ARTICULATE SCIENCE

ArticulateScience Limited

Unaudited annual report and financial statements for the year ended 31 December 2020

Registered number: 06858871

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ArticulateScience Limited

Directors' report

The directors submit their report and the financial statements of ArticulateScience Limited for the year ended 31 December 2020.

Principal Activity

The company continues to be a leading provider of innovative, high-quality and effective multichannel medical communications programmes for the healthcare and pharmaceutical industries.

Dividends

The directors did not pay a dividend in the year (2019: £nil).

No final dividend is proposed (2019: £nil).

Directors

The directors, who served during the year and since the year end, were as follows:

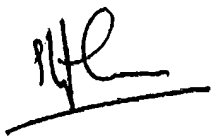
Dr S Cameron
C Harrison (Resigned 19 February 2021)
B S Jackson (Appointed 19 February 2021)
M Morrow (Appointed 19 February 2021)

Directors' indemnities

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Approved by the Board and signed on its behalf by:



Dr S Cameron
Director

Dated: 29th September 2021

ArticulateScience Limited

Directors' responsibilities statement

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), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.

ArticulateScience Limited

Statement of comprehensive income
for the year ended 31 December 2020

	Note	2020 £000	2019 £000
Revenue	4	**8,958**	**7,957**
Cost of sales	5	(5,952)	(5,438)
Gross profit		**3,006**	**2,519**
Other operating expenses	5	(2,336)	(1,553)
Profit before tax	7	**670**	**966**
Taxation	9	(127)	(184)
Profit and total comprehensive income for the year		**543**	**782**

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

ArticulateScience Limited

Statement of financial position
as at 31 December 2020

	Note	2020 £000	2019 £000
Non-current assets			
Property, plant and equipment		-	-
Deferred tax asset	10	1	1
		1	**1**
Current assets			
Trade and other receivables	11	43,205	29,347
Cash at bank and in hand		4,514	5,235
		47,719	**34,582**
Current liabilities			
Trade and other payables	12	(40,587)	(27,937)
Corporation tax		(128)	(184)
		(40,715)	**(28,121)**
Net current assets		**7,004**	**6,461**
Net assets		**7,005**	**6,462**
Equity attributable to owners of the parent			
Share capital	13	-	-
Retained earnings		7,005	6,462
Total equity		**7,005**	**6,462**

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The Company was entitled to exemption from the requirement to have an audit under section 479A of the Companies Act 2006.

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

The financial statements of ArticulateScience Limited (registered number 06858871) were approved by the board of directors and authorised for issue on 29th September 2021 and signed on its behalf by:

Dr S Cameron
Director

ArticulateScience Limited

Statement of changes in equity
for the year ended 31 December 2020

	Share capital	Retained earnings	Total
	£000	£000	£000
Balance at 1 January 2019	-	5,680	5,680
Profit and total comprehensive income for the year	-	782	782
Dividends	-	-	-
Balance at 31 December 2019	-	**6,462**	**6,462**
Profit and total comprehensive income for the year	-	543	543
Dividends	-	-	-
Balance at 31 December 2020	-	**7,005**	**7,005**

ArticulateScience Limited

Notes to the financial statements
for the year ended 31 December 2020

1. General information

ArticulateScience Limited ("the company") is a private company limited by shares, incorporated under the Companies Act 2006 in the United Kingdom. The company is registered and domiciled in England and the address of its registered office is 8th Floor, Holborn Gate, Southampton Buildings, London, England, WC2A 1AN. The principal activity of the company is as set out in the Directors' Report.

2. Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 "Reduced Disclosure Framework" (FRS 101) and the requirements of the Companies Act 2006.

The financial statements have been prepared on the historical cost basis and in accordance with applicable accounting standards. The principal accounting policies adopted are set out below.

These financial statements are presented in sterling, which is the functional currency of the company and are rounded to the nearest £000.

The company has taken advantage of the following disclosure exemptions under FRS 101:

a) the requirements of IFRS 7 "Financial Instruments: Disclosures";
b) the requirements of paragraphs 91-99 of IFRS 13 "Fair Value Measurement";
c) the requirement in paragraph 38 of IAS 1 "Presentation of Financial Statements" to present comparative information in respect of paragraph 73(e) of IAS 16 "Property, Plant and Equipment";
d) the requirements of paragraphs 10(d) and 134-136 of IAS 1;
e) the requirements of IAS 7 "Statement of Cash Flows";
f) the requirements of paragraphs 30 and 31 of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors";
g) the requirements of paragraph 17 of IAS 24 "Related Party Disclosures"; and
h) the requirements in IAS 24 to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Where relevant, equivalent disclosures have been given in the group accounts of Hunter Holdco 3 Limited, which are available to the public from the address above.

Going concern

The directors confirm, after careful consideration, that they have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Property, plant and equipment

Property, plant and equipment are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all property, plant and equipment, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold improvements	term of lease
Computers and equipment	33.3% per annum
Fixtures and fittings	25% per annum

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. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

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. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. 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 other future taxable profits.

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.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. All differences are included in profit or loss.

Long-term contracts

Long-term contracts are assessed on a contract by contract basis and reflected in profit or loss by recording revenue and related costs as contract activity progresses. Revenue recognised in the accounts reflects the stage of completion of the contract, and credit taken for profit earned to date when the outcome of the contract can be assessed with reasonable certainty. The amount by which revenue exceeds payments on account is classified as "contract assets" and included in trade and other receivables; to the extent that payments on account exceed relevant revenue, the excess is classified as "contract liabilities" and included in trade and other payables.

