

ClinPhone Group Limited

Annual report and financial statements
for the year ended 29 February 2008

Registered number 3264836



ClinPhone Group Limited

Annual report and financial statements for the year ended 29 February 2008

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ClinPhone Group Limited

Directors and advisors

Directors

SJ Kent
SD Brown

Registered office

Lady Bay House
Meadow Grove
Nottingham
Nottinghamshire
NG2 3HF

Auditors

PricewaterhouseCoopers LLP
Donington Court
Pegasus Business Park
Castle Donington
DE74 2UZ

ClinPhone Group Limited

Directors' report for the year ended 29 February 2008

The directors present their annual report and audited financial statements for the year ended 29 February 2008

Principal activity

The company's principal activity during the year was the provision of interactive voice response and other services, primarily to the pharmaceutical industry, mainly utilised in the co-ordination of multi-national clinical trials into new medicines

Results and review of the business

The profit for the year, after taxation, amounted to £6,055,000 (2007 £19,944,000) Dividends of £nil (2007 £nil) have been paid in the year

The company is the main trading subsidiary of ClinPhone plc based in the United Kingdom

The directors are satisfied with the result for the year and will continue to develop the business For a full review of the Group's business please see the information contained in the Chairman's Statement, the Chief Executive Officer's Report and the Business Review on pages 2 to 22 of the ClinPhone plc Annual Report and Financial Statements 2008 Also included are the principal risks and uncertainties for the Group, key performance indicators used during the year and likely future developments

Directors

The directors who served during the year were

SD Brown
SJ Kent

None of the directors had any interest in the share capital of the company The shareholding and interests of the directors in the company's ultimate parent company, ClinPhone plc, are shown in those accounts

Principal risks and uncertainties

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately Accordingly, the principal risks and uncertainties of ClinPhone plc, which include those of the company are discussed on page 8 of the group's annual report

Payment policy

The company does not follow any formal code or standard on payment practice, but agrees terms and conditions for its business transactions when orders for goods and services are placed These arrangements are adhered to when making payments, subject to the terms and conditions being met by suppliers The number of trade creditor days outstanding at the period end for the company was 30 days (2007 37 days)

ClinPhone Group Limited

Directors' report for the year ended 29 February 2008 (continued)

Employees' involvement and employment of disabled persons

Regular meetings are held between management and employees to allow a free flow of information and ideas, and employees have also been encouraged to present their suggestions and views on the company's performance

The company offers share option schemes to all of its employees on a regular basis, in order to encourage involvement in the company

The company gives every consideration to applications for employment from disabled people where the requirements of the job may be adequately covered by a handicapped or disabled person

With regard to existing employees and those who have become disabled during the year, the company has continued to examine ways of providing continuing employment under normal terms and conditions and to provide training and career development and promotion wherever appropriate

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws 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). The financial statements are required by law to 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

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business, in which case there should be supporting assumptions or qualifications as necessary

The directors confirm that they have complied with the above requirements in preparing the financial statements

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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

ClinPhone Group Limited

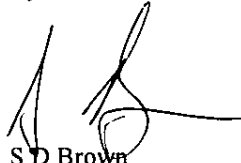
Directors' report for the year ended 29 February 2008 (continued)

Statement of disclosure of information to auditors

In the case of each of the persons who are directors at the time when the report is approved, the following applies

- (a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- (b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

By order of the board



S D Brown
Director
14 October 2008

Independent auditors' report to the members of ClinPhone Group Limited

We have audited the financial statements of ClinPhone Group Limited for the year ended 29 February 2008 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 29 February 2008 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
East Midlands

16 October 2008

ClinPhone Group Limited

Profit and loss account for the year ended 29 February 2008

	Note	2008 £'000	2007 £'000
Turnover	2	28,858	25,277
Cost of sales		(11,800)	(10,752)
Gross profit		17,058	14,525
Administrative expenses		(12,445)	(11,458)
Operating profit	3	4,613	3,067
Profit on sale of operation	18	-	16,861
Interest receivable and similar income	6	1,941	560
Interest payable and similar charges	7	(517)	(201)
Profit on ordinary activities before taxation		6,037	20,287
Taxation	8	18	(343)
Retained profit for the financial year	18	6,055	19,944

All amounts relate to continuing operations

The company has no recognised gains and losses other than those stated above and therefore no separate statement of total recognised gains and losses has been presented

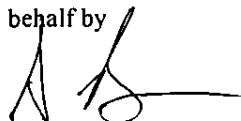
There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents

