

Registration number: 04411786

Parabis Ltd

Annual Report and Financial Statements

for the Year Ended 31 March 2014



Parabis Ltd

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Parabis Ltd
Company Information

Directors	K Newton J E Powell
Company secretary	R S Gray
Registered office	8 Bedford Park Croydon Surrey CR0 2AP
Auditor	KPMG LLP Chartered Accountants 1 The Embankment Neville Street Leeds LS1 4DW

Parabis Ltd
Strategic Report for the Year Ended 31 March 2014

The directors present their strategic report for the year ended 31 March 2014.

Principal Activity

The principal activity of the company is specialist claims handling.

Business Model

Parabis Limited is a modern claims handling business with state of the art injury management process. It works with high profile insurers to streamline their claims handling processes, and has a victim centric solution that brings together claims professionals, lawyers and rehabilitation clinicians in order to return bodily injury victims to health and mobility as quickly as possible. Parabis Ltd is driven by market-leading claims management technology and strives to achieve outstanding results for clients by reducing settlement times and costs.

Business review and results

Turnover has fallen 27% to £19.6m (2013: £26.9m), and operating profit has decreased by £3.2m to a loss of £1.8m (2013: profit £1.4m). The loss for the year after taxation amounted to £1.8m (2013: profit £1.1m).

Key performance indicators

The company considers the number of claims received during the year and the employee headcount to be the Key performance indicator in the ability to deliver volumes of specialist claims handling business. The number of claims received during the year ended 31 March 2014 was 104,666 (2013: 131,276), with the reduction year on year being driven by lower case referrals from CFS and DLG.

The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the company. Employees are consulted regularly on a wide range of matters affecting their current and future interests. The average number of employees during the year was 545 (2013: 637), which represents a decrease of 14% from the prior year. The company continues to invest in people and systems and to develop innovative solutions for the insurance industry and the directors look forward with confidence to the year ahead.

Principal risks and uncertainties

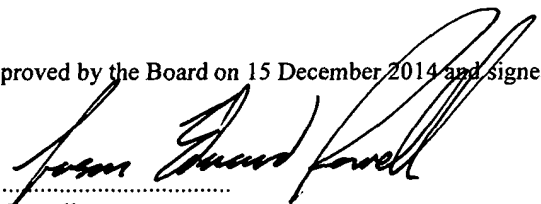
The company is dependent on a small number of contracts. However the counterparties to these contracts are major insurers. Therefore the directors consider that there is minimal risk to the company of a counterparty becoming insolvent.

The company, along with its fellow members of the Trilliam Holdco group has given charges of its assets and cross guarantees as security for the group's long-term bank loans. The group's potential exposure at 31 March 2014 was £60.9 million (2013: £56.9 million). The risk is mitigated by the bank loans being repayable over several years and by the group meeting the covenant tests associated with these borrowings and forecast to do so for a period of 12 months from the date of these financial statements.

Future Developments

The business will continue to work with its current clients as well as exploring the broader insurance market place for new contracts.

Approved by the Board on 15 December 2014 and signed on its behalf by:


.....
J E Powell
Director

Parabis Ltd
Directors' Report for the Year Ended 31 March 2014

The directors present their report and the financial statements for the year ended 31 March 2014.

Directors of the company

The director who held office during the year was as follows:

K Newton

The following director was appointed after the year end:

J E Powell (appointed 25 May 2014)

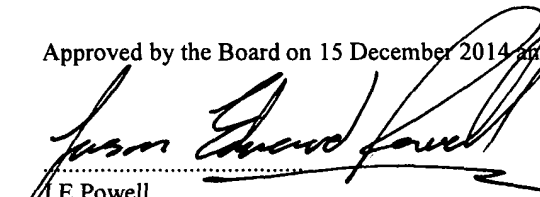
Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditor is unaware of.

Reappointment of 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.

Approved by the Board on 15 December 2014 and signed on its behalf by:



J E Powell
Director

Parabis Ltd

Statement of Director's Responsibilities in respect of the Strategic Report and the Directors' Report and the Financial Statements

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 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; 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.

