

PHARMAQUEST LIMITED

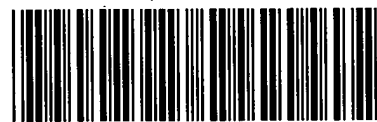
Annual report and financial statements

for the eighteen months ended

30 September 2014

Company number 05391360

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Pharmaquest Limited

Annual report and financial statements for the eighteen months ended 30 September 2014

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Directors

A S Brode (Chairman)
J C Hindley
R K Ottway
R J Thompson

Secretary and registered office

R J Thompson
Europa House
Chiltern Park
Chiltern Hill
Chalfont St Peter
Buckinghamshire
SL9 9FG

Company number

05391360

Independent Auditors

PricewaterhouseCoopers LLP, 1 Embankment Place London WC2N 6RH

Report of the directors for the eighteen months ended 30 September 2014

The Directors present their report together with the audited financial statements for the eighteen months ended 30 September 2014.

Results and dividends

The profit and loss account is set out on page 3 and shows the profit for the period. Interim dividends of £600,000 were paid during the period (2013: £256,000). The Directors do not recommend a final dividend.

Principal activities and future developments

The Company's principal activity is the translation and interpretation of technical and medical documents.

There have been no events since the balance sheet date that materially affect the position of the Company.

Directors

The Directors of the Company who were in office during the eighteen months and up to the date of signing the financial statements were:

A S Brode	(Appointed 30 April 2013)
D Clayson	(Resigned 30 April 2013)
S A Clayson	(Resigned 30 April 2013)
J C Hindley	(Appointed 30 April 2013)
S W Lorenz	(Resigned 30 April 2013)
R K Ottway	(Appointed 30 April 2013)
R J Thompson	(Appointed 30 April 2013)
A Virjee-Lorenz	(Resigned 30 April 2013)

Directors' indemnities

As permitted in its articles of association, the Directors have the benefit of an indemnity which is a third party indemnity provision as defined in section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial period 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).

Directors' responsibilities statement

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. 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;
- * 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.

Change of auditor

Following a tender process in 2014, PwC was appointed as the Company's external auditor commencing with the 2014 financial period. PwC is subject to annual re-election and resolutions on its appointment and seeking authorisation for the Directors' to set the auditors remuneration are included in the Notice of AGM.

Auditors

All of the directors have taken all the steps that they ought to have taken to make themselves aware of any information relevant to the audit and established that the auditors are aware of that information. As far as each of the Directors is aware the auditors have been provided with all relevant information.

This report has been prepared in accordance with the special provisions relating to small companies within part 15 of section 415a of the Companies Act 2006 which entitles the Company to exemption from preparing a separate strategic report.

On behalf of the Board



R J Thompson

Director

30 April 2015

Independent Auditor's Report to the Members of Pharmaquest Limited

Report on the financial statements

Our opinion

In our opinion, Pharmaquest Limited's financial statements (the "financial statements"):

- * give a true and fair view of the state of the Company's affairs as at 30 September 2014 and of its profit for the 18 month period (the "period") 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

Pharmaquest Limited's financial statements comprise:

- * the profit and loss account for the period ended 30 September 2014;
- * the Balance sheet as at 30 September 2014; 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 matters prescribed by the Companies Act 2006

In our opinion, the information given in the Report of the Director's 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 exemption

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 above, 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 Annual 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.

Other matter – Prior period financial statements unaudited

The financial statements for the year ended 31 March 2013, forming the corresponding figures of the financial statements for the 18 months ended 30 September 2014, are unaudited.



Nigel Reynolds (senior statutory auditor)

For and on behalf of PricewaterhouseCoopers LLP

Chartered Accountant and Statutory Auditors

London

United Kingdom

PHARMAQUEST LIMITED**Profit and loss account for the eighteen months ended 30 September 2014**

	Note	Eighteen months ended 30 September 2014 £	Unaudited Year ended 31 March 2013 £
Turnover	2	1,121,991	1,383,626
Cost of sales		(699,072)	(705,493)
Gross profit		422,919	678,133
Administrative expenses		(144,332)	(158,126)
Operating profit		278,587	520,007
Interest receivable		209	1,748
Profit on ordinary activities before taxation	5	278,796	521,755
Taxation (charge)/credit	6	(46,649)	(115,691)
Profit for the year	13	232,147	406,064

All amounts relate to continuing activities.

The Company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of recognised gains and losses has been presented.

The notes on pages 5 to 9 form part of these financial statements.

