

Registrar's Copy

PharmiWeb 2002 Limited

Report and Financial Statements

Year Ended

31 December 2016

Company Number 04548862



PharmiWeb 2002 Limited

Report and financial statements for the year ended 31 December 2016

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Directors

P Hartigan
A Ahmed

Secretary and registered office

P Hartigan, One Station Square, Bracknell, Berkshire, RG12 1QB

Company number

04548862

Auditors

BDO LLP, Kings Wharf, 20-30 Kings Road, Reading, Berkshire, RG1 3EX

PharmiWeb 2002 Limited

Strategic Report

for the year ended 31 December 2016

Introduction

PharmiWeb Solutions (the trading name of PharmiWeb 2002 Limited) is a specialist provider of digital services to the pharmaceutical sector. Our core competence is in the design, deployment and management of digital multichannel programmes to support drug launches on an international scale. This requires a complex mix of technology, creative and project management skills, and detailed knowledge of this highly regulated vertical market - taken together, these characteristics give us a compelling competitive advantage.

We also own and run the leading pharma industry-sponsored portal, PharmiWeb.com, with a readership of over 100,000, and a customer base of over 200 pharma and biotech advertisers.

Key Performance Indicators

Revenue and operating profit (PBIT) are the Company's key financial indicators that are used to assess the performance of the business.

	2016	2015	Change
	£	£	+/-
Revenue	9,130,275	7,008,111	30%
Profit before Interest and Tax	702,713	812,262	-13%

Our revenue growth follows the trend for the past five years, and reflects our continued investment in both customer service, and technological innovations such as data visualization. Profit is lower this year partially as a result of the lag between some of this investment and the impact on revenue, and also due to the costs associated with expansion in to new headquarters in the UK.

Principal risks and uncertainties

The Company operates in a competitive market and there a potential risk that the Company could lose sales to its competitors. The Company manages this risk by maintaining strong relationships with its customers through professional account management and providing high quality solutions.

The Directors acknowledge that they have responsibility for the Company's systems of internal control and risk management and for monitoring their effectiveness. The purposes of these systems are to manage, rather than eliminate, the risk of failure to achieve business objectives, to provide reasonable assurance as to the quality of management information and to maintain proper control over the income, expenditure, assets and liabilities of the Company.

No system of control can, however, provide absolute assurance against material misstatement or loss. Accordingly, the Directors have regard to what controls, in their judgement, are appropriate to the Company's business and to the relative costs and benefits of implementing specific controls.

PharmiWeb 2002 Limited

Strategic Report (*continued*) for the year ended 31 December 2016


Development, performance and position

2016 featured a number of key developments and successes for PharmiWeb Solutions, including:

- Continued growth, with the business now averaging over 30% annual revenue growth for the last five years
- New web and application development programmes for customers in the US, Australia and across Europe
- Our ongoing innovation focus saw some major developments, such as a touch-screen data visualisation and virtual reality tools to enable clearer understanding of scientific data for healthcare professionals

We are seeing increased demand for our solutions and services in to 2017 and beyond, and we are grateful to our customers for their continued support, and to our staff for their creativity, energy and commitment.

By order of the board



P Hartigan

Secretary Date: 16 May 2017

PharmiWeb 2002 Limited

Report of the directors for the year ended 31 December 2016

The directors present their report with the audited financial statements for the year ended 31 December 2016.

Results and dividends

The profit and loss account is set out on page 7 and shows the profit for the year.

The directors do not recommend the payment of a final dividend.

Directors

The directors of the company during the year were:

P Hartigan
A Ahmed

The company has arranged qualifying third party indemnity insurance for all its directors.

Directors' responsibilities

The directors are responsible for preparing the strategic report, the report of the directors' 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 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;
- 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.

PharmiWeb 2002 Limited

Report of the directors for the year ended 31 December 2016 (*continued*)

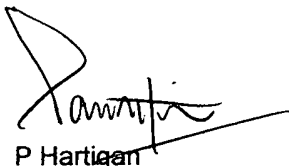
Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the next annual general meeting.