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

Independent Auditor's Report to the Members of Parabis Ltd

We have audited the financial statements of Parabis Ltd for the year ended 31 March 2014, set out on pages 7 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 Statement of Directors' Responsibilities (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 (APB'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 the 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 March 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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


**Independent Auditor's Report to the Members of
Parabis Ltd**

..... continued

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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



.....
Andrew Sills (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
1 The Embankment
Neville Street
Leeds
LS1 4DW

Date: 17 December 2014

Parabis Ltd
Profit and Loss Account for the Year Ended 31 March 2014

	Note	2014 £	2013 £
Turnover		19,573,454	26,887,020
Cost of sales		(15,213,198)	(18,639,754)
Gross profit		4,360,256	8,247,266
Administrative Expenses		(6,205,372)	(6,814,833)
Exceptional costs included in administrative expenses above	3	(502,173)	-
Operating (loss)/profit before exceptional costs	2	(1,342,943)	1,432,433
Operating (loss) / profit	2	(1,845,116)	1,432,433
Interest payable and similar charges	6	(1,158)	(2,506)
(Loss) / profit on ordinary activities before taxation		(1,846,274)	1,429,927
Tax on (loss) / profit on ordinary activities	7	46,154	(378,603)
(Loss) / profit for the financial year	13	(1,800,120)	1,051,324

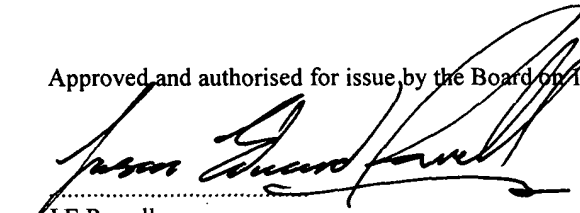
Turnover and operating (loss) / profit derive wholly from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

Parabis Ltd
(Registration number: 04411786)
Balance Sheet at 31 March 2014

	Note	2014 £	2013 £
Fixed assets			
Tangible fixed assets	9	<u>225,796</u>	<u>542,764</u>
Current assets			
Debtors	10	15,539,493	13,111,713
Cash at bank and in hand		<u>901,014</u>	<u>185,510</u>
		16,440,507	13,297,223
Creditors: Amounts falling due within one year	11	<u>(14,068,825)</u>	<u>(9,442,389)</u>
Net current assets		<u>2,371,682</u>	<u>3,854,834</u>
Net assets		<u>2,597,478</u>	<u>4,397,598</u>
Capital and reserves			
Called up share capital	12	5,000	5,000
Profit and loss account	13	<u>2,592,478</u>	<u>4,392,598</u>
Shareholders' funds	14	<u>2,597,478</u>	<u>4,397,598</u>

Approved and authorised for issue by the Board on 15 December 2014 and signed on its behalf by:


J E Powell
Director

Parabis Ltd

Notes to the Financial Statements for the Year Ended 31 March 2014

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with UK Generally Accepted Accounting Practice.

The company is exempt from preparing a cash flow statement as 90% or more of the voting rights are held within the group.

Going concern

The company is a member of the Trilliam Holdco group ("the group"). The group has strong relationships with a number of significant customers. As these are major insurers, there is minimal risk to the partnership of a counterparty becoming insolvent. The group has access to sufficient funds in the form of cash generated by its own activities. The group also has access to debt facilities which enable it to finance the group's operations.

As described in note 16 the company, along with its fellow members of the Trilliam Holdco group has given charges of its assets and cross guarantees as security for the group's long-term bank loans. Exposure at 31 March 2014 was £60.9 million (2013: £56.9 million). Subsequent to the year end the group has agreed revised financing arrangements with its investors and lenders effective 27th November 2014. As a result of the revised arrangements the group has received an additional £13m of cash via a loan note from its investors.

The banking facilities have been amended such that an RCF to Term Loan conversion for £5m has been put in place, deferral of various senior debt repayments have been made and changes to interest rates have been enacted. Furthermore, options exist for four further loan repayment deferrals to be taken at the company's discretion at specified points during the 2015 calendar year totalling £5m. Covenants have been reset in respect of the banking facilities and covenant breaches which occurred subsequent to the year end have been formally waived. In addition unpaid interest and principal of £40m in respect of vendor and investor loan notes have either been waived or converted into equity instruments.