PHARMAQUEST LIMITED

Balance sheet at 30 September 2014

Company number: 05391360

	Note	2014 £	Unaudited 2013 £
Fixed assets			
Tangible assets	8	2,614	1,117
		<u>2,614</u>	<u>1,117</u>
Current assets			
Debtors	9	186,727	112,749
Cash at bank and in hand		53,260	689,693
		<u>239,987</u>	<u>802,442</u>
Creditors: amounts falling due within one year	10	106,503	299,608
		<u>106,503</u>	<u>299,608</u>
Net current assets		<u>133,484</u>	<u>502,834</u>
Net assets		<u>136,098</u>	<u>503,951</u>
Capital and reserves			
Called up share capital	11	4	4
Profit and loss account	12	136,094	503,947
		<u>136,098</u>	<u>503,951</u>
Shareholders' funds	12/13	<u>136,098</u>	<u>503,951</u>

The notes on pages 5 to 9 form part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 30 April 2015 and were signed on its behalf by:

A S Brode
Director

1 Accounting policies

The financial statements have been prepared under the historical cost convention, applying accounting policies consistent with those applied in earlier periods, and, are in accordance with applicable accounting standards. The main accounting policies under UK GAAP are described below and are unchanged from the previous year.

Going concern

The Directors consider it to be appropriate for the financial statements to be prepared on a going concern basis based on the Company's ongoing cash requirements. The Directors have taken into account all information that could reasonably be expected to be available.

Turnover

Turnover represents the fair value of the consideration received or receivable for the rendering of services, net of value added tax and other similar sales based taxes, rebates and discounts and after eliminating inter-company sales. Turnover is recognised as a transaction or filing is fulfilled in accordance with agreed client instructions and includes, where contracts are partially completed, the revenue on the work completed but not yet delivered.

Tangible assets

Tangible fixed assets are stated at cost less depreciation and any impairment recognised. Where existing unimpaired tangible fixed assets are stated at valuation the company has taken advantage of the transitional arrangements in FRS 15 to retain these book values. Where an asset that was previously revalued is disposed of, its book value is eliminated and an appropriate transfer made from the revaluation reserve to the profit and loss reserve.

Depreciation is provided to write off the cost, less estimated residual value, of all fixed assets over their expected useful lives. It is calculated at the following rates on a straight-line basis:

Furniture and equipment	-	10% and 33%
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Deferred taxation

The Company accounts for taxation which is deferred or accelerated by reason of timing differences which have originated but not reversed by the balance sheet date. Deferred tax assets are only recognised to the extent that they are considered recoverable against future taxable profits. Deferred tax liabilities and assets are not discounted.

Foreign currencies

Foreign currency transactions are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the profit and loss account.

Pension costs

Company contributions to the RWS Group Limited defined contribution pension scheme are charged to the profit and loss account in the period in which they become payable.

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 shareholders at an annual general meeting.

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Notes to the financial statements (continued)

2 Turnover by geographic market in which customers are located	Eighteen months ended 30 September 2014 £	Unaudited Year ended 31 March 2013 £
United Kingdom	223,168	213,217
The Rest of Europe	657,004	512,633
United States of America	162,149	653,210
Other	79,670	4,566
	<u>1,121,991</u>	<u>1,383,626</u>
All turnover resulted from continuing activities.		

3 Employees	Eighteen months ended 30 September 2014 £	Unaudited Year ended 31 March 2013 £
Staff costs consist of:		
Wages and salaries	287,643	180,149
Social security costs	27,047	13,924
Other Pension Costs	10,469	7,600
	<u>325,159</u>	<u>201,673</u>
	Number	Number
The average number of employees during the period was:		
Production staff	8	9
	<u>8</u>	<u>9</u>

4 Directors' emoluments	Eighteen months ended 30 September 2014 £	Unaudited Year ended 31 March 2013 £
Remuneration for management services	-	25,089
Pension contributions	-	7,600
	<u>-</u>	<u>32,689</u>

The Directors of the Company are also Directors or Officers of a number of other Companies within the ultimate Parent Group (RWS Holdings), and are remunerated in respect of services provided to the Group. The Directors do not consider the time spent on dealing with the Company's matters to be material and therefore have not sought to separate out their costs in respect of services to each individual Company in the Group.

5 Profit on ordinary activities before taxation	Eighteen months ended 30 September 2014 £	Unaudited Year ended 31 March 2013 £
This is stated after charging the following amounts:		
Auditors' remuneration - audit fees	-	-
Depreciation of tangible fixed assets (note 9)	2,778	1,111
Exchange losses/(gains)	7,126	5,146
	<u></u>	<u></u>

Fees paid to the auditors in respect of all services have been borne by and disclosed in the consolidated group accounts of the ultimate parent company, RWS Holdings plc.