In preparing this directors' report advantage has been taken of the small companies exemption

By order of the board



P Hartigan

Secretary

Date: 16 May 2017

PharmiWeb 2002 Limited

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PHARMIWEB 2002 LIMITED

We have audited the financial statements of PharmiWeb 2002 Limited for the year ended 31 December 2016 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes. 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 auditors

As explained more fully in the statement of directors' responsibilities, 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 Financial Reporting Council's (FRC'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 FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on 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 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

PharmiWeb 2002 Limited

Independent auditor's report (*continued*)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained during the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime.

BDO LLP

*Christopher Pooles (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Reading
United Kingdom*

Date: 16 May 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

PharmiWeb 2002 Limited

Statement of comprehensive income for the year ended 31 December 2016

	Note	2016 £	2015 £
Turnover	3	9,130,275	7,008,111
Cost of sales		5,572,402	4,237,766
Gross profit		3,557,873	2,770,345
Administrative expenses		2,860,709	1,958,082
Operating profit	4	697,164	812,263
Interest receivable and similar income		5,549	2,687
Profit on ordinary activities before taxation		702,713	814,950
Taxation on profit from ordinary activities	6	176,116	137,971
Profit and total comprehensive income for the financial year		526,597	676,979

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

The notes on pages 10 to 18 form part of these financial statements.

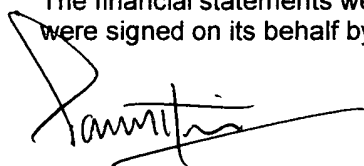
PharmiWeb 2002 Limited

Balance sheet at 31 December 2016

Company number 04548862	Note	2016 £	2015 £
Fixed assets			
Tangible assets	8	282,537	61,428
Investments	9	-	642
		282,537	62,070
Current assets			
Debtors	10	3,293,379	4,520,569
Cash at bank		1,835,121	707,452
		5,128,500	5,228,021
Creditors: amounts falling due within one year	11	(1,357,038)	(1,123,341)
Net current assets		3,771,462	4,104,680
Total assets less current liabilities		4,053,999	4,166,750
Provisions for liabilities	12	(30,412)	(8,603)
Deferred income	13	(1,590,289)	(2,191,446)
Net assets		2,433,298	1,966,701
Capital and reserves			
Called up share capital	14	100	100
Profit and loss account		2,433,198	1,966,601
Shareholders' funds		2,433,298	1,966,701

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

The financial statements were approved by the Board of Directors and authorised for issue on 16 May 2017. They were signed on its behalf by:



P Hartigan
Director

The notes on pages 10 to 18 form part of these financial statements.

PharmiWeb 2002 Limited

Statement of changes in equity for the year ended 31 December 2016

	Share capital £	Profit and loss account £	Total £
1 January 2015	100	1,439,622	1,966,701
<i>Total comprehensive income for the period:</i>			
Total comprehensive income for the period	-	676,979	676,979
<i>Contributions by and distributions to owners:</i>			
Payment of dividends	-	(150,000)	(150,000)
Total contributions by and distributions to owners	-	(150,000)	(150,000)
31 December 2015	100	1,966,601	1,966,701
<i>Total comprehensive income for the period:</i>			
Total comprehensive income for the period	-	526,597	526,597
<i>Contributions by and distributions to owners:</i>			
Payment of dividends	-	(60,000)	(60,000)
Total contributions by and distributions to owners	-	(60,000)	(60,000)
31 December 2016	100	2,433,198	2,433,298

PharmiWeb 2002 Limited

Notes forming part of the financial statements for the year ended 31 December 2016

1 Accounting policies

Pharmiweb 2002 Limited is a company incorporated and domiciled in the United Kingdom under the Companies Act. The address of the registered office is given on the company information page. The nature of the company's operations and its principal activities are set out in the report of the directors on pages 3 to 4.

