

**Paragon Biomedical Limited**  
**REPORT AND FINANCIAL STATEMENTS**

For the year ended

31 December 2017

**PAGES FOR FILING WITH REGISTRAR**



Company Registration No. 04896951

## Paragon Biomedical Limited

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

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The directors are responsible for preparing 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

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 those financial statements, the directors are required to:

- a select suitable accounting policies and then apply them consistently;
- b make judgements and accounting estimates that are reasonable and prudent;
- c prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

# Paragon Biomedical Limited

## STATEMENT OF FINANCIAL POSITION

As at 31 December 2017

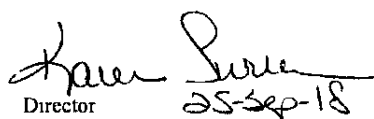
Company Registration No. 04896951

	Notes	2017 £	2016 £
<b>FIXED ASSETS</b>			
Tangible assets	3	10,859	14,541
Investments	4	1,998	1,998
		<u>12,857</u>	<u>16,539</u>
<b>CURRENT ASSETS</b>			
Debtors	5	3,283,548	3,299,376
Cash at bank and in hand		491,227	390,309
		<u>3,774,775</u>	<u>3,689,685</u>
<b>CREDITORS: Amounts falling due within one year</b>	6	(591,161)	(654,305)
<b>NET CURRENT ASSETS</b>		<u>3,183,614</u>	<u>3,035,380</u>
<b>NET ASSETS</b>		<u>3,196,471</u>	<u>3,051,919</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	44,160	44,160
Share premium account	8	80,840	80,840
Profit and loss account	8	3,071,471	2,926,919
<b>SHAREHOLDERS' FUNDS</b>		<u>3,196,471</u>	<u>3,051,919</u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies' subject to the small companies' regime

The financial statements on pages 2 to 8 were approved by the Board and authorised for issue on 25 September 2018 and are signed on its behalf by:

  
 Director

# Paragon Biomedical Limited

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 December 2017

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#### I. ACCOUNTING POLICIES

##### **General information**

Paragon Biomedical Limited ("the company") is a private company limited by shares incorporated in England. The registered office of the company is Third Floor, One London Square, Cross Lanes, Guildford, Surrey, GU1 1UN.

##### **Basis of accounting**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the requirements of the Companies Act 2006 as applicable to companies subject to the small companies' regime, and under the historical cost convention. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The functional and presentational currency of the company is pounds sterling and monetary items are rounded to the nearest pound sterling.

##### **Going concern**

The company's ultimate parent company has provided an undertaking that it will provide the necessary financial support to allow the company to continue to trade and to meet its liabilities as they fall due for a minimum period of 12 months from the date of approval of these financial statements.

##### **Turnover**

The company recognises revenue from the group's multi-performance contracts based on service hours performed. Revisions in estimates during the course of completing the contract are reflected in the accounting period in which the revision becomes known if relevant to completed service hours. While rare, when the revised estimate indicates a loss, it is recognised immediately in any case. Turnover is shown net of Value Added Tax.

##### **Foreign currencies**

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss.

##### **Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land and investment properties, at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight line basis over its expected useful life, as follows:-

Leasehold improvements	2% straight line
Office fixtures and fittings	10% to 20% straight line
Computer equipment	33% straight line

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

# Paragon Biomedical Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2017

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### **Impairments of fixed assets**

At each reporting end date, the company reviews the carrying amount of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### **Fixed asset investments**

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairments losses or reversals of impairment losses are recognised immediately in profit or loss.

### **Retirement benefits**

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

### **Leases**

Annual rentals are charged to profit or loss on a straight line basis over the lease term. Rent free periods or other incentives received for entering into an operating lease are accounted for as a reduction to the expense and are recognised, on a straight-line basis over the lease term.