ClinPhone Group Limited

Balance sheet as at 29 February 2008

	Note	2008 £'000	2007 £'000
Fixed assets			
Tangible assets	9	2,544	2,491
Investments	10	58,244	58,244
		60,788	60,735
Current assets			
Stocks	11	104	96
Debtors – due within one year	12	17,115	13,702
– due after one year	12	683	1,440
Cash at bank and in hand		2,724	1,319
		20,626	16,557
Creditors: amounts falling due within one year	13	(14,376)	(15,473)
Net current assets		6,250	1,084
Total assets less current liabilities		67,038	61,819
Creditors: amounts falling due after more than one year	14	(5,435)	(6,470)
Net assets		61,603	55,349
Capital and reserves			
Called up share capital	17	1	1
Share premium account	18	6,700	6,700
Profit and loss account	18	54,902	48,648
Total shareholders' funds	19	61,603	55,349

These financial statements were approved by the board of directors on 14 October 2008 and were signed on its behalf by



S D Brown
Director

ClinPhone Group Limited

Notes to the financial statements for the year ended 29 February 2008

1 Accounting policies

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 1985 and applicable accounting standards. The principal accounting policies are set out below and have been applied consistently from year to year.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 228 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (Revised 1996) "Cash flow statements". A consolidated cash flow is presented in the financial statements of the company's ultimate parent company.

A summary of the principal accounting policies is set out below.

Turnover

Turnover comprises the fair value of the sale of services and products to external customers, net of value added tax, rebates, and discounts. Turnover is recognised as follows:

- Turnover in respect of design and modification of services or products to meet customer requirements are recognised by reference to the percentage of completion of the work from the commencement of work to customer acceptance,
- Turnover in respect of the provision and processing of data in providing services is recognised in the period in which the service is provided,
- Turnover from maintenance and support agreements are recognised rateably over the term of the maintenance and support period, or
- Turnover from licensed products is recognised upon delivery where there are no remaining obligations.

Licences

Licences are stated at cost and are amortised on a straight line basis over the estimated useful economic life of the license, up to a maximum period of ten years. If impaired, they are written down to the higher of fair value less costs to sell and value in use.

ClinPhone Group Limited

Notes to the financial statements for the year ended 29 February 2008 (continued)

1 Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value over their expected useful lives on the following basis:

Plant, machinery and office equipment	over 2-4 years straight line
Motor vehicles	over 4 years straight line

Leasehold improvements are depreciated over the shorter of four years or the remainder of the lease.

Loans and loan expenses

All loans are initially recognised at the fair value of the consideration received, net of issue costs associated with the loan. Loans are subsequently stated at amortised cost, any differences between the proceeds (net of transaction costs) and the redemption value is recognised in the profit and loss account over the period of the loan using the effective interest rate method.

Operating leases

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

Finance leases

Leases of assets where the company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased assets and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other creditors. The interest element of the finance cost is charged to the profit and loss account over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Assets acquired under finance leases are depreciated over the shorter of the useful life of the asset and its lease term.

Investments

Investments are stated at the lower of cost and net realisable value. A provision is made for permanent diminution in value.

Foreign exchange

Assets and liabilities denominated in overseas currencies are translated into Sterling at the balance sheet date. Transactions and non-monetary assets and liabilities are translated at rates appropriate to the transaction date. Exchange differences are taken to the profit and loss account.

ClinPhone Group Limited

Notes to the financial statements for the year ended 29 February 2008 (continued)

1 Accounting policies (continued)

Stocks

Stocks are stated at the lower of cost and net realisable value and consist primarily of incomplete projects for the design and modification of services or products to meet customer requirements. Cost includes direct labour, other direct costs and related overheads. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Deferred taxation

Deferred taxation is provided in full on timing differences, arising from the different treatment of items for accounting and taxation purposes, which are expected to reverse in the future, calculated at the rates at which it is expected that tax will arise.

A deferred taxation asset is recognised if transactions have occurred at the balance sheet date that give rise to a right to pay less taxation in the future and it is more likely than not that an economic benefit will be received. Deferred tax assets and liabilities have not been discounted.

Pension costs

The company companies contribute to various group personal and independent defined contribution pension schemes. The pension cost charge represents contributions payable by that company to these funds in respect of the period.

Share based payment

The ClinPhone plc group of companies operates a number of equity-settled, share-based compensation plans that are awarded to employees of the group. In accordance with UITF Abstract 44 'Group and treasury share transactions', a charge is recognised in the profit and loss account of the subsidiary that benefits from the services of recipient with a corresponding credit made to reserves.