Following the amendments made above, management have undertaken a review of the forecast trading of the group and believe that all revised covenants will be complied with for at least 12 months from the signing date of these accounts. This along with positive forecast EBITDA and available facilities means that management believe that the group are able to continue in business and pay their debts as they fall due and as such, the going concern assumption remains appropriate.

Turnover

Turnover represents amounts chargeable in respect of the sale of goods and services to customers.

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows

Asset class	Depreciation method and rate
Fixtures and fitting	25% straight line
Office equipment	33% straight line
Computer equipment	25% straight line

Parabis Ltd

Notes to the Financial Statements for the Year Ended 31 March 2014

..... *continued*

Deferred tax

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 required by FRS19.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

Hire purchase and leasing

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

Pensions

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

2 Operating (loss)/profit

Operating (loss)/profit is stated after charging:

	2014 £	2013 £
Operating leases - other assets	114,857	114,857
Auditor's remuneration - The audit of the company's annual accounts	9,027	8,789
Depreciation of owned assets	337,653	432,664

3 Exceptional items

	2014 £	2013 £
Reorganisation and restructuring costs	502,173	-

The reorganisation and restructuring costs comprise redundancy costs.

Parabis Ltd

Notes to the Financial Statements for the Year Ended 31 March 2014

..... *continued*

4 Particulars of employees

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2014 No.	2013 No.
Administration and support	22	40
Sales	523	597
	<u>545</u>	<u>637</u>

The aggregate payroll costs were as follows:

	2014 £	2013 £
Wages and salaries	13,567,110	17,033,850
Social security costs	1,774,771	1,934,424
Staff pensions	379,089	359,389
	<u>15,720,970</u>	<u>19,327,663</u>

5 Directors' remuneration

The director's remuneration for the year was as follows:

	2014 £	2013 £
Remuneration	270,000	266,250
Company contributions paid to money purchase schemes	12,000	11,813
	<u>282,000</u>	<u>278,063</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2014 No.	2013 No.
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>1</u>

In respect of the highest paid director:

Parabis Ltd

Notes to the Financial Statements for the Year Ended 31 March 2014

..... *continued*

	2014 £	2013 £
Remuneration	270,000	266,250
Company contributions to money purchase pension schemes	12,000	11,813
	<u>282,000</u>	<u>278,063</u>

6 Interest payable and similar charges

	2014 £	2013 £
Interest on bank borrowings	<u>1,158</u>	<u>2,506</u>

7 Taxation

Tax on (loss)/profit on ordinary activities

	2014 £	2013 £
Current tax		
Corporation tax charge	<u>-</u>	<u>416,067</u>
Deferred tax		
Origination and reversal of timing differences	(48,663)	(68,098)
Deferred tax adjustment relating to previous years	989	30,634
Effect of changes in tax rates	<u>1,520</u>	<u>-</u>
Total deferred tax	<u>(46,154)</u>	<u>(37,464)</u>
Total tax on (loss)/profit on ordinary activities	<u>(46,154)</u>	<u>378,603</u>

Factors affecting current tax charge for the year

Tax on (loss)/profit on ordinary activities for the year is higher than (2013 - higher than) the standard rate of corporation tax in the UK of 23% (2013 - 24%).

The differences are reconciled below:

	2014 £	2013 £
(Loss)/profit on ordinary activities before taxation	<u>(1,846,274)</u>	<u>1,429,927</u>
Corporation tax at standard rate	(424,643)	343,182
Capital allowances lower than/(in excess of) depreciation	48,663	68,098
Expenses not deductible for tax purposes	9,442	4,787
Group relief	<u>366,538</u>	<u>-</u>
Total current tax	<u>-</u>	<u>416,067</u>

Parabis Ltd

Notes to the Financial Statements for the Year Ended 31 March 2014

..... *continued*

8 Intangible fixed assets

	Goodwill £
Cost	
At 1 April 2013 and 31 March 2014	205,837
Amortisation	
At 1 April 2013 and 31 March 2014	<u>205,837</u>
Net book value	
At 31 March 2014 and 31 March 2013	<u><u>-</u></u>

