

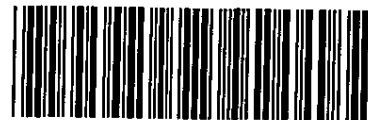
# Pfizer Consumer Healthcare Limited

Directors' report and financial statements

**For the year ended 30 November 2012**

Registered number 00132018

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# Pfizer Consumer Healthcare Limited

## Directors' report and financial statements

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# Pfizer Consumer Healthcare Limited

## Directors and other information

<b>Directors</b>	AL Verrinder IE Franklin JR Smith RA Coles JC Emms JA Mount
<b>Company secretary</b>	JA Mount
<b>Registered office</b>	Pfizer Ramsgate Road Sandwich Kent CT13 9NJ
<b>Independent auditor</b>	KPMG LLP Chartered Accountants 15 Canada Square London E14 5GL
<b>Registered number</b>	00132018

# Pfizer Consumer Healthcare Limited

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 November 2012

### Principal activity

During the year the principal activities of the company continued to be the marketing and distribution of over the counter medicines

### Business review and future developments

The profit and loss account and balance sheet for the year are set out on pages 12 and 13 respectively. In February 2012 the company (Pfizer Consumer Healthcare Limited) purchased Ferrosan Limited and subsequent to that acquisition transferred the trade of that entity into the company. The development and performance of the company during the year was satisfactory, as was the position of the company at the year-end. It is anticipated this will continue into 2013. The company is managed on an integrated basis with other Pfizer Inc group companies worldwide as part of Pfizer Inc's global healthcare business. Accordingly, key performance indicators have not been given for the company itself. Further details are provided in the Pfizer Inc consolidated annual review and financial report which are available from Pfizer Inc, 235 East 42<sup>nd</sup> Street, New York, NY 10017, USA.

### Risks and uncertainties

The principal risks and uncertainties for the company derive from the development, performance and position of the Pfizer Inc group (of which the company is a part). During the year the principal factors which could cause risk and uncertainty for the Pfizer Inc group included

- The success of research and development activities
- Decisions by regulatory authorities regarding whether and when to approve Pfizer's drug applications as well as their decisions regarding labelling and other matters that could affect the availability or commercial potential of Pfizer's products
- The speed with which regulatory authorisations, pricing approvals, and product launches may be achieved
- The success of external business development activities
- Competitive developments, including the impact on Pfizer's competitive position of new product entrants, in-line branded products, generic products, private label products and product candidates that treat diseases and conditions similar to those treated by Pfizer's in-line products and product candidates
- The ability to successfully market both new and existing products
- Difficulties or delays in manufacturing
- Trade buying patterns
- The ability to meet generic and branded competition after the loss of patent protection for Pfizer's products and competitor products
- The impact of existing and future legislation and regulatory provisions on product exclusivity
- Trends toward managed care and health care cost containment

# Pfizer Consumer Healthcare Limited

## Directors' report *(continued)*

### Risks and uncertainties *(continued)*

- Legislation or regulatory action affecting, amongst other things, pharmaceutical product pricing, reimbursement or access
- Contingencies related to actual or alleged environmental contamination
- Claims and concerns that may arise regarding the safety or efficacy of in-line products and product candidates
- The significant breakdown, infiltration or interruption of Pfizer's information technology systems and infrastructure
- Legal defence costs, insurance expenses, settlement costs and the risk of an adverse decision or settlement related to product