The charge is based on the difference between the fair value of the instrument at the date of grant of rights, and the amount paid or payable by the holder of the instrument to realise the benefit of the rights. This charge is spread over the period until the participants become unconditionally entitled to benefit. Where there are non-market vesting conditions, an estimate is made of the amount of instruments that will vest. This estimate is reviewed annually, and the charge recognised adjusted as required. Where the amount paid or payable by the holder of the instrument, to realise the benefit of the rights, is considered to exceed the fair value of the instrument, no charge is made. Full details of the schemes are given in the ClinPhone plc accounts.

ClinPhone Group Limited

Notes to the financial statements for the year ended 29 February 2008 (continued)

2 Turnover

Turnover is analysed by geographical market as follows

	2008	2007
	£'000	£'000
United Kingdom	5,413	4,825
European Union	9,657	6,417
United States	10,792	11,372
Other	2,996	2,663
	28,858	25,277

3 Operating profit

	2008	2007
	£'000	£'000
The operating profit is stated after charging		
Amortisation of intangible assets	-	261
Depreciation of tangible fixed assets		
- owned	1,129	841
- leased	50	93
Operating lease rentals		
- plant and machinery	54	45
- other	341	394
Share based payments charge	199	1,000

ClinPhone Group Limited

Notes to the financial statements for the year ended 29 February 2008 (continued)

3 Operating profit (continued)

During the year the company obtained the following services from its auditor, PricewaterhouseCoopers LLP

	2008	2007
	£'000	£'000
Audit of the accounts pursuant to regulation	19	20
Tax services	30	22
	49	42

4 Directors' emoluments

	2008	2007
	£'000	£'000
Directors' emoluments	402	399
Contributions to money purchase pension schemes	38	31

The number of directors accruing benefits under pension schemes were

	Number	Number
Money purchase schemes	2	2

The highest paid director received emoluments and benefits as follows

	2008	2007
	£'000	£'000
Emoluments	243	247
Contributions to money purchase pension schemes	23	19

ClinPhone Group Limited

Notes to the financial statements for the year ended 29 February 2008 (continued)

5 Staff costs

Staff costs, including directors' emoluments were as follows

	2008	2007
	£'000	£'000
Wages and salaries	12,085	11,489
Social security costs	1,212	1,145
Other pension costs	443	448
Share based payments	199	1,000
	13,939	14,082

The average monthly number of employees, including executive directors, during the year was

	2008	2007
	Number	Number
Operations	281	258
Sales and administration	134	164
	415	422

6 Interest receivable and similar income

	2008	2007
	£'000	£'000
Interest receivable on bank deposits	96	114
Interest receivable on intercompany loans	1,845	446
	1,941	560

ClinPhone Group Limited

Notes to the financial statements for the year ended 29 February 2008 (continued)

7 Interest payable and similar charges

	2008	2007
	£'000	£'000
Interest payable on bank loans and overdrafts	517	194
Interest payable on finance leases	-	7
	517	201

8 Taxation

	2008	2007
	£'000	£'000
Corporation tax at 30% (2007 30%)	1,207	1,211
Adjustments in respect of prior periods	(1,709)	(107)
Total current tax charge	(502)	1,104
Deferred tax		
Current year	484	(668)
Adjustments in respect of prior periods	-	(93)
Total deferred tax (credit) / charge	484	(761)
Total tax charge	(18)	343

ClinPhone Group Limited

Notes to the financial statements for the year ended 29 February 2008 (continued)

8 Taxation (continued)

Reconciliation of taxation (credit) / charge

The tax assessed for the year is lower (2007 lower) than the standard rate of corporation tax in the UK of 30%. The differences are explained below

	2008	2007
	£'000	£'000
Profit on ordinary activities before taxation	6,037	20,287
Profit on ordinary activities before taxation multiplied by the standard rate of corporation tax of 30% (2007 30%)	1,811	6,086
Effects of		
Expenses not deductible for tax purposes	75	18
Depreciation in excess of capital allowances	5	165
Employee share options	60	-
Other timing differences	(64)	-
Group relief claimed for no payment	(261)	-
Profit on disposal of ClinPhone Inc	-	(5,058)
Research and development tax credits in the year	(419)	-
Adjustment in respect of prior years in relation to research and development tax credits	(1,709)	(107)
Current tax	(502)	1,104

Factors affecting the tax charge for the year

The standard rate of UK corporation tax changed from 30% to 28% from 1 April 2008, the effect of which will be quantified in the 2009 accounts

ClinPhone Group Limited

Notes to the financial statements for the year ended 29 February 2008 (continued)