9 Tangible fixed assets

	Other tangibles £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation				
At 1 April 2013	99,565	497,905	1,035,896	1,633,366
Additions	<u>-</u>	<u>-</u>	<u>20,685</u>	<u>20,685</u>
At 31 March 2014	<u>99,565</u>	<u>497,905</u>	<u>1,056,581</u>	<u>1,654,051</u>
Depreciation				
At 1 April 2013	21,078	339,571	729,953	1,090,602
Charge for the year	<u>9,956</u>	<u>105,280</u>	<u>222,417</u>	<u>337,653</u>
At 31 March 2014	<u>31,034</u>	<u>444,851</u>	<u>952,370</u>	<u>1,428,255</u>
Net book value				
At 31 March 2014	<u>68,531</u>	<u>53,054</u>	<u>104,211</u>	<u>225,796</u>
At 31 March 2013	<u>78,487</u>	<u>158,334</u>	<u>305,943</u>	<u>542,764</u>

Parabis Ltd

Notes to the Financial Statements for the Year Ended 31 March 2014

..... *continued*

10 Debtors

	2014	2013
	£	£
Trade debtors	2,338,685	1,923,668
Amounts owed by group undertakings	4,729,478	2,384,087
Amounts owed by undertakings in which the company has a participating interest	987	-
Other debtors	3,932,770	3,617,759
Deferred tax	83,618	37,464
Prepayments and accrued income	4,453,955	5,148,735
	<u>15,539,493</u>	<u>13,111,713</u>

Deferred tax

The movement in the deferred tax asset in the year is as follows:

	£
At 1 April 2013	37,464
Deferred tax credited to the profit and loss account	<u>46,154</u>
At 31 March 2014	<u>83,618</u>

Analysis of deferred tax

	2014	2013
	£	£
Difference between accumulated depreciation and amortisation and capital allowances	<u>83,618</u>	<u>37,464</u>
	<u>83,618</u>	<u>37,464</u>

11 Creditors: Amounts falling due within one year

	2014	2013
	£	£
Trade creditors	180,240	259,986
Amounts owed to group undertakings	11,842,957	7,075,286
Corporation tax	-	100,002
Other taxes and social security	1,424,263	951,333
Accruals and deferred income	621,365	1,055,782
	<u>14,068,825</u>	<u>9,442,389</u>

Parabis Ltd

Notes to the Financial Statements for the Year Ended 31 March 2014

..... continued

12 Share capital

Allotted, called up and fully paid shares

	2014		2013	
	No.	£	No.	£
Ordinary Shares of £1 each	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>

13 Reserves

	Profit and loss account £	Total £
At 1 April 2013	4,392,598	4,392,598
Loss for the year	<u>(1,800,120)</u>	<u>(1,800,120)</u>
At 31 March 2014	<u>2,592,478</u>	<u>2,592,478</u>

14 Reconciliation of movement in shareholders' funds

	2014 £	2013 £
(Loss)/profit attributable to the members of the company	<u>(1,800,120)</u>	<u>1,051,324</u>
Net (reduction)/addition to shareholders' funds	<u>(1,800,120)</u>	<u>1,051,324</u>
Shareholders' funds at 1 April	<u>4,397,598</u>	<u>3,346,274</u>
Shareholders' funds at 31 March	<u>2,597,478</u>	<u>4,397,598</u>

15 Pension schemes

Defined contribution 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 £379,089 (2013 - £359,389).

16 Contingent liabilities

The group entities have given fixed and floating charges over their assets and undertakings as security for the group bank loan. They have also given guarantees in favour of the bank. At 31 March 2014, the limit of the group's exposure under the debenture and guarantees was £60.9m (2013: £56.9m).

Parabis Ltd

Notes to the Financial Statements for the Year Ended 31 March 2014

..... continued

17 Commitments

Operating lease commitments

As at 31 March 2014 the company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	2014 £	2013 £
Land and buildings		
Over five years	<u>122,700</u>	<u>122,700</u>

18 Post balance sheet events

On 27 November 2014, the Group completed a refinancing exercise. Under the terms of the refinancing, the following took place:

- £5.0m of the Group's Revolving Cash Facility in Trilliam Bidco Limited (a fellow group undertaking) was redesignated as a term loan.