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Notes to the financial statements (continued)

6 Taxation	Eighteen months ended 30 September 2014 £	Unaudited Year ended 31 March 2013 £
UK corporation tax		
Current tax on profit for the period	47,101	115,920
	<u>47,101</u>	<u>115,920</u>
Deferred tax		
Origination and reversal of temporary differences	(452)	(229)
	<u>46,649</u>	<u>115,691</u>
Taxation on profit on ordinary activities		
	<u>46,649</u>	<u>115,691</u>
Taxation reconciliation to UK statutory rate		
The table below reconciles the UK statutory tax charge to the Company's current tax charge on ordinary activities before taxation.		
Profit on ordinary activities before taxation	278,796	521,755
Notional taxation charge at UK corporation tax rate of 22.0% (2013 - 20.0%)	61,335	104,351
Effects of:		
Items not deductible/(added back) for tax purposes	4,253	11,569
Depreciation in excess of capital allowances		
Group relief	(18,487)	-
Current tax charge for the period	<u>47,101</u>	<u>115,920</u>
	2014	2013
	£	£
Deferred tax		
Timing differences	728	-
	<u>728</u>	<u>-</u>
Deferred tax asset		
At 1 October	-	-
Profit and loss account movement arising during the year	728	-
	<u>728</u>	<u>-</u>
At 30 September (note 11)		
Capital allowances in advance of depreciation	311,669	247
	<u>311,669</u>	<u>247</u>
Deferred tax liability		
At 1 October	247	476
Profit and loss account movement arising during the year	276	(229)
	<u>523</u>	<u>247</u>
At 30 September (note 11)		
	<u>523</u>	<u>247</u>
7 Dividends		
	2014	Unaudited 2013
	£	£
Interim dividend paid of £150,000 per share in period (2013: £64,000 per share).	<u>600,000</u>	<u>256,000</u>

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Notes to the financial statements (continued)

8 Tangible assets		
	Furniture and equipment	Total
	£	£
Cost or valuation at beginning of period	5,103	5,103
Additions	4,275	4,275
Cost or valuation at end of period	9,378	9,378
Depreciation at beginning of period	3,986	3,986
Provision for the period	2,778	2,778
Depreciation at end of period	6,764	6,764
Net book value at beginning of period	1,117	1,117
Net book value at end of period	2,614	2,614

9 Debtors		Unaudited
	2014	2013
	£	£
Trade debtors	69,635	97,933
Accrued income	106,617	-
Deferred Tax	728	-
Prepayments and other debtors	9,747	14,816
	<u>186,727</u>	<u>112,749</u>

10 Creditors: amounts due within one year		Unaudited
	2014	2013
	£	£
Trade creditors	9,396	24,497
Creditors for taxation and social security	4,160	5,152
Corporation tax	44,526	115,920
Deferred taxation	523	247
Amounts owed to Group undertakings	17,464	0
Other creditors and accruals	30,434	153,792
	<u>106,503</u>	<u>299,608</u>

11 Share capital		Unaudited
	2014	2013
	£	£
Authorised, allotted, called up and fully paid		
4 ordinary shares of £1 each	<u>4</u>	<u>4</u>

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Notes to the financial statements (continued)

12 Shareholders' funds and movement on reserves	Share capital £	Profit and loss account £	Shareholders' funds £
At beginning of period	4	503,947	503,951
Profit for the period	-	232,147	232,147
Dividend paid	-	(600,000)	(600,000)
At end of period	<u>4</u>	<u>136,094</u>	<u>136,098</u>

13 Reconciliation of movements in shareholders' funds	2014 £	Unaudited 2013 £
At beginning of period	503,947	353,883
Profit for the period	232,147	406,064
Dividend paid	(600,000)	(256,000)
At end of period	<u>136,094</u>	<u>503,947</u>

14 Cash flow statement

The Company has taken advantage of the exemption allowed under Financial Reporting Standard No 1 "Cash flow statements" not to produce a cash flow statement as it is a wholly owned subsidiary of RWS Holdings plc. A group cash flow statement is included in the financial statements of RWS Holdings plc.

15 Related party transactions

The Company has taken advantage of the exemption allowed under Financial Reporting Standard No 8 "Related Party Transactions" not to disclose any transactions or balances with entities which are part of the RWS Holdings plc group on the grounds that the company is a wholly owned group member and the company is included in consolidated financial statements of the ultimate parent company which are available from Companies House.

16 Ultimate parent company

At 30 September 2014 the Company's ultimate parent company was RWS Holdings plc, a Company registered in England, which is the parent of both the smallest and largest groups of which the Company is a member.

Copies of the consolidated financial statements of RWS Holdings plc are available from Companies House.