9 Tangible fixed assets

	Leasehold improve- ments	Plant and machinery	Motor vehicles	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 March 2007	2,287	5,193	3	7,483
Additions in the year	78	1,150	4	1,232
At 29 February 2008	2,365	6,343	7	8,715
Depreciation				
At 1 March 2007	(1,437)	(3,555)	-	(4,992)
Charge for the year	(337)	(842)	-	(1,179)
At 29 February 2008	(1,774)	(4,397)	-	(6,171)
Net book amount				
At 29 February 2008	591	1,946	7	2,544
At 28 February 2007	850	1,638	3	2,491
Included in the above are assets held under finance leases in plant and machinery of				
			2008	2007
			£'000	£'000
Cost at 1 March 2007			233	233
Accumulated depreciation			(233)	(183)
Net book amount at 29 February 2008			-	50

ClinPhone Group Limited

Notes to the financial statements for the year ended 29 February 2008 (continued)

10 Fixed asset investments

	Loans to group undertakings	Shares in subsidiary undertakings	Total
	£'000	£'000	£'000
Cost			
At 1 March 2007	20,486	37,758	58,244
Additions in the year	-	-	-
At 29 February 2008	20,486	37,758	58,244

Included in investments is £20,486,000 of intercompany balances with ClinPhone California Inc which have been treated as investments as they are long term balances which are not expected to be repaid in the foreseeable future and have an interest rate of 8%

ClinPhone Group Limited is a parent company and has the following subsidiary undertakings

Name	Nature of business	Interest in ordinary shares
ClinPhone Development Limited	Research & development	100%
ClinPhone California Inc	Holding company	100%
Castlegate 284 Limited	Investment holding company	100%
Castlegate 252 Limited	Dormant	100%
Random Access Services Limited	Dormant	100%
'Allo Language Services Limited	Dormant	100%
Castlegate 283 Limited	Dormant	98%

ClinPhone California Inc is registered in the USA All other subsidiaries are registered in England

ClinPhone Group Limited

Notes to the financial statements for the year ended 29 February 2008 (continued)

11 Stocks

	2008	2007
	£'000	£'000
Work in progress	104	96

12 Debtors

	2008	2007
	£'000	£'000
Due within one year		
Trade debtors	2,632	2,979
Amounts recoverable on contracts	1,334	1,011
Amounts due from group undertakings	12,202	8,591
Corporation tax	115	-
Other debtors	151	226
Prepayments and accrued income	681	895
	17,115	13,702
Due after one year		
Deferred tax asset	683	1,167
Other debtors	-	273
	683	1,440
Total debtors	17,798	15,142

Included in amounts due from group undertakings are £772,000 of intercompany balances with ClinPhone California Inc which is accrued interest on the long term investments and is subject to an interest rate of 8% per annum

At the year end £7,100,000 of the amount due from ClinPhone Inc was over 60 days overdue and therefore subject to interest at 2% over LIBOR per annum

The remaining intercompany loans are unsecured, there is no interest due on them and no fixed repayment date

ClinPhone Group Limited

Notes to the financial statements for the year ended 29 February 2008 (continued)

13 Creditors: amounts falling due within one year

	2008	2007
	£'000	£'000
Bank loans and overdrafts (note 15)	951	562
Trade creditors	1,743	1,557
Amounts owed to group undertakings	8,575	10,069
Corporation tax	-	443
Other taxation and social security	514	429
Other creditors	78	99
Finance leases (note 15)	-	50
Accruals and deferred income	2,515	2,264
	14,376	15,473

The intercompany loans are unsecured, there is no interest due on them and no fixed repayment date

14 Creditors: amounts falling due after more than one year

	2008	2007
	£'000	£'000
Bank loans (note 15)	5,435	6,470

ClinPhone Group Limited

Notes to the financial statements for the year ended 29 February 2008 (continued)

15 Loans and other borrowings

Loans

Loans fall due for payment as follows

	2008	2007
	£'000	£'000
Bank loans		
Due within one year	951	562
Due within one to two years	1,025	966
Due with two to five years	4,410	2,094
Due in over five years	-	3,410
	6,386	7,032

The bank loans are repayable over a maximum of 53 months and interest is charged at variable rates between 1.75% and 2.00% above US LIBOR. The above loans are stated net of unamortised issue costs of £97,000 (2007 £162,000).

The bank loans are secured by a fixed charge over the company's leasehold property, a first fixed charge over book and other debts and chattels both present and future, and a first floating charge over all assets and undertakings both present and future.

