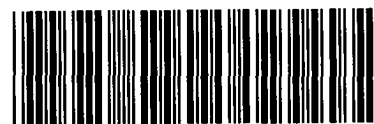


Registered Number 04320190

Continuum Professional Services Limited
Directors' report and financial statements
for the year ended 31 December 2013

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CONTINUUM PROFESSIONAL SERVICES LIMITED

**Directors' report and financial statements
for the year ended 31 December 2013**

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CONTINUUM PROFESSIONAL SERVICES LIMITED

Directors' report and financial statements for the year ended 31 December 2013

Directors and advisors

Directors

D K Khanna
K Bousfield
M Leonard

Secretary

R Robinski

Registered Office

Hertford Road
Hoddesdon
Hertfordshire
EN11 9BU

Bankers

Citibank
CGC Centre
Canary Wharf
E14 5LB

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
10 Bricket Road
St Albans
Herts
AL1 3JX

CONTINUUM PROFESSIONAL SERVICES LIMITED

Directors' report for the year ended 31 December 2013

The directors present their annual report on the affairs of the company, together with the audited financial statements and independent auditors' report, for the year ended 31 December 2013.

Principal activities and business review

The company's principal activity during the year was the licensing of its software to Merck Sharp & Dohme Limited.

Principal risks and uncertainties

The principal risk of the company is the recoverability of its accrued income which will be recoverable from its parent undertaking. Periodic reviews are undertaken of the carrying value of the accrued income balance to ensure that the amount continues to be recoverable.

Results and dividends

The company generated a profit after taxation of £518,000 in the current year (2012: £486,000).

The directors do not recommend the payment of a dividend (2012: £nil).

Disclosure of information to auditors

So far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps 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 auditors are aware of that information.

Financial risk management

The company's assets comprise accrued income which is receivable from its patent undertaking and cash. The directors seek to ensure that the company maintains sufficient cash to enable it to settle its obligations as they fall due.

The company is subject to price risk given the nature of the services it provides, but given the size of the company's operations, the costs of managing this exposure exceed any potential benefits. Credit risk is dependent upon the financial position of other group undertakings and the financial institution where cash is deposited which is monitored periodically.

CONTINUUM PROFESSIONAL SERVICES LIMITED

Directors' report for the year ended 31 December 2013 (continued)

Directors

The present directors are shown on page 2. The directors, who served during the year and up to the date of signing the financial statements, and the relevant dates of appointment and resignation, are shown below:

D K Khanna	
M A C McDowell	(resigned 31 December 2013)
K Bousfield	
M Leonard	(appointed 11 December 2013)
M Nally	(appointed 30 June 2014)

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

Statement of directors' responsibilities

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 prepared 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 and loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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
- 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 taking reasonable steps for the prevention and detection of fraud and other irregularities.

Strategic review

The company has taken advantage of section 414B of the Companies Act 2006 not to include a strategic review in these financial statements.

On behalf of the Board



M Leonard
Director
30 June 2014

Registered Number: 04320190

Independent auditors' report to the members of Continuum Professional Services Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and of its profit 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by Continuum Professional Services Limited, comprise:

- the balance sheet as at 31 December 2013;
- the profit and loss account the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Directors' report and Financial Statements (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on other matter prescribed by the Companies Act 2006

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

Independent auditors' report to the members of Continuum Professional Services Limited

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Robert Girdlestone (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
St Albans
30 June 2014

CONTINUUM PROFESSIONAL SERVICES LIMITED

Profit and loss account

for the year ending 31 December 2013

	Note	2013 £'000	2012 £'000
Turnover	2	1,050	1,050
Cost of sales		-	-
Gross profit		1,050	1,050
Administrative expenses		(374)	(404)
Operating profit	3	676	646
Interest receivable and similar income		1	1
Interest payable and similar charges	4	-	(3)
Profit on ordinary activities before taxation		677	644
Tax on profit on ordinary activities	5	(159)	(158)
Profit for financial year	10	518	486

The profit and loss has been prepared on the basis that all amounts relate to continuing operations.

There are no recognised gains or losses other than the profit for the financial year and the profit for the preceding financial period. Accordingly, no statement of total recognised gains and losses is presented.

There are no material differences between the profit on ordinary activities before taxation and the retained profit and comparative stated above and their historical equivalents.

The notes on pages 9 to 13 form part of these financial statements

CONTINUUM PROFESSIONAL SERVICES LIMITED

Balance sheet

as at 31 December 2013

	Note	2013 £'000	2012 £'000
Fixed assets			
Intangible assets	6	-	374
Current assets			
Debtors	7	2,887	1,838
Cash at bank and in hand		334	335
		3,221	2,173
Creditors: amounts falling due within one year	8	(316)	(160)
Net current assets		2,905	2,013
Net assets		2,905	2,387
Capital and reserves			
Called up share capital	9	-	-
Profit and loss account	10	2,905	2,387
Total shareholders' funds	11	2,905	2,387

The financial statements on pages 7 to 13 were approved by the Board of Directors on 30 June 2014 and signed on its behalf by:



M Leonard
Director

Registered Number: 04320190

CONTINUUM PROFESSIONAL SERVICES LIMITED

Notes to the financial statements

for the year ended 31 December 2013

1. Accounting policies

Basis of accounting

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies are set out below and they have been applied consistently in both the current and prior year.

Turnover

The turnover shown in the profit and loss account represents licensing revenues exclusive of Value Added Tax. Revenue from consultancy services is recognised when the services have been provided whilst licensing revenues are recognised on a straight line basis over the period of the licence.