### **Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or using other future taxable profits.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

# Paragon Biomedical Limited

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2017

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### **Taxation (continued)**

Current and deferred tax is charged or credited in profit or loss, except when it relates to items credited or charged directly to other comprehensive income or equity, in which case the tax follows the transaction or event it relates to and is also charged or credited directly to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

### **Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument, and are offset only when the company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### *Financial assets*

Trade, group and other debtors (including accrued income) which are receivable within one year are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

### *Financial liabilities*

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Trade, group and other creditors (including accruals) payable within one year are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled

2.	EMPLOYEES	2017	2016
	The average number of persons employed in the year was.	19	24

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**NOTES TO THE FINANCIAL STATEMENTS**  
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<b>3 TANGIBLE FIXED ASSETS</b>				
	Leasehold improvements £	Office fixtures & fittings £	Computer equipment £	Total £
Cost				
1 January 2017	3,815	11,497	54,682	69,994
Additions	-	-	1,238	1,238
31 December 2017	3,815	11,497	55,920	71,232
Depreciation				
1 January 2017	190	10,278	44,985	55,453
Charged in the year	76	396	4,448	4,920
31 December 2017	266	10,674	49,433	60,373
Net book value				
31 December 2017	3,549	823	6,487	10,859
31 December 2016	3,625	1,219	9,697	14,541

<b>4 FIXED ASSET INVESTMENTS</b>		Ordinary shares in subsidiary undertaking £
Investment in subsidiary undertakings		
Cost and net book value:		
1 January 2017 and 31 December 2017		1,998

The above interest represents the company's interest in 100% of the called up share capital of Paragon Biomedical India Private Limited, a company incorporated in India, that provides data management and statistical services to the pharmaceutical industry.

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**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2017

<b>5</b>	<b>DEBTORS</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
	Due within one year:		
	Prepayments and accrued income	45,807	32,575
	Other debtors	37,922	48,082
	Amounts due from group undertakings	3,133,124	3,085,775
		<u>3,216,853</u>	<u>3,166,432</u>
	Due after more than one year:		
	Other debtors	-	26,997
	Deferred tax	66,695	105,947
		<u>66,695</u>	<u>132,944</u>
	<b>Total</b>	<b><u>3,283,548</u></b>	<b><u>3,299,376</u></b>

The deferred tax asset of £66,695 (2016: £105,947) relates to the utilisation of tax losses against future expected taxable profits.

<b>6</b>	<b>CREDITORS: Amounts falling due within one year</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
	Trade creditors	63,116	224,504
	Other taxation and social security	33,960	30,979
	Other creditors	342,096	311,918
	Corporation tax	-	4
	Accruals and deferred income	151,989	86,900
		<u>591,161</u>	<u>654,305</u>

<b>7</b>	<b>SHARE CAPITAL</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
	Allotted, issued and fully paid:		
	184,004 ordinary shares of 24p each	44,160	44,160
		<u>44,160</u>	<u>44,160</u>

<b>8</b>	<b>RESERVES</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
	<b>Share Premium account</b>		
	1 January 2017 and 31 December 2017	80,840	80,840
		<u>80,840</u>	<u>80,840</u>

**Reserves**

Share premium represents excess consideration received for shares issued above their nominal value.

Profit and loss account represents cumulative profit and loss net of distributions to owners



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**9 COMMITMENTS UNDER OPERATING LEASES**

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2017	2016
	£	£
Amounts due:		
Within one year	26,247	53,969
Between one and five years	-	45,170
After five years	-	-
	<u>26,247</u>	<u>99,139</u>

**10 RELATED PARTY DISCLOSURES**

The company has taken advantage of the FRS102 section 33 exemption not to disclose transactions with parties that are wholly owned members of the Group.

**11 RETIREMENT BENEFITS**

The company operates a defined contribution pension scheme whose assets are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company and amounted to £11,286 (2016: £12,140).

**12 IMMEDIATE AND ULTIMATE PARENT COMPANY**

The company's immediate parent company is Paragon Biometrics LLC, incorporated in California, USA. Its ultimate parent company is Clinipace Inc., incorporated in Delaware, USA. The smallest and largest accounts for which consolidated accounts are drawn up is Clinipace Inc. The registered office of Clinipace Inc is 100 S Rockland Falls Rd, P.O Box 126, Wilmington, DE 19807, USA.

**13 AUDIT REPORT INFORMATION**

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified  
The senior statutory auditor was David Hough  
The auditor was RSM UK Audit LLP