The minimum lease payments under finance leases fall due as follows

	2008	2007
	£'000	£'000
Not later than one year	-	50
Later than one year but not more than five	-	-
Total gross payments	-	50
Less finance charges included above	-	-
	-	50

ClinPhone Group Limited

Notes to the financial statements for the year ended 29 February 2008 (continued)

16 Deferred taxation

	£'000
At 1 March 2007	(1,167)
Charged to the profit and loss account	484
At 29 February 2008	(683)

Deferred tax is analysed as follows

	Provided		Not provided	
	2008	2007	2008	2007
	£'000	£'000	£'000	£'000
Capital allowances	(154)	(256)	-	-
Other timing differences	(529)	(911)	-	-
	(683)	(1,167)	-	-

17 Called up share capital

	2008	2007
	£'000	£'000
Authorised		
109,889 ordinary shares of 1p each	1	1
Allotted, called up and fully paid		
100,100 (2007 100,100) ordinary shares of 1p each	1	1

ClinPhone Group Limited

Notes to the financial statements for the year ended 29 February 2008 (continued)

18 Reserves

	Share premium account £'000	Profit and loss account £'000	Total £'000
As at 1 March 2007	6,700	48,648	55,348
Credit in respect of employee share schemes	-	199	199
Retained profit for the year	-	6,055	6,055
At 29 February 2008	6,700	54,902	61,602

Included in the profit and loss reserve are unrealised profits of £16,861,000 (2007 16,861,000) arising on the sale of the company's investment in ClinPhone Inc to ClinPhone California Inc in the year ended 28 February 2007

19 Reconciliation of movement in total shareholders' funds

	2008 £'000	2007 £'000
Profit for the financial year	6,055	19,944
Shares issued in the year	-	5,995
Credit in respect of employee share schemes	199	1,000
Opening shareholders funds	55,349	28,410
Closing shareholders' funds	61,603	55,349

ClinPhone Group Limited

Notes to the financial statements for the year ended 29 February 2008 (continued)

20 Financial commitments

At 29 February 2008 the company had the following annual commitments under operating leases

	2008		2007	
	Land and buildings	Other	Land and buildings	Other
	£'000	£'000	£'000	£'000
Operating leases which expire:				
Within one year	77	21	82	8
Between one and five years	287	10	85	46
After more than five years	100	-	158	-

21 Pension costs

The company companies contribute to various group personal and independent defined contribution pension schemes in the countries it operates in. Contributions made by the company to the scheme during the year amounted to £443,000 (2007 £448,000)

22 Contingent liabilities

The company, together with other subsidiary undertakings in the group, has guarantees to the bank in respect of the bank facilities available to the ClinPhone group of companies. The total amount of guarantees in place at 29 February 2008 amounted to £10,754,000 (2007 £11,531,000)

At 29 February 2008, the company had entered into forward foreign exchange contracts and other hedging arrangements to sell US dollars and Euros against sterling, amounting to \$22.1 million and €6.2 million (2007 \$19.1 million and €nil). The unrealised loss on these contracts was a £279,000 (2007 £155,000 gain). In addition the company had entered into an interest rate swap on part of its bank borrowings. The unrealised loss at 29 February 2008 was £271,000 (2007 £21,000)

ClinPhone Group Limited

Notes to the financial statements for the year ended 29 February 2008 (continued)

23 Transactions with related parties

The company has taken advantage of the exemption provision under FRS 8 "Related party transactions" from disclosing transactions with other group companies

The company has had the following transactions with Dr JHW Engler and Dr N E Rotherham who were directors of ClinPhone plc in 2006 and founder members of the group

Dr J H W Engler and Dr N E Rotherham have an interest in the freehold of two office properties that are leased to the company on an arms length basis. Both properties are leased on short term leases at annual rentals of £68,000 (2007 £65,000). In addition Dr J H W Engler has an interest in a further property let on an arms length basis to the company at an annual rental of £8,000 (2007 £8,000)

24 Subsequent events

On 14 August 2008, ClinPhone plc changed its name to ClinPhone Limited and was acquired by PAREXEL International Holding UK Limited, a wholly-owned subsidiary of PAREXEL International Corporation which is a US listed company

As a consequence of the acquisition the Company repaid its bank loans on 28 August 2008

On acquisition all outstanding share option awards were settled which accelerated the share based payment expense in the Company. This resulted in a one off share-based payment charge to the Company accounts on 14 August 2008 of £716,000

25 Parent undertakings and controlling parties

At 29 February 2008, the company's ultimate controlling parent was ClinPhone plc, a company incorporated in Great Britain and registered in England and Wales. Consolidated accounts are available from Companies House, Cardiff, CF4 3UZ