Cash flow statement

Under the provisions of Financial Reporting Standard Number 1 (Revised 1996) "Cash Flow Statements", the company has not prepared a cash flow statement as its ultimate parent company, Merck & Co., Inc. which is incorporated in the USA, has prepared consolidated financial statements which incorporate the results and cash flows of the company and which are publicly available.

Taxation

UK corporation tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date. The taxation liabilities of certain group companies are reduced wholly or in part by the surrender of losses by fellow group companies. The tax benefits are recognised in the financial statements of the surrendering and recipient companies in the period for which the claim is made at the prevailing tax rate.

Intangible assets

Separately acquired intellectual property is shown at historical cost and is amortised over its useful economic life on a straight line basis.

Amortisation is calculated to write off the cost of an asset, less its estimated residual value, over its useful economic life of five years. Impairment reviews are undertaken when there is evidence of events that suggest that the carrying value of the asset may no longer be recoverable. An impairment charge is determined by comparing the carrying value of the asset to the higher of its net realisable value or its value in use. Value in use is determined by measuring net present value of the future cash flows arising from the asset.

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 on the assets of the company after deducting all of its liabilities.

CONTINUUM PROFESSIONAL SERVICES LIMITED

Notes to the financial statements (continued)

for the year ended 31 December 2013

2. Turnover

The company's activities consist solely of licensing revenues derived in the United Kingdom.

3. Operating profit

	2013 £'000	2012 £'000
Operating profit is stated after charging:		
Amortisation of intangible assets (note 6)	374	404

The audit fee of £2,500 for the year ended 31 December 2013 (2012: £2,500) has been borne by a fellow group company.

4. Interest payable and similar charges

	2013 £'000	2012 £'000
Other interest payable	-	3

5. Tax on profit on ordinary activities

a) Analysis of tax charge in the year/period

	2013 £'000	2012 £'000
Current tax		
UK corporation tax in the year	157	158
Adjustments in relation to prior periods	2	-
Total current tax charge	159	158

CONTINUUM PROFESSIONAL SERVICES LIMITED

Notes to the financial statements (continued)

for the year ended 31 December 2013

5. Tax on profit on ordinary activities (continued)

b) Factors affecting tax charge for the year

The current tax charge for the current year and preceding period is equal (2012: equal) to the standard rate of corporation tax in the UK 23.25% (2012: 24.5%). The differences are explained below:

	2013 £'000	2012 £'000
Profit on ordinary activities before tax	677	644
Tax on profit on ordinary activities at standard UK corporate tax rate of 23.25% (2012: 24.5%)	157	158
Adjustments in relation to prior periods	2	-
Total current tax charge	159	158

c) Factors affecting future tax charges

The Finance Act 2013 (the Act) was substantially enacted on 2 July 2013. The Act further reduced the main rate of corporation tax to 21% with effect from 1 April 2014 and 20% with effect from 1 April 2015. As these reductions have been substantially enacted before the balance sheet date, timing differences have been measured at 20%.

6. Intangible assets

	£'000
Cost	
At 1 January 2013 and 31 December 2013	2,020
Accumulated amortisation	
At 1 January 2013	1,646
Charge for the year	374
At 31 December 2013	2,020
Net Book Value	
At 31 December 2013	-
At 31 December 2012	374

CONTINUUM PROFESSIONAL SERVICES LIMITED

Notes to the financial statements (continued)

for the year ended 31 December 2013

7. Debtors

	2013 £'000	2012 £'000
Prepayments and accrued income	2,887	1,838

The accrued income is due from the company's parent undertaking.

8. Creditors: amounts falling due within one year

	2013 £'000	2012 £'000
Amounts payable to group undertakings	10	-
Corporation tax	306	160
	316	160

9. Called up share capital

	2013 £'000	2012 £'000
Allotted and fully paid		
2 ordinary shares of £1 each (2012: 2)	-	-

10. Reserves

	Profit and loss account £'000
Profit and loss account	
At 1 January 2013	2,387
Profit for the year	518
At 31 December 2013	2,905

11. Reconciliation of movements in shareholders' funds

	2013 £'000	2012 £'000
Profit for the year	518	486
Opening shareholders' funds	2,387	1,901
Closing shareholders' funds	2,905	2,387

CONTINUUM PROFESSIONAL SERVICES LIMITED

Notes to the financial statements (continued)

for the year ended 31 December 2013

12. Related party transactions

In the ordinary course of business, the group has entered into transactions with its own subsidiaries, together with its fellow group subsidiaries and its ultimate parent company Merck & Co., Inc. In accordance with paragraph 3(c) of Financial Reporting Standard 8, 'Related party disclosures', transactions between group companies have not been disclosed because the entity is a wholly-owned subsidiary of Merck & Co., Inc. whose financial statements are publicly available as discussed in note 14.

13. Directors and employees

The directors did not receive any remuneration in the year (2012 - £nil) for their services to this company. The company had no employees in both the current year and the preceding period.

14. Ultimate parent undertaking

In the opinion of the directors, the company's immediate parent company is Merck Sharp & Dohme Limited, a company incorporated in the United Kingdom and the ultimate parent company and controlling party is Merck & Co., Inc a company incorporated in the United States of America. Copies of the group financial statements of Merck & Co., Inc. may be obtained from: One Merck Drive, P.O. Box 100, Whitehouse Station, NJ 08889-0100 USA. Merck & Co., Inc. is the largest and smallest group for which financial statements are available.