

Company Registration No 4269261 (England and Wales)

RICHMOND PHARMACOLOGY LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

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RICHMOND PHARMACOLOGY LIMITED

COMPANY INFORMATION

Directors	Dr R Arezina Dr J Taubel Dr U Lorch Mr M Vaughan
Secretary	Dr R Arezina
Company number	4269261
Registered office	Ground Floor Interpower House Windsor Way Aldershot Hampshire GU11 1JG
Auditors	RSM Tenon Audit Limited 66 Wigmore Street London W1U 2SB

RICHMOND PHARMACOLOGY LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Cash flow statement	7
Notes to the cash flow statement	8 - 9
Notes to the financial statements	10 - 19

RICHMOND PHARMACOLOGY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2009

The directors present their report and financial statements for the year ended 31 December 2009

Principal activities and review of the business

The principal activity of the company continues to be that of the clinical development of drugs on behalf of pharmaceutical companies

We are pleased to report that due to a solid orderbook going into 2009 and an increased order intake during the year, we were able to grow revenue by 10.5% over the prior year to £9,713k. Our gross profit margin increased from £3,088k in 2008 to £3,467k and also improved in percentage terms. There was a small increase in Administrative expenses to support the increased size of the business, although this was flat in percentage of revenue terms. As a result, operating profit grew from £185k in 2008 to £333k in 2009. Net Interest payable continued to fall as long term loan balances and interest rates reduced leaving Profit for the year at £318k compared with £148k in 2008.

There were no changes to the facilities during the year, we continue to operate from the two university hospital sites of St Georges and Mayday, both in South London. Presence within these hospitals gives Richmond Pharmacology unrivalled access to patients and consultants across numerous specialties. We were very pleased to work with several new clients during the year which has further reduced the risk associated with reliance on any one individual client. Our client base is also geographically wide-ranging minimising risk in any one particular economy.

RPL continues to focus on 4 key areas of Early Phase Studies, First Time Into Human, Thorough QT (TQT) Studies, Bridging Studies and the recruitment of Patients into early phase Studies. The business moves into 2010 with a good orderbook from 2009. We expect 2010 to continue to be cash generating and will continue to be profitable on an annual basis.

In 2009 we continued to develop our training management software tool by entering into a partnership with a leading University. Whilst it is not yet available to third parties it is planned to make this product commercially available at a future date. The core module is used to manage, monitor and assess training within a company to ensure compliance with relevant statutory requirements.

Risks facing the business are assessed by the board from time to time, and by the executive directors on a project by project basis each week. Project risk assessment is an integral part of the "green light sign off" process which is mandatory before the start of any trial. Risk mitigation strategies are put in place where necessary and are reviewed regularly. Pricing has been stable over the year and liquidity and cash flow have been good taking into consideration the general economic climate during the year.

The Directors are pleased to announce that during 2009 Richmond Pharmacology has become the first and only Clinical Research Organisation to become part of the UKCRC Experimental Medicines Resources Network (www.ukcrcexpmed.org.uk). This is a big step forward in the union of commercial research and hospital based research. All at Richmond Pharmacology are very excited for what the future holds and believe that this union will be good for Richmond Pharmacology, the UKCRC Experimental Medicines Resources and those in the pharmaceutical industry that make use of this resource and union.

Professor Brian Prichard, Chairman of Richmond Pharmacology's Scientific Advisory Board and non-Executive Board Director died on 6 April 2010 at St George's Hospital in Tooting. He was 77 years old. The Board are very grateful to Professor Prichard for sharing his knowledge and enjoyment of clinical pharmacology and the significant contribution he made to the Company since its formation.

Results and dividends

The results for the year are set out on page 5

RICHMOND PHARMACOLOGY LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

Directors

The following directors have held office since 1 January 2009

Dr R Arezina
Dr J Taubel
Dr U Lorch
Mr L Levine (Resigned 15 July 2010)
Mr M Levine (Resigned 15 July 2010)
Prof B Prichard (Deceased 6 April 2010)
Mr M Vaughan

Charitable donations	2009 £	2008 £
During the year the company made the following payments		
Charitable donations	200	9,310

Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which 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 judgments and 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 proper accounting records that 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

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information

By order of the board



Dr R Arezina

Secretary

02 09. 2010

RICHMOND PHARMACOLOGY LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF RICHMOND PHARMACOLOGY LIMITED

We have audited the financial statements of Richmond Pharmacology Limited for the year ended 31 December 2009 set out on pages 5 to 19. 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 auditors' 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 Directors' Responsibilities Statement set out on pages 1 - 2, 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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.

