working capital.

The notes on pages 9 to 28 form an integral part of these financial statements.

# CLINICAL SOLUTIONS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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### **1 Accounting policies**

#### **1.1 Basis of preparation**

Clinical Solutions International Limited is a company incorporated and domiciled in the United Kingdom.

The financial statements are prepared under the historical cost basis except where stated otherwise and in accordance with applicable accounting standards.

The Company has sufficient financial resources together with long standing relationships with clients and suppliers. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully. After making enquires, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

#### **1.2 Compliance with accounting standards**

The Company has prepared and presented these financial statements by applying the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("EU IFRSs"), but made amendments, where necessary, in order to comply with the Companies, Act 2006. The Company has applied FRS 101 – Reduced Disclosure Framework in the preparation of its financial statements.

The Company's ultimate parent undertaking, Capita plc, includes the Company in its consolidated statements. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU (EU-IFRS) and are available to the public and may be obtained from Capita plc's website on <http://investors.capita.com>.

In these financial statements, the Company has applied the disclosure exemptions available under FRS 101 in respect of the following disclosures:

- A cash flow statement and related notes;
- Comparative period reconciliations for share capital, Property, plant & equipment and intangible assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- An additional balance sheet for the beginning of the earliest comparative period following the retrospective change in accounting policy;
- Certain disclosures regarding IFRS 15 Revenue from Contracts with Customers; and
- Disclosures in respect of the compensation of key management personnel.

As the consolidated financial statements of Capita plc include equivalent disclosures, the Company has also taken the disclosure exemptions under FRS 101 available in respect of the following disclosure:

- Certain disclosures required by IFRS 2 Share Based Payments in respect of Group settled share based payments;
- Certain disclosures required by IAS 36 Impairments of assets in respect of the impairment of goodwill and indefinite life intangible assets;
- Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the Company, in the current and prior periods including the comparative period reconciliation for goodwill; and
- Disclosures required by IFRS 7 Financial Instrument Disclosures.

# CLINICAL SOLUTIONS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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### **1 Accounting policies**

**(Continued)**

#### **1.3 Changes in accounting policies**

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of IFRS 9 Financial Instruments. In addition, the Company has adopted the new amendments to standards and new IFRIC as detailed below.

##### **Initial adoption of IFRS 9 Financial Instruments**

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all two aspects of the accounting for financial instruments: classification and measurement; and impairment. The Company has applied IFRS 9 retrospectively, with the initial application date of 1 January 2018. There has been no restatement to the comparative balances for the period beginning 1 January 2017 as there are no requirements under the standard to restate comparatives.

The Company has performed an assessment to understand the requirements of IFRS 9 and how these differ from IAS 39 and has concluded there is no significant impact on the consolidated financial statements from the date of adoption. There were no differences between previous carrying amounts and consequently no adjustment has been made to opening retained earnings. The updated account policy is set out in 1.12.

##### **Annual improvements to IFRS Standards 2014–2016 Cycle**

As part of its annual improvements cycles, the International Accounting Standards Board amended various standards primarily with a view to removing inconsistencies and clarifying wording.

##### **Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions**

The amendments are intended to eliminate diversity in practice, are narrow in scope and address three specific areas of classification and measurement.

##### **IFRIC 22: Foreign Currency Transactions and Advance Consideration**

These amendments are intended to eliminate diversity in practice when recognising the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration received or paid in a foreign currency.

# CLINICAL SOLUTIONS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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### **1 Accounting policies**

**(Continued)**

#### **1.4 Revenue recognition**

Revenue is earned within the United Kingdom.

The Company operates a number of diverse businesses and therefore it uses a variety of methods for revenue recognition based on the principles set out in IFRS 15. Many of the contracts entered are long term and complex in nature given the breadth of solutions the Company offers.

The revenue and profits recognised in any period are based on the delivery of performance obligations and an assessment of when control is transferred to the customer.