Revenue

Revenue represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers and, in the case of long-term contracts, credit is taken appropriate to the stage of completion when the outcome of the contract can be assessed with reasonable certainty. Revenue is recognised in line with the policy on long-term contracts.

In accordance with IFRS 15 "Revenue from Contracts with Customers" revenue from contracts with customers is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for providing services to a customer.

The company has applied the practical expedient in IFRS 15 not to disclose information in respect of partially completed contracts where the period of the contract is one year or less as there are no material projects for longer than one year.

Retirement benefits

The company operates a defined contribution scheme. The amount charged to profit and loss in respect of pension costs and other post retirement benefits 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 in the balance sheet.

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 receivables which are due within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade receivables are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses. Where the arrangement with a trade receivable constitutes a financing transaction, the financial asset is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A provision for impairment of trade receivables is established as a loss allowance for expected credit losses. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

Financial liabilities and equity

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 payables due within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a trade payable constitutes a financing transaction, the financial liability is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

Interpretations to existing standards or amended standards adopted by the company

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the International Accounting Standards Board ('IASB') that are mandatory for the current reporting period. There is no material impact on the company of these new or amended standards. Interpretations to existing standards and new or amended standards that are not yet effective are either not relevant to the company or not expected to have a material impact on the company. None of them have not been early adopted.

3. Key assumptions and accounting estimates and significant judgements

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

Revenue recognition
A judgement is made on the percentage completeness of the project in order for revenue to be recognised in the financial statements.

4. Revenue

The company's revenue arises from its principal activities in the United Kingdom.

5. Expenses

The company's expenses for the year have been analysed by nature as set out below.

	2020 £000	2019 £000
Wages and salaries	2,961	2,556
Other staff costs	125	231
Operating lease rentals	2	4
Other direct costs	2,866	2,652
Other administrative expenses	2,334	1,549
	8,288	**6,991**

6. Employees

The monthly average number of persons employed during the year was:

	2020 Number	2019 Number
Medical communications and marketing	56	48

	2020 £000	2019 £000
Wages and salaries	2,534	2,176
Social security costs	286	253
Other pension costs	141	126
	2,961	**2,556**

7. Profit before tax

	2020 £000	2019 £000
Profit before tax is stated after charging:		
Exchange losses/(gains)	399	(124)
Auditor's remuneration – statutory audit	6	6

8. Directors' remuneration

Dr S Cameron and C Harrison were also directors of Nucleus Holdings Limited, the parent company. Their remuneration, which was paid by Nucleus Holdings Limited, is disclosed in that company's financial statements. There was £nil apportionment made to ArticulateScience Limited. No other directors were paid by this company.

9. Taxation

	2020 £000	2019 £000
Current tax		
UK corporation tax	127	184
Total current tax	**127**	**184**
Deferred tax		
Origination and reversal of timing differences	-	-
Total deferred tax (see note 10)	-	-
Total tax charge	**127**	**184**

There are no differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax (19%) to the profit before tax for the year.

10. Deferred tax asset

	2020 £000	2019 £000
Accelerated capital allowances:		
At the start of year	1	1
Deferred tax charged to profit and loss	-	-
Deferred tax asset at the end of year	**1**	**1**

11. Trade and other receivables

	2020 £000	2019 £000
Trade receivables	2,934	1,700
Contract assets	832	926
Amounts owed by group undertakings	39,331	26,456
Other receivables	2	14
Prepayments and accrued income	106	251
	43,205	**29,347**

12. Trade and other payables

	2020 £000	2019 £000
Trade payables	7	23
Contract liabilities	428	360
Amounts owed to group undertakings	39,182	26,343
Other taxation and social security	360	169
Other payables	21	21
Accruals and deferred income	589	1,021
	40,587	**27,937**

13. Share capital

	2020 £	2019 £
Allotted, called-up and fully-paid		
1 ordinary share of £1 each	1	1

Share capital is made up of ordinary shares with full voting and distribution rights.

14. Reserves

Retained earnings

Cumulative profit and loss net of distributions to owners.

15. Contingent liabilities

The company is included in a group registration for VAT purposes and is therefore jointly and severally liable for all other group companies' unpaid debts in this connection. Other group companies' VAT balances at 31 December 2020 resulted in a contingent liability of £337,227 (2019: £nil).

16. Pension commitments

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 charge represents contributions payable by the company and amounted to £140,784 (2019: £125,984). At the year end pension contributions outstanding amounted to £21,017 (2019: £21,002).

17. Immediate and ultimate parent company

The immediate parent company for ArticulateScience Limited is Nucleus Holdings Limited (incorporated in the UK). On 10th December 2020 Nucleus Holdings Limited was acquired by Huntsworth Proton UK Bidco Limited (incorporated in the UK).

Following the acquisition, the operating parent company in the Group is CD&R Artemis Holdco 1 Limited, a Jersey incorporated company, which in the opinion of the Company's Directors, is the ultimate controlling party, and is, amongst other things, where the strategic direction of the Group is set. It is noted that CD&R's investment was made through its investment funds, Clayton, Dubilier & Rice Fund X, L.P., Clayton, Dubilier & Rice Fund X-A, L.P. and CD&R Advisor Fund X, L.P.

Hunter Holdco 3 Limited is the parent undertaking of the smallest and largest group to consolidate these financial statements at 31 December 2020. Copies of Hunter Holdco 3 Limited's 2020 consolidated financial statements, which include the Company, are available from its registered office at 8th Floor, Holborn Gate, 26 Southampton Buildings, London, WC2A 1AN.