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 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- the financial statements have been properly prepared in accordance with the Companies Act 2006, and

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.

RICHMOND PHARMACOLOGY LIMITED

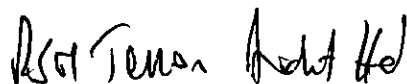
INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF RICHMOND PHARMACOLOGY LIMITED

Matters on which we are required to report by exception

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



**Tony Castagnetti (Senior Statutory Auditor)
for and on behalf of RSM Tenon Audit Limited**

17/9/10

Statutory Auditor

66 Wigmore Street
London
W1U 2SB

RICHMOND PHARMACOLOGY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2009

		2009	2008
	Notes	£	£
Turnover	2	9,713,024	8,790,481
Cost of sales		(6,246,153)	(5,702,154)
Gross profit		3,466,871	3,088,327
Administrative expenses		(3,133,628)	(2,903,165)
Operating profit	3	333,243	185,162
Other interest receivable and similar income	4	316	13,583
Interest payable and similar charges	5	(15,283)	(50,516)
Profit on ordinary activities before taxation		318,276	148,229
Tax on profit on ordinary activities	6	-	-
Profit for the year	14	318,276	148,229

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

RICHMOND PHARMACOLOGY LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2009

	Notes	2009		2008	
		£	£	£	£
Fixed assets					
Tangible assets	7		696,310		800,229
Investments	8		1		-
			<u>696,311</u>		<u>800,229</u>
Current assets					
Debtors amounts falling due within one year	9	2,661,262		1,614,019	
Debtors amounts falling due after more than one year	9	130,000		130,000	
Cash at bank and in hand		1,249,849		537,752	
			<u>4,041,111</u>	<u>2,281,771</u>	
Creditors amounts falling due within one year	10	<u>(3,925,325)</u>		<u>(2,447,044)</u>	
Net current assets/(liabilities)			<u>115,786</u>		<u>(165,273)</u>
Total assets less current liabilities			<u>812,097</u>		<u>634,956</u>
Creditors: amounts falling due after more than one year	11		<u>(116,845)</u>		<u>(257,980)</u>
			<u>695,252</u>		<u>376,976</u>
Capital and reserves					
Called up share capital	13		8,357		8,357
Share premium account	14		359,500		359,500
Profit and loss account	14		327,395		9,119
Shareholders' funds	15		<u>695,252</u>		<u>376,976</u>

Approved by the Board and authorised for issue on

02 09 2010



Dr R Arezina
Director

Company Registration No 4269261

RICHMOND PHARMACOLOGY LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2009

	2009	2008
	£	£
Net cash inflow from operating activities	1,059,730	502,105
Returns on investments and servicing of finance		
Interest received	316	13,583
Interest paid	(15,283)	(50,516)
	<hr/>	<hr/>
Net cash outflow for returns on investments and servicing of finance	(14,967)	(36,933)
Taxation	-	40,047
Capital expenditure and financial investment		
Payments to acquire tangible assets	(86,703)	(70,949)
Payments to acquire investments	(1)	-
Receipts from sales of tangible assets	4,087	-
	<hr/>	<hr/>
Net cash outflow for capital expenditure	(82,617)	(70,949)
	<hr/>	<hr/>
Net cash inflow before management of liquid resources and financing	962,146	434,270
Financing		
Repayment of long term bank loan	(238,190)	(203,143)
Repayment of other long term loans	(20,004)	(20,004)
Capital element of hire purchase contracts	(3,298)	(24,825)
	<hr/>	<hr/>
Net cash outflow from financing	(261,492)	(247,972)
	<hr/>	<hr/>
Increase in cash in the year	<u>700,654</u>	<u>186,298</u>