In determining the amount of revenue and profits to record, and related balance sheet items (such as contract fulfilment assets, capitalisation of costs to obtain a contract, trade receivables, accrued income and deferred income) to recognise in the period, management is required to form a number of key judgements and assumptions. This includes an assessment of the costs the Company incurs to deliver the contractual commitments and whether such costs should be expensed as incurred or capitalised. These judgements are inherently subjective and may cover future events such as the achievement of contractual milestones, performance KPIs and planned cost savings. In addition, for certain contracts, key assumptions are made concerning contract extensions and amendments, as well as opportunities to use the contract developed systems and technologies on other similar projects.

Revenue is recognised either when the performance obligation in the contract has been performed (so 'point in time' recognition) or 'over time' as control of the performance obligation is transferred to the customer.

For all contracts, the Company determines if the arrangement with a customer creates enforceable rights and obligations. This assessment results in certain Master Service Agreements ('MSA's') not meeting the definition of a contract under IFRS 15 and as such the individual call-off agreements, linked to the MSA, are treated as individual contracts.

The Company enters into contracts which contain extension periods, where either the customer or both parties can choose to extend the contract or there is an automatic annual renewal, and/or termination clauses that could impact the actual duration of the contract. Judgement is applied to assess the impact that these clauses have when determining the appropriate contract term. The term of the contract impacts both the period over which revenue from performance obligations may be recognised and the period over which contract fulfilment assets and capitalised costs to obtain a contract are expensed.

For contracts with multiple components to be delivered such as transformation, transitions and the delivery of outsourced services, management applies judgement to consider whether those promised goods and services are (i) distinct - to be accounted for as separate 2 performance obligations; (ii) not distinct - to be combined with other promised goods or services until a bundle is identified that is distinct or (iii) part of a series of distinct goods and services that are substantially the same and have the same pattern of transfer to the customer.

At contract inception the total transaction price is estimated, being the amount to which the Company expects to be entitled and has rights to under the present contract. This includes an assessment of any variable consideration where the Company's performance may result in additional revenues based on the achievement of agreed KPIs. Such amounts are only included based on the expected value or the most likely outcome method, and only to the extent that it is highly probable that no revenue reversal will occur.

# CLINICAL SOLUTIONS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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### **1 Accounting policies**

**(Continued)**

#### **1.4 Revenue recognition**

**(Continued)**

The transaction price does not include estimates of consideration resulting from change orders for additional goods and services unless these are agreed.

Once the total transaction price is determined, the Company allocates this to the identified performance obligations in proportion to their relative stand-alone selling prices and recognises revenue when (or as) those performance obligations are satisfied. The Company infrequently sells standard products with observable standalone prices due to the specialised services required by customers and therefore the Company applies judgement to determine an appropriate standalone selling price. More frequently, the Company sells a customer bespoke solution, and in these cases the Company typically uses the expected cost-plus margin or a contractually stated price approach to estimate the standalone selling price of each performance obligation.

The Company may offer price step downs during the life of a contract, but with no change to the underlying scope of services to be delivered. In general, any such variable consideration, price step down or discount is included in the total transaction price to be allocated across all performance obligations unless it relates to only one performance obligation in the contract.

For each performance obligation, the Company determines if revenue will be recognised over time or at a point in time. Where the Company recognises revenue over time for long term contracts, this is in general due to the Company performing and the customer simultaneously receiving and consuming the benefits provided over the life of the contract.

For each performance obligation to be recognised over time, the Company applies a revenue recognition method that faithfully depicts the Company's performance in transferring control of the goods or services to the customer. This decision requires assessment of the real nature of the goods or services that the Company has promised to transfer to the customer. The Company applies the relevant output or input method consistently to similar performance obligations in other contracts.

When using the output method, the Company recognises revenue on the basis of direct measurements of the value to the customer of the goods and services transferred to date relative to the remaining goods and services under the contract. Where the output method is used, for long term service contracts where the series guidance is applied (see below for further details), the Company often uses a method of time elapsed which requires minimal estimation. Certain long-term contracts use output methods based upon estimation of number of users, level of service activity or fees collected.