The following principal accounting policies have been applied.

Preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Turnover - Projects

Turnover represents net invoiced sales of goods, excluding value added tax. Revenue is recognised as work on contracts progresses. Where the work undertaken by the company in respect of a project covers more than one accounting period, the revenue is calculated and disclosed in the profit and loss account based on the estimated percentage completeness of that work as at the year end date.

Turnover – Pharmiweb.com

Turnover represents net invoiced sales of goods, excluding value added tax. Revenue is recognised depending on the type of service required either on delivery of access for single postings to the website or over the period over for which access to the website has been granted.

Tangible fixed assets and depreciation

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	-	33% on cost
Fixtures and Fittings	-	20% on cost

Investments

Investments held as fixed assets are stated at cost less any provision for impairment.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

PharmiWeb 2002 Limited

Notes forming part of the financial statements for the year ended 31 December 2016

1 Accounting policies (*continued*)

Taxation & deferred taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred.

Current tax is measured at amounts expected to be paid using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Operating lease commitments

Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

The assets of the scheme are independently administered separate from the funds of the company.

Financial instruments

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than its legal form.

The company's cash at bank and in hand and trade and other debtors and its trade and other creditors and bank overdrafts are measured initially at the transaction price, including transaction costs, and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing the financial statements the directors have made the following judgements:

PharmiWeb 2002 Limited

Notes forming part of the financial statements for the year ended 31 December 2016

2 Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

- Determining whether there are indicators of impairment of the company's tangible fixed assets. Factors taken into consideration in reaching a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Determine whether leases entered into by the company either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Other key sources of estimation uncertainty are as follows:

- *Tangible fixed assets (see note 9)*

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- *Trade debtors impairment loss (see note 11)*

Trade debtors are reviewed for impairment on an annual basis and provision made for any balances where there is uncertainty against the recoverability of the balance. This methodology is applied on a customer by customer basis.

- *Revenue and deferred revenue (see note 3)*

The company reviews recognition of revenue of fixed price contracts based on the estimated stage of completion of each contract. A judgement is made by the project manager based on an assessment of the work carried out at the balance sheet date, the total expected costs on the project and the expected margin to be achieved. The ultimate total costs and or margin may differ from those estimated.

PharmiWeb 2002 Limited

Notes forming part of the financial statements for the year ended 31 December 2016 (continued)

3 Turnover

During the year to 31 December 2016, 16% of the company's turnover was derived from markets outside the UK (2015 – 27%).

4 Operating profit

	2016 £	2015 £
This has been arrived at after charging/(crediting):		
Depreciation - owned assets	54,406	48,727
Auditor's remuneration	26,781	26,000
Foreign exchange differences	(165,188)	64,449
Pension costs	134,123	98,101
Rentals under operating leases – land and buildings	135,625	119,918
Rentals under operating leases – vehicles	6,726	-
(Gain)/loss on disposal of fixed assets	778	(110)
	<u> </u>	<u> </u>

5 Employees

	2016 Number	2015 Number
The average number of employees, including directors, during the year were:		
Average number of employees	87	66
	<u> </u>	<u> </u>

PharmiWeb 2002 Limited

Notes forming part of the financial statements
for the year ended 31 December 2016 (continued)

6 Taxation on profit from ordinary activities

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2016 £	2015 £
<i>Current tax</i>		
UK corporation tax	154,681	173,513
Adjustment in respect of prior period	(374)	(29,312)
	154,307	144,201
Deferred tax	21,809	(6,230)
	176,116	137,971

7 Dividends

	2016 £	2015 £
Ordinary 'A' shares of £0.00001 each		
Interim dividend paid of £0.006 per share (2015 - £0.015)	60,000	150,000

No further dividends have been paid subsequent to the year end

PharmiWeb 2002 Limited

Notes forming part of the financial statements
for the year ended 31 December 2016 (*continued*)