RICHMOND PHARMACOLOGY LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2009

1	Reconciliation of operating profit to net cash inflow from operating activities		2009	2008	
			£	£	
	Operating profit		333,243	185,162	
	Depreciation of tangible assets		186,535	242,225	
	Loss on disposal of tangible assets		-	214	
	Increase in debtors		(1,047,243)	(396,049)	
	Increase in creditors within one year		1,587,195	470,553	
	Net cash inflow from operating activities		<u>1,059,730</u>	<u>502,105</u>	
2	Analysis of net funds/(debt)	1 January 2009	Cash flow	Other non-cash changes	31 December 2009
		£	£	£	£
	Net cash				
	Cash at bank and in hand	537,752	712,097	-	1,249,849
	Bank overdrafts	(49,208)	(11,443)	-	(60,651)
		<u>488,544</u>	<u>700,654</u>	<u>-</u>	<u>1,189,198</u>
	Debt				
	Finance leases	(11,307)	3,298	-	(8,009)
	Debts falling due within one year	(240,754)	124,874	-	(115,880)
	Debts falling due after one year	(250,165)	133,320	-	(116,845)
		<u>(502,226)</u>	<u>261,492</u>	<u>-</u>	<u>(240,734)</u>
	Net (debt)/funds	<u>(13,682)</u>	<u>962,146</u>	<u>-</u>	<u>948,464</u>
3	Reconciliation of net cash flow to movement in net funds/(debt)		2009	2008	
			£	£	
	Increase in cash in the year		700,654	186,298	
	Cash outflow from decrease in debt and lease financing		261,492	247,971	
	Movement in net funds/(debt) in the year		<u>962,146</u>	<u>434,269</u>	
	Opening net debt		(13,682)	(447,951)	
	Closing net funds/(debt)		<u>948,464</u>	<u>(13,682)</u>	

RICHMOND PHARMACOLOGY LIMITED

NOTES TO THE CASH FLOW STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

4 Liquid resources

Under Financial Reporting Standard 1, "Cash flow statements (revised 1996)", cash is defined as cash in hand, deposits repayable on demand without penalty and overdrafts. Short term deposits and investments are not considered to meet this definition and are therefore classified as liquid resources.

RICHMOND PHARMACOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents the amounts invoiced to clients in line with the contractual obligations relating to each clinical trial study, net of Value Added Tax

Profit is recognised on each clinical trial study, if the final outcome can be assessed with reasonable certainty, by including in the profit and loss account the turnover and the related costs as each study progresses

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Leasehold buildings	over the period of the lease
Computer and medical equipment	over 3 - 10 years
Software cost	over 3 years
Fixtures, fittings & equipment	over 4 years
Motor vehicles	over 4 years

Software costs have not been depreciated as the software had not been brought into use at the balance sheet date

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term or their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

1.6 Investments

Fixed asset investments are stated at cost less provision for diminution in value

1.7 Long term contracts

Amounts recoverable on long term contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account. Excess progress payments are included in creditors as payments on account

RICHMOND PHARMACOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

1 Accounting policies (continued)

1 8 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1 9 Deferred taxation

Where material, deferred tax is provided in full, as required by FRS 19 - Deferred Tax, in respect of timing differences between the treatment of certain items for taxation and accounting purposes.

1 10 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1 11 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. Since the subsidiaries are not material and have remained dormant throughout the year, the company has taken advantage of the exemption provided by section 402 of the Companies Act 2006 not to prepare group accounts.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit	2009	2008
	£	£
Operating profit is stated after charging		
Depreciation of tangible assets	186,535	242,225
Loss on disposal of tangible assets	-	214
Loss on foreign exchange transactions	451	-
Operating lease rentals	394,671	394,660
Auditors' remuneration (including expenses and benefits in kind)	19,082	18,000
and after crediting		
Profit on foreign exchange transactions	-	(13,534)
	<u> </u>	<u> </u>
4 Investment income	2009	2008
	£	£
Bank interest	316	13,583
	<u> </u>	<u> </u>
	<u>316</u>	<u>13,583</u>