If performance obligations in a contract do not meet the overtime criteria, the Company recognises revenue at a point in time (see below for further details).

The Company disaggregates revenue from contracts with customers by contract type, as management believe this best depicts how the nature, amount, timing and uncertainty of the Company's revenue and cash flows are affected by economic factors. Categories are: 'long term contractual – greater than 2 years'; and 'short term contractual – less than 2 years'. Years based from service commencement date.

# CLINICAL SOLUTIONS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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### **1 Accounting policies** (Continued)

#### **1.4 Revenue recognition** (Continued)

##### *Long term contractual - greater than 2 years*

The Company provides a range of services in various segments under customer contracts with a duration of more than two years.

The nature of contracts or performance obligations categorised within this revenue type is diverse and includes (i) long term outsourced service arrangements in the public and private sectors; and (ii) active software licence arrangements (see definition below).

The Company considers that the services provided meet the definition of a series of distinct goods and services as they are (i) substantially the same and (ii) have the same pattern of transfer (as the series constitutes services provided in distinct time increments (e.g., daily, monthly, quarterly or annual services)) and therefore treats the series as one performance obligation. Even if the underlying activities performed by the Company to satisfy a promise vary significantly throughout the day and from day to day, that fact, by itself, does not mean the distinct goods or services are not substantially the same.

For the majority of long service contracts with customers in this category, the Company recognises revenue using the output method as it best reflects the nature in which the Company is transferring control of the goods or services to the customer.

Active software licences are those where the Company has a continuing involvement after the sale or transfer of control to the customer, which significantly affects the intellectual property to which the customer has rights. The Company is in a majority of cases responsible for any maintenance, continuing support, updates and upgrades and accordingly the sale of the initial software is not distinct. The Company's accounting policy for licences is discussed in more detail below.

##### *Short term contractual - less than 2 years*

The nature of contracts or performance obligations categorised within this revenue type is diverse and includes (i) short term outsourced service arrangements in the public and private sectors; and (ii) software maintenance contracts.

The Company has assessed that maintenance and support (i.e. on-call support, remote support) for software licences is a performance obligation that can be considered capable of being distinct and separately identifiable in a contract if the customer has a passive licence. These recurring services are substantially the same as the nature of the promise is for the Company to 'stand ready' to perform maintenance and support when required by the customer. Each day of standing ready is then distinct from each following day and is transferred in the same pattern to the customer.

##### *Transactional (Point in time) contracts*

The Company delivers a range of goods or services in all reportable segments that are transactional services for which revenue is recognised at the point in time when control of the goods or services has transferred to the customer. This may be at the point of physical delivery of goods and acceptance by a customer or when the customer obtains control of an asset or service in a contract with customer-specified acceptance criteria.



# CLINICAL SOLUTIONS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 Accounting policies

(Continued)

#### 1.4 Revenue recognition

(Continued)

The nature of contracts or performance obligations categorised within this revenue type is diverse and includes (i) provision of IT hardware goods; (ii) passive software licence agreements; (iii) commission received as agent from the sale of third party software; and (iv) fees received in relation to delivery of professional services.

Passive software licences are licences which have significant stand-alone functionality and the contract does not require, and the customer does not reasonably expect, the Company to undertake activities that significantly affect the licence. Any ongoing maintenance or support services for passive licences are likely to be separate performance obligations. The Company's accounting policy for licences is discussed in more detail below.

#### *Contract modifications*

The Company's contracts are often amended for changes in contract specifications and requirements. Contract modifications exist when the amendment either creates new or changes the existing enforceable rights and obligations.

The effect of a contract modification on the transaction price and the Company's measure of progress for the performance obligation to which it relates, is recognised as an adjustment to revenue in one of the following ways:

- a. prospectively as an additional separate contract;
- b. prospectively as a termination of the existing contract and creation of a new contract;
- c. as part of the original contract using a cumulative catch up; or
- d. as a combination of (b) and (c).

For contracts for which the Company has decided there is a series of distinct goods and services that are substantially the same and have the same pattern of transfer where revenue is recognised over time, the modification will always be treated under either (a) or (b); (d) may arise when a contract has a part termination and a modification of the remaining performance obligations.