- The Duke Street Funds ("DS Funds") invested a further £13.0m in cash, comprising £12,999,409 of loan notes in Trilliam Intermediate Limited (a fellow group undertaking) and £501 of "B" Ordinary Shares in Trilliam Holdco Limited. These loan Notes carry interest at 25% per annum, and the interest ranks ahead of the principal.

- The DS Funds waived £13.5m of accrued unpaid interest on their B Investor Loan Notes.

- T G Oliver and J T Roberts each waived £2.5m accrued unpaid interest on their vendor subordinated unsecured fixed rate loans and £6.7m accrued unpaid interest on their A Investor Loan Notes.

- The interest rate on the A and B Investor Loan Notes reduced from 13% to 6.5%.

- T G Oliver and J T Roberts subscribed for additional shares in Trilliam Holdco Limited, in consideration for which they each gave £4.1m of their vendor subordinated unsecured fixed rate loan notes.

- Additionally the group has options for four further loan repayment deferrals to be taken at the company's discretion at specified points during the 2015 calendar year totalling £5m.

19 Related party transactions

Other related party transactions

During the year the company made the following related party transactions:

Parabis Ltd

Notes to the Financial Statements for the Year Ended 31 March 2014

..... continued

Argent Adjusting and Investigations Limited

(a company within the Trilliam Holdco group)

During the year the company recharged costs of £8,324.45 (2013 - £36,229) to Argent Adjusting and Investigations Limited. At the balance sheet date the amount due to Argent Adjusting and Investigations Limited was £446,768 (2013 - £445,200).

Argent Rehabilitation Limited

(a company within the Trilliam Holdco group)

During the year the company charged costs of £41,352 (2013 - £46,344) to Argent Rehabilitation Limited. Additionally the company received loans of £800,000 from (2013 - made loans £300,000 to) Argent Rehabilitation Limited. At the balance sheet date the amount due to Argent Rehabilitation Limited was £1,301,710 (2013 - £499,569).

Parabis Law LLP

(a partnership within the Trilliam Holdco group)

During the year the company recharged costs incurred of £508,673 (2013 - £3,363,746) to Parabis Law LLP and Parabis Law LLP recharged costs of £9,133,799 (2013 - £9,375,519) to the company. Additionally the company repaid loans of £5,460,491 (2013 - £4,000,000) to Parabis Law LLP. At the balance sheet date the amount due from/(to) Parabis Law LLP was £1,493,190 (2013 - (£4,530,517)).

Parabis Management Limited

(a company within the Trilliam Holdco group)

During the year Parabis Management Limited charged management fees of £1,415,637 (2013 - £692,039) to the company. Additionally Parabis Management Limited incurred overheads and payroll costs of £1,040,350 (2013 - £901,651) which were recharged to the company. The company has recharged costs incurred of £147,030 (2013: £40,833) to Parabis Management Limited. The company has made loan payments of £800,000 to (2013 - received loans of £4,000,000 from) Parabis Management Limited. At the balance sheet date the amount due from Parabis Management Limited was £2,559,821 (2013 - £2,384,087).

Parabis Resourcing Limited

(a company within the Trilliam Holdco group)

During the year the company was charged recruitment fees of £nil (2013 - £207,919) by Parabis Resourcing Limited. At the balance sheet date the amount due to Parabis Resourcing Limited was £nil (2013 - £nil).

Trilliam Bidco Limited

(a company within the Trilliam Holdco group)

During the year, the company received loans of £7,822,687 (2013: £1,600,000) from Trilliam Bidco Limited. At the balance sheet date the amount due to Trilliam Bidco Limited was £9,422,687 (2013 - £1,600,000).

20 Ultimate Parent Undertaking

At 31 March 2014, the directors consider that Trilliam Holdco Limited was the parent undertaking of the largest and smallest group for which consolidated accounts are prepared. Copies of the financial statements of Trilliam Holdco Limited can be obtained from Companies House, Crown Way, Cardiff CF14 3UZ.