RICHMOND PHARMACOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

5 Interest payable	2009	2008
	£	£
On bank loans and overdrafts	13,888	45,286
Hire purchase interest	170	875
Other interest	1,225	4,355
	<u>15,283</u>	<u>50,516</u>
6 Taxation	2009	2008
Current tax charge	<u>-</u>	<u>-</u>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	<u>318,276</u>	<u>148,229</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.00% (2008 - 21.00%)	<u>66,838</u>	<u>31,128</u>
Effects of		
Non deductible expenses	2,154	17,950
Depreciation add back	39,172	50,867
Capital allowances	(10,647)	(33,814)
Research & development tax credit	(178,972)	(152,390)
Tax losses utilised	-	(2,852)
Tax losses generated	81,455	89,111
	<u>(66,838)</u>	<u>(31,128)</u>
Current tax charge	<u>-</u>	<u>-</u>

The company has estimated tax losses of £3.6m (2008: £3.2m) available to carry forward. No provision for a deferred tax asset has been recognised on the basis that the asset is unlikely to be realised in the foreseeable future. The tax losses carried forward which have not been provided for would give rise to a potential deferred tax asset of £750,000 (2008: £670,000).

RICHMOND PHARMACOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

7 Tangible fixed assets

	Leasehold buildings	Computer and medical equipment	Software cost	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 January 2009	1,129,428	1,244,650	70,000	80,393	16,460	2,540,931
Additions	7,211	76,285	-	3,207	-	86,703
Disposals	-	(11,697)	-	(2,272)	-	(13,969)
At 31 December 2009	1,136,639	1,309,238	70,000	81,328	16,460	2,613,665
Depreciation						
At 1 January 2009	921,383	740,705	-	71,413	7,201	1,740,702
On disposals	-	(7,610)	-	(2,272)	-	(9,882)
Charge for the year	71,710	104,916	-	5,794	4,115	186,535
At 31 December 2009	993,093	838,011	-	74,935	11,316	1,917,355
Net book value						
At 31 December 2009	143,546	471,227	70,000	6,393	5,144	696,310
At 31 December 2008	208,045	503,945	70,000	8,980	9,259	800,229

Included above are assets held under finance leases or hire purchase contracts as follows

	Motor vehicles £
Net book values	
At 31 December 2009	5,144
At 31 December 2008	9,259
Depreciation charge for the year	
At 31 December 2009	4,115
At 31 December 2008	4,115

Software costs have not been depreciated as the software had not been brought into use at the balance sheet date

RICHMOND PHARMACOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

8 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 January 2009	-
Additions	1
	<hr/>
At 31 December 2009	1
	<hr/>
Net book value	
At 31 December 2009	1
	<hr/> <hr/>

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Richmond Pharmaceutical Services Limited	England and Wales	Ordinary	100
Prefect Limited	England and Wales	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

		Capital and reserves 2009 £	Result for the year 2009 £
	Principal activity		
Richmond Pharmaceutical Services Limited	Dormant	-	-
Prefect Limited	Dormant	1	-
		<hr/> <hr/>	<hr/> <hr/>

On 26 March 2009 the company acquired 100% of the share capital of Richmond Pharmaceutical Services Limited and Prefect Limited. The acquired companies have not traded since incorporation and remained dormant at the year end.

RICHMOND PHARMACOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

9 Debtors	2009	2008
	£	£
Trade debtors	1,687,234	1,077,294
Amounts recoverable on long term contracts	785,319	370,727
Other debtors	130,000	186,677
Prepayments and accrued income	188,709	109,321
	<u>2,791,262</u>	<u>1,744,019</u>

Amounts falling due after more than one year and included in the debtors above are

	2009	2008
	£	£
Other debtors	<u>130,000</u>	<u>130,000</u>

A rent deposit deed exists in favour of Mayday Healthcare NHS Trust to the value of £130,000

10 Creditors amounts falling due within one year	2009	2008
	£	£
Bank loans and overdrafts	158,214	269,958
Payments received on account	2,248,032	437,314
Net obligations under hire purchase contracts	8,009	3,492
Trade creditors	1,017,569	1,256,984
Taxes and social security costs	178,353	213,146
Directors' current accounts	11,840	10,242
Other creditors	60,518	30,528
Accruals and deferred income	242,790	225,380
	<u>3,925,325</u>	<u>2,447,044</u>