The facts and circumstances of any contract modification are considered individually as the types of modifications will vary contract by contract and may result in different accounting outcomes.

Judgement is applied in relation to the accounting for such modifications where the final terms or legal contracts have not been agreed prior to the period end as management need to determine if a modification has been approved and if it either creates new or changes existing enforceable rights and obligations of the parties. Depending upon the outcome of such negotiations, the timing and amount of revenue recognised may be different in the relevant accounting periods. Modification and amendments to contracts are undertaken via an agreed formal process. For example, if a change in scope has been approved but the corresponding change in price is still being negotiated, management use their judgement to estimate the change to the total transaction price. Importantly any variable consideration is only recognised to the extent that it is highly probable that no revenue reversal will occur.

#### **Licences**

Software licences delivered by the Company can either be right to access ('active') or right to use ('passive') licences. Active licences are licences which require continuous upgrade and updates for the software to remain useful, all other licences are treated as passive licences. The assessment of whether a licence is active or passive involves judgement. The key determinant of whether a licence is active is whether the Company is required to undertake activities that significantly affect the licensed intellectual property (or the customer has a reasonable expectation that it will do so) and the customer is, therefore, exposed to positive or negative impacts resulting from those changes.

# CLINICAL SOLUTIONS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 Accounting policies

(Continued)

#### 1.4 Revenue recognition

(Continued)

When software upgrades are sold as part of the software licence agreement (i.e. software upgrades are promised to the customer), the Company applies judgement to assess whether the software upgrade is distinct from the licence (i.e. a separate performance obligation). If the upgrade is considered fundamental to the ongoing use of the software by the customer, the upgrades are not considered distinct and not accounted for as a separate performance obligation.

The Company considers for each contract that includes a separate licence performance obligation all the facts and circumstances in determining whether the licence revenue is recognised over time or at a point in time from the go live date of the licence.

#### *Contract related assets and liabilities*

As a result of the contracts which the Company enters into with its customers, a number of different assets and liabilities are recognised on the Company's balance sheet. These include but are not limited to:

- Property, plant and equipment\*
- Intangible assets\*
- Contract fulfilment assets^
- Contract assets derived from costs to obtain a contract^
- Trade receivables\*
- Accrued income^
- Deferred income^

\* No change in the accounting policies for these assets as a result of the adoption of IFRS 15

^ Refer below for the accounting policy applied following the adoption of IFRS 15

#### *Contract fulfilment assets*

Contract fulfilment costs are divided into (i) costs that give rise to an asset; and (ii) costs that are expensed as incurred.

When determining the appropriate accounting treatment for such costs, the Company firstly considers any other applicable standards. If those other standards preclude capitalisation of a particular cost, then an asset is not recognised under IFRS 15.

If other standards are not applicable to contract fulfilment costs, the Company applies the following criteria which, if met, result in capitalisation:

- (i) the costs directly relate to a contract or to a specifically identifiable anticipated contract;
- (ii) the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- (iii) the costs are expected to be recovered.

The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recoverable. The Company regularly incurs costs to deliver its outsourcing services in a more efficient way (often referred to as 'transformation' costs).

# CLINICAL SOLUTIONS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 Accounting policies

(Continued)

#### 1.4 Revenue recognition

(Continued)

These costs may include process mapping and design, system development, project management, hardware (generally in scope of the Company's accounting policy for property, plant and equipment), software licence costs (generally in scope of the Company's accounting policy for intangible assets), recruitment costs and training.

The Company has determined that, where the relevant specific criteria are met, the costs for (i) process mapping and design; (ii) system development; and (iii) project management are likely to qualify to be capitalised as contract fulfilment assets.

##### *Capitalisation of costs to obtain a contract*

The incremental costs of obtaining a contract with a customer are recognised as an asset if the Company expects to recover them. The Company incurs costs such as bid costs, legal fees to draft a contract and sales commissions when it enters into a new contract.

