

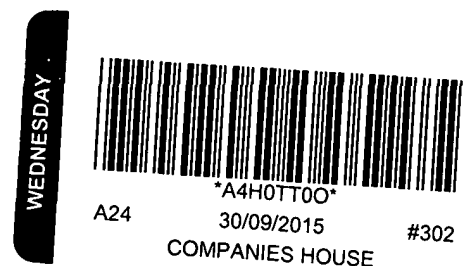
Registered Number 04320190

Continuum Professional Services Limited

Directors' report and financial statements

Registered Number 04320190

31 December 2014



CONTINUUM PROFESSIONAL SERVICES LIMITED

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CONTINUUM PROFESSIONAL SERVICES LIMITED

Directors and advisors

Directors

M Nally
M Leonard
S Nicholson
K White

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 2014

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 2014.

Principal activities and business review

The company's principal activity during the year was the licensing of its software to Merck Sharp & Dohme Limited and which it is expected to do so for the foreseeable future.

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 for the financial year of £394,000 in the current year (2013: £518,000).

The directors do not recommend the payment of a dividend (2013: £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 parent 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 2014 (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 (resigned 30 June 2014)

M Leonard

M Nally (appointed 30 June 2014)

S Nicholson (appointed 31 Dec 2014)

K White (appointed 31 Dec 2014)

K Bousfield (resigned 31 Dec 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 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 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Strategic report

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

On behalf of the Board



M Leonard

Director

28 September 2015

Registered Number: 04320190

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

Report on the financial statements

Our opinion

In our opinion, Continuum Professional Services Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2014 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.
-

What we have audited

Continuum Professional Services Limited's financial statements comprise:

- the balance sheet as at 31 December 2014;
- the profit and loss account for 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 the preparation of the financial statements 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.

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.

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.

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

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

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) ("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.

What an audit of financial statements involves

We conducted our audit in accordance with 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Directors' report and financial statements 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.



Robert Girdlestone (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
St Albans
28 September 2015

CONTINUUM PROFESSIONAL SERVICES LIMITED

Profit and loss account

for the year ending 31 December 2014

	Note	2014 £'000	2013 £'000
Turnover	2	501	1,050
Cost of sales		-	-
Gross profit		501	1,050
Administrative expenses		-	(374)
Operating profit	3	501	676
Interest receivable and similar income		1	1
Interest payable and similar charges		-	-
Profit on ordinary activities before taxation		502	677
Tax on profit on ordinary activities	4	(108)	(159)
Profit for the financial year	9	394	518

The profit and loss account 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 year. 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 profit for the financial year and comparative stated above and their historical equivalents.

The notes on pages 9 to 12 form part of these financial statements

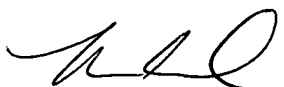
CONTINUUM PROFESSIONAL SERVICES LIMITED

Balance sheet

as at 31 December 2014

	Note	2014 £'000	2013 £'000
Fixed assets			
Intangible assets	5	-	-
Current assets			
Debtors	6	3,388	2,887
Cash at bank and in hand		335	334
		3,723	3,221
Creditors: amounts falling due within one year	7	(424)	(316)
Net current assets		3,299	2,905
Net assets		3,299	2,905
Capital and reserves			
Called up share capital	8	-	-
Profit and loss account	9	3,299	2,905
Total shareholders' funds	10	3,299	2,905

The financial statements on pages 7 to 12 were approved by the Board of Directors on 28 September 2015 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 2014

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 licensing is 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 2014

2. Turnover

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

3. Operating profit

	2014 £'000	2013 £'000
Operating profit is stated after charging:		
Amortisation of intangible assets (note 5)	-	374

The audit fee of £2,500 for the year ended 31 December 2014 (2013: £2,500) has been borne by a fellow group company.

4. Tax on profit on ordinary activities

a) Analysis of tax charge in the year

	2014 £'000	2013 £'000
Current tax		
UK corporation tax in the year	108	157
Adjustments in respect of prior years	-	2
Total current tax charge	108	159

b) Factors affecting tax charge for the year

The current tax charge for the current year and preceding year is equal (2013: higher) to the standard rate of corporation tax in the UK 21.5% (2013: 23.25%). The differences are explained below:

	2014 £'000	2013 £'000
Profit on ordinary activities before tax	502	677
Tax on profit on ordinary activities at standard UK corporate tax rate of 21.5% (2013: 23.25%)	108	157
Adjustments in respect of prior years	-	2
Total current tax charge	108	159

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%.

There are no unrecognised tax assets.

CONTINUUM PROFESSIONAL SERVICES LIMITED

Notes to the financial statements (continued)

for the year ended 31 December 2014

5. Intangible assets

£'000

Cost

At 1 January 2014 and 31 December 2014 2,020

Accumulated amortisation

At 1 January 2014 and 31 December 2014 2,020

Net Book Value

At 31 December 2013 and 31 December 2014 -

6. Debtors

	2014 £'000	2013 £'000
Prepayments and accrued income	3,388	2,887

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

7. Creditors: amounts falling due within one year

	2014 £'000	2013 £'000
Amounts owed to group undertakings	16	10
Corporation tax	408	306
	424	316

8. Called up share capital

	2014 £'000	2013 £'000
Allotted and fully paid		
2 ordinary shares of £1 each (2013: 2)	-	-

9. Reserves

	Profit and loss account £'000
Profit and loss account	
At 1 January 2014	2,905
Profit for the financial year	394
At 31 December 2014	3,299

CONTINUUM PROFESSIONAL SERVICES LIMITED

Notes to the financial statements (continued)

for the year ended 31 December 2014

10. Reconciliation of movements in shareholders' funds

	2014 £'000	2013 £'000
Profit for the financial year	394	518
Opening shareholders' funds	2,905	2,387
Closing shareholders' funds	3,299	2,905

11. 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 13.

12. Directors and employees

The directors did not receive any remuneration in the year (2013 - £nil) for their services to this company. The company had no employees in both the current year and the preceding year.

13. 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: 2000 Galloping Hill Road, Kenilworth, NJ 07033, USA. Merck & Co., Inc. is the largest and smallest group for which financial statements are available.