There is a fixed and floating charge over the company's assets in favour of Barclays Bank plc. The amount outstanding at the year end was £214,408 (2008 £452,598)

A Limited Guarantee amounting to £70,000 in aggregate has also been given to Barclays Bank plc jointly by Dr R Arezina, Dr J Taubel and Dr U Lorch

RICHMOND PHARMACOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

11 Creditors amounts falling due after more than one year	2009	2008
	£	£
Bank loans	116,845	231,848
Other loans	-	18,317
Net obligations under hire purchase contracts	-	7,815
	<u>116,845</u>	<u>257,980</u>
Analysis of loans		
Wholly repayable within five years	<u>232,725</u>	<u>490,919</u>
	232,725	490,919
Included in current liabilities	<u>(115,880)</u>	<u>(240,754)</u>
	<u>116,845</u>	<u>250,165</u>
Loan maturity analysis		
In more than one year but not more than two years	<u>116,845</u>	<u>250,165</u>
Net obligations under hire purchase contracts		
Repayable within one year	8,009	3,492
Repayable between one and five years	-	7,815
	<u>8,009</u>	<u>11,307</u>
Included in liabilities falling due within one year	<u>(8,009)</u>	<u>(3,492)</u>
	<u>-</u>	<u>7,815</u>
12 Pension and other post-retirement benefit commitments		
Defined contribution		
	2009	2008
	£	£
Contributions payable by the company for the year	<u>37,250</u>	<u>28,944</u>

RICHMOND PHARMACOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

13 Share capital	2009	2008
	£	£
Authorised		
1,000,000 A Ordinary shares of 5p each	50,000	50,000
1,000,000 B Ordinary shares of 5p each	50,000	50,000
	<hr/>	<hr/>
	100,000	100,000
	<hr/>	<hr/>
Allotted, called up and fully paid		
93,600 A Ordinary shares of 5p each	4,680	4,680
73,543 B Ordinary shares of 5p each	3,677	3,677
	<hr/>	<hr/>
	8,357	8,357
	<hr/>	<hr/>

The A and B Ordinary shares rank pari passu in all respects

14 Statement of movements on reserves

	Share premium account	Profit and loss account
	£	£
Balance at 1 January 2009	359,500	9,119
Profit for the year	-	318,276
	<hr/>	<hr/>
Balance at 31 December 2009	359,500	327,395
	<hr/>	<hr/>

15 Reconciliation of movements in shareholders' funds

	2009	2008
	£	£
Profit for the financial year	318,276	148,229
Opening shareholders' funds	376,976	228,747
	<hr/>	<hr/>
Closing shareholders' funds	695,252	376,976
	<hr/>	<hr/>

RICHMOND PHARMACOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

16 Financial commitments

At 31 December 2009 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2010

	Land and buildings	
	2009	2008
	£	£
Operating leases which expire Within one year	21,667	260,000

17 Directors' emoluments

	2009	2008
	£	£
Emoluments for qualifying services	583,365	561,100
Company pension contributions to money purchase schemes	5,250	5,000
	<u>588,615</u>	<u>566,100</u>

Emoluments disclosed above include the following amounts paid to the highest paid director

Emoluments for qualifying services	<u>134,275</u>	<u>134,275</u>
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RICHMOND PHARMACOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2009

18 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2009 Number	2008 Number
Number of clinical research staff	83	83
Number of administration staff	23	21
Number of management staff	4	4
	<u>110</u>	<u>108</u>

Employment costs

	2009 £	2008 £
Wages and salaries	3,834,057	3,960,143
Social security costs	396,612	343,866
Other pension costs	37,250	28,944
	<u>4,267,919</u>	<u>4,332,953</u>

19 Related party transactions

At the balance sheet date the company owed Chester Overseas Limited £18,317 (2008 £38,321) by way of a loan, on which interest of £1,225 (2008 £4,841) was paid in the year. The families of Mr L Levine and Mr M Levine have an interest in Chester Overseas Limited.