Judgement is applied by the Company when determining what costs qualify to be capitalised in particular when considering whether these costs are incremental and whether these are expected to be recoverable. For example, the Company considers which type of sales commissions are incremental to the cost of obtaining specific contracts and the point in time when the costs will be capitalised.

The Company has determined that the following costs may be capitalised as contract assets (i) legal fees to draft a contract (once the Company has been selected as a preferred supplier for a bid); and (ii) sales commissions that are directly related to winning a specific contract. Costs incurred prior to selection as preferred supplier are not capitalised but are expensed as incurred.

##### *Utilisation, derecognition and impairment of capitalised costs to obtain a contract*

The Company utilises contract fulfilment assets and capitalised costs to obtain a contract to cost of sales over the expected contract period using a systematic basis that mirrors the pattern in which the Company transfers control of the service to the customer. The utilisation charge is included within cost of sales. Judgement is applied to determine this period, for example whether this expected period would be the contract term or a longer period such as the estimated life of the customer relationship for a particular contract if, say, renewals are expected.

A contract fulfilment asset or capitalised costs to obtain a contract is derecognised either when it is disposed of or when no further economic benefits are expected to flow from its use or disposal.

Management is required to determine the recoverability of contract related assets within property, plant and equipment, intangible assets as well as contract fulfilment assets, capitalised costs to obtain a contract, accrued income and trade receivables. At each reporting date, the Company determines whether or not the contract fulfilment assets and capitalised costs to obtain a contract are impaired by comparing the carrying amount of the asset to the remaining amount of consideration that the Company expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the Company uses the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price will be removed for the impairment test.

Where the relevant contracts or specific performance obligations are demonstrating marginal profitability or other indicators of impairment, judgement is required in ascertaining whether or not the future economic benefits from these contracts are sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract.

# CLINICAL SOLUTIONS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 Accounting policies

(Continued)

#### 1.4 Revenue recognition

(Continued)

The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific KPIs that could trigger variable consideration, or service credits.

Where a contract is anticipated to make a loss, these judgements are also relevant in determining whether or not an onerous contract provision is required and how this is to be measured.

#### Deferred and accrued income

The Company's customer contracts include a diverse range of payment schedules dependent upon the nature and type of goods and services being provided. The Company often agrees payment schedules at the inception of long term contracts under which it receives payments throughout the term of the contracts. These payment schedules may include performance-based payments or progress payments as well as regular monthly or quarterly payments for ongoing service delivery. Payments for transactional goods and services may be at delivery date, in arrears or part payment in advance.

Where payments made are greater than the revenue recognised at the period end date, the Company recognises a deferred income contract liability for this difference. Where payments made are less than the revenue recognised at the period end date, the Company recognises an accrued income contract asset for this difference.

#### 1.5 Intangible assets

Intangible assets are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful life, which is typically 5 years. In the case of capitalised software development costs, research expenditure is written off to the Income statement in the period in which it is incurred. Development expenditure is written off to the Income statement in the period in which it is incurred unless and until the Company is satisfied as to the technical, commercial and financial viability of individual projects. In these cases, the development expenditure is capitalised and amortised over the period during which the Company is expected to benefit.

#### 1.6 Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	3 years straight line
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#### 1.7 Leasing

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

#### 1.8 Investments in subsidiaries

Investments in subsidiaries are stated at cost less provision of diminution in value.

# CLINICAL SOLUTIONS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1 Accounting policies

(Continued)

##### 1.9 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Income statement except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases and liabilities and their carrying amounts for financial reporting purposes.

*Deferred income tax liabilities are recognised for all taxable temporary differences:*

- except where the deferred tax liability arises from the initial recognition of goodwill;
- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be utilised, except where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

##### 1.10 Pensions

The Company participates in a number of defined contribution pension schemes and contributions are charged to the Income statement in the year in which they are due. These pension schemes are funded and the payment of contributions are made to separately administered trust funds. The assets of the pension schemes are held separately from the Company.