8	Tangible assets	Fixtures and Fittings £	Plant and machinery £	Total £
	<i>Cost</i>			
	At 1 January 2016	-	296,779	296,779
	Additions	178,025	98,268	276,293
	Disposals	-	(2,335)	(2,335)
	At 31 December 2016	178,025	392,712	570,737
	<i>Depreciation</i>			
	At 1 January 2016	-	235,351	235,351
	Charge for the year	2,967	51,439	54,406
	Disposals	-	(1,557)	(1,557)
	At 31 December 2016	2,967	285,233	288,200
	<i>Net book value</i>			
	At 31 December 2016	175,058	107,479	282,537
	At 31 December 2015	-	61,428	61,428

Assets were disposed of in the year for £nil proceeds, giving a loss on disposal of £778 (2015: profit of £110).

9 Investments

	£
<i>Cost</i>	
At 1 January 2016	642
Transferred to Webtelligence Holdings Limited	(642)
At 31 December 2016	-

The holding in PharmiWeb Solutions Inc. was transferred to Webtelligence Holdings Limited, the parent company of PharmiWeb 2002 Limited, on 4 July 2016.

PharmiWeb 2002 Limited

Notes forming part of the financial statements
for the year ended 31 December 2016 (continued)

10 Debtors: amounts falling due within one year

	2016 £	2015 £
Trade debtors	2,622,073	3,957,433
Amounts owed from group companies	481,413	283,643
Other debtors	34,289	50,193
Directors' current accounts	2,412	7,453
Prepayments and accrued income	153,192	221,847
	<u>3,293,379</u>	<u>4,520,569</u>

11 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	161,514	228,319
Amounts due to group companies	17,263	-
Corporation tax	154,341	38,502
Other taxation and social security	385,761	558,956
Pension contributions	20,291	12,121
Accruals	617,868	272,443
	<u>1,357,038</u>	<u>1,123,341</u>

12 Provisions for liabilities

	2016 £	2015 £
Deferred tax		
Brought forward	8,603	14,833
Charged in year (note 6)	21,809	(6,230)
	<u>30,412</u>	<u>8,603</u>
	2016 £	2015 £
Fixed asset timing differences	32,434	9,792
Short term timing differences	(2,022)	(1,189)
	<u>30,412</u>	<u>8,603</u>

PharmiWeb 2002 Limited

Notes forming part of the financial statements
for the year ended 31 December 2016 (continued)

13 Deferred income

	2016 £	2015 £
Deferred income	<u>1,590,289</u>	<u>2,191,446</u>

14 Share capital

	2016 Number	Allotted, issued and fully paid 2015 Number	2016 £	2015 £
Ordinary 'A' shares of £0.00001	<u>10,000,000</u>	<u>10,000,000</u>	<u>100</u>	<u>100</u>

15 Commitments under operating leases

As at 31 December 2016, the company had minimum lease payments under non-cancellable operating leases as set out below:

	Vehicles 2016 £	2015 £	Land and Buildings 2016 £	2015 £
Within one year	9,042	-	71,398	124,800
Between two and five years	13,563	-	1,142,368	-
Over five years	-	-	785,378	-

16 Loans and transactions concerning directors

At 31 December 2016, an amount of £2,412 was owed by P Hartigan (2015 - £7,453). Advances during the year amounted to £22,392 (2015: £15,238) and repayments of £27,433 (2015: £13,725) were made. There is no interest due on the loan to the director.

PharmiWeb 2002 Limited

**Notes forming part of the financial statements
for the year ended 31 December 2016 (*continued*)**

17 Ultimate controlling party

The controlling party is A Ahmed.

The company is controlled by the director A Ahmed by virtue of her majority interest in the issued share capital of Webtelligence Holdings Limited, the parent company.

The registered office of Webtelligence Holdings Limited is One Station Square, Bracknell, Berkshire, RG12 1QB.