The Company remits monthly pension contributions to Capita Business Services Limited, a fellow subsidiary undertaking of Capita plc, which pays the Group liability centrally. Any unpaid pension contributions at the year end have been accrued in the accounts of that Company.

# CLINICAL SOLUTIONS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 Accounting policies

(Continued)

#### 1.11 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

#### 1.12 Financial instruments

##### Investments and other financial assets

###### (i) Classification

Applicable from 1 January 2018, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

###### (ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date (that is, the date on which the Company commits to purchase or sell the asset). Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

###### (iii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

###### *Equity instruments*

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to income statement following the derecognition of the investment. Dividends from such investments continue to be recognised in income statement as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the income statement as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

###### (iv) Impairment

From 1 January 2018, the Company assesses, on a forward-looking basis, the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

# CLINICAL SOLUTIONS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 1 Accounting policies

(Continued)

#### 1.12 Financial instruments (continued)

(v) Accounting policies applied until 31 December 2017

The Company has applied IFRS 9 retrospectively but has elected not to restate comparative information.

As a result, the comparative information provided continues to be accounted for in accordance with the Company's previous accounting policy, as shown below:

All investments are initially recorded at their fair value. Subsequently they are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

Investment loans are measured at amortised cost using the effective interest method.

Financial assets at fair value through the income statement (disclosed in investment income) include financial assets designated upon initial recognition as at fair value through the income statement.

Financial assets may be designated upon initial recognition as at fair value through profit or loss if the assets are part of a group of financial assets which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy.

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, and trade and other payables.

##### **Trade and other receivables**

The Company assesses on a forward-looking basis the expected credit losses associated with its receivables carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach permitted by IFRS 9, resulting in trade receivables recognised and carried at original invoice amount less an allowance for any uncollectible amounts based on expected credit losses.

##### **Trade and other payables**

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

##### **Cash and cash equivalents**

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### 1.13 Impairment of non-financial assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company makes a formal estimate of the asset's recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

# CLINICAL SOLUTIONS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 1 Accounting policies

(Continued)

#### 1.14 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when recovery is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost. The Company provides, on a discounted basis, for the future rent expense and related cost of leasehold property (net of estimated sub-lease income) where the space is vacant or currently not planned to be used for ongoing operations.

#### 1.15 Group Accounts

The financial statements present information about the Company as an individual undertaking and not about its group. The Company has not prepared group accounts as it is fully exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Capita plc, a company incorporated in England and Wales, and is included in the consolidated accounts of that company.

### 2 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with generally accepted accounting principles requires the Directors to make judgements and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported income and expense during the reported periods. Although these judgements and assumptions are based on the Directors' best knowledge of the amount, events or actions, actual results may differ from these estimates.

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year is impairment of investments in subsidiaries. The Company determines whether investments are impaired based on any impairment indicators. This involves estimation of the enterprise value of the investee which is determined based on the greater of discounted future cash flows at a suitable discount rate or through the recoverable value of investments held by the investee Company.

### 3 Revenue

The total revenue of the Company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

### 4 Loss for the year

	Unaudited 2018 £	Unaudited 2017 £
Operating loss for the year is stated after charging/ (crediting):		
Net foreign exchange gains	(28,320)	(5,857)
Depreciation of property, plant and equipment	32,597	37,159
Amortisation of intangible assets	130,734	38,731
Operating lease rentals - plant and machinery	25,997	21,075
Operating lease rentals - other assets	68,717	172,065



# CLINICAL SOLUTIONS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 5 Net finance (income) / cost

	Unaudited 2018 £	Unaudited 2017 £
Other interest (receivable) / payable	(2,577)	112
<b>Net finance (income) / cost</b>	<b>(2,577)</b>	<b>112</b>

### 6 Taxation

The major components of income tax expense for the years ended 31 December 2018 and 2017 are:

	Unaudited 2018 £	Unaudited 2017 £
<b>Current tax</b>		
UK Corporation tax	(447,276)	398,077
Adjustments in respect of prior periods	(33,473)	19,680
	<b>(480,749)</b>	<b>417,757</b>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	84,489	64,687
Adjustments in respect of prior periods	(3,809)	(16,727)
	<b>80,680</b>	<b>47,960</b>
<b>Total tax (credit) / charge reported in the income statement</b>	<b>(400,069)</b>	<b>465,717</b>

# CLINICAL SOLUTIONS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

(Continued)

#### 6 Taxation

The reconciliation between tax (credit)/charge and the accounting profit multiplied by the UK corporation tax rate for the years ended 31 December 2018 and 2017 is as follows:

	Unaudited 2018 £	Unaudited 2017 £
<b>(Loss) / profit before taxation</b>	<b>(1,862,573)</b>	<b>2,418,692</b>
Profit/(loss) before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2017 - 19.25%)	(353,889)	465,598
Effects of:		
Expenses not deductible for tax purposes	1,042	1,562
Adjustments in respect of current income tax of prior periods	(33,473)	19,680
Impact of changes in statutory tax rates	(9,940)	(4,395)
Adjustments in respect of deferred income tax of prior periods	(3,809)	(16,727)
<b>Total adjustments</b>	<b>(46,180)</b>	<b>119</b>
<b>Total tax (credit) / charge reported in the income statement</b>	<b>(400,069)</b>	<b>465,717</b>

	Balance sheet 2018	2017	Income statement 2018	2017
<b>Deferred tax assets</b>				
Deferred income liability	-	-	-	70,032
Contract fulfilment asset	-	(3,807)	(3,809)	(3,805)
Decelerated capital allowances	409,810	494,297	84,489	(18,733)
Other timing differences	-	-	-	466
<b>Net deferred tax asset</b>	<b>409,810</b>	<b>490,490</b>		
<b>Deferred tax charge</b>			<b>80,680</b>	<b>47,960</b>

The UK corporation tax rate has been decreased from 20% to 19% from 1 April 2017 with a further reduction to 17% from 1 April 2020. The deferred tax balance is calculated reflecting this future change.

# CLINICAL SOLUTIONS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2018**

### 7 Property, plant and equipment

	Computer equipment Unaudited £
<b>Cost</b>	
At 1 January 2018	105,478
Additions	4,944
Asset retirement	(82,443)
At 31 December 2018	<u>27,979</u>
<b>Depreciation</b>	
At 1 January 2018	69,328
Depreciation for the year	32,597
Asset retirement	(82,443)
At 31 December 2018	<u>19,482</u>
<b>Net book value</b>	
At 31 December 2018	<u>8,497</u>
At 31 December 2017	<u><u>36,150</u></u>

### 8 Intangible assets

	Development Costs Unaudited £
<b>Cost</b>	
At 1 January 2018	484,215
Additions	225,646
At 31 December 2018	<u>709,861</u>
<b>Amortisation</b>	
At 1 January 2018	113,565
Charge for the year	130,734
At 31 December 2018	<u>244,299</u>
<b>Net book value</b>	
At 31 December 2018	<u>465,562</u>
At 31 December 2017	<u><u>370,650</u></u>

# CLINICAL SOLUTIONS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 9 Investments in subsidiaries

	Shares in subsidiary undertakings £
<b>Cost - Unaudited</b>	
At 1 January 2018 and 31 December 2018	<u>3,719,948</u>
<b>Net book value</b>	
At 1 January 2018 and 31 December 2018	<u><u>3,719,948</u></u>

#### Holdings of ordinary share capital

Details of the Company's subsidiaries at 31 December 2018 are as follows:

Company	Registered office	Ordinary shares held (%)	Nature of business
Clinical Solutions IP Limited	30 Berners Street, London, England, W1T 3LR	100	Trading
Clinical Solutions India Private Limited	Plant 06, Gate no: 2, Godrej and Boyce Complex, LBS Marg, Pirojshahnagar, Vikhroli, Mumbai, India 400 079	100	Trading

### 10 Contract fulfilment assets

	Unaudited £
<b>At 1 January 2018</b>	<b>254,593</b>
Utilised during the year	(117,354)
<b>At 31 December 2018</b>	<u><b>137,239</b></u>

In preparing these financial statements, the Company undertook a review to identify indicators of impairment of contract fulfilment assets. The Company determined whether or not the contract fulfilment assets were impaired by comparing the carrying amount of the asset to the remaining amount of consideration that the entity expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the Company used the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price were removed for the impairment test.

# CLINICAL SOLUTIONS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 11 Trade and other receivables

<b>Non-current</b>	<b>Unaudited 2018 £</b>	<b>Unaudited 2017 £</b>
Accrued income	119,000	364,595
Prepayments	1,286	4,092
	<b>120,286</b>	<b>368,687</b>

<b>Current</b>	<b>Unaudited 2018 £</b>	<b>Unaudited 2017 £</b>
Trade receivables	810,453	701,469
Other receivables	17,686	38,832
Accrued income	508,228	3,464,762
Prepayments	591,254	531,106
Amounts due from parent & fellow subsidiary undertaking	15,503,303	20,176,950
	<b>17,430,924</b>	<b>24,913,119</b>

### 12 Cash

	<b>Unaudited 2018 £</b>	<b>Unaudited 2017 £</b>
Cash at bank and in hand	1,118,928	201,650
	<b>1,118,928</b>	<b>201,650</b>

### 13 Trade and other payables

	<b>Unaudited 2018 £</b>	<b>Unaudited 2017 £</b>
Trade payables	785,141	955,645
Other taxes and social security	88,673	103,521
Accruals	868,699	265,760
Amounts due to parent and fellow subsidiary undertaking	13,036,310	13,313,303
	<b>14,778,823</b>	<b>14,638,229</b>

# CLINICAL SOLUTIONS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 14 Deferred income

	Unaudited 2018 £	Unaudited 2017 £
<b>Current</b>		
Deferred income	1,003,428	4,479,222
	<u>1,003,428</u>	<u>4,479,222</u>
<b>Non-current</b>		
Deferred income	173,312	-
	<u>173,312</u>	<u>-</u>

### 15 Issued share capital

	Unaudited 2018 Numbers	Unaudited 2017 Numbers	Unaudited 2018 £	Unaudited 2017 £
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
957,500 Ordinary shares of £1 each	<u>957,500</u>	<u>957,500</u>	<u>957,500</u>	<u>957,500</u>

### 16 Operating lease commitments

At the reporting date the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	<b>Land and buildings</b>		<b>Other</b>	
	Unaudited 2018 £	Unaudited 2017 £	Unaudited 2018 £	Unaudited 2017 £
Within one year	140,790	-	3,831	12,614
Between two and five years	443,333	-	-	14,853
	<u>584,123</u>	<u>-</u>	<u>3,831</u>	<u>27,467</u>

### 17 Pensions

The total costs charged to income in respect of defined contribution plans is £157,506 (2017: £146,125).

# CLINICAL SOLUTIONS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2018**

### 18 Directors' remuneration

The Directors were paid by another company within the Private Sector Partnerships division. As no significant amount of time was spent by the Directors on the Company's affairs, no Directors remuneration has been allocated to the Company.

### 19 Employees

The average monthly number of employees (including non-executive Directors) were:

	Unaudited 2018 Number	Unaudited 2017 Number
Administration	1	5
Operations	48	45
Sales	5	9
	<u>54</u>	<u>59</u>

Their aggregate remuneration comprised:

	Unaudited 2018 £	Unaudited 2017 £
Employment costs		
Wages and salaries	2,871,716	2,542,687
Social security costs	379,442	315,197
Pension costs	157,506	146,125
Share based payments	1,641	-
	<u>3,410,305</u>	<u>3,004,009</u>

### 20 Controlling party

The Company is controlled by its immediate parent Clinical Solutions Acquisition Limited, a company incorporated in England and Wales.

The ultimate parent company undertaking is Capita plc, a company registered in England and Wales. The accounts of Capita plc are available from the registered office at 30 Berners Street, London, England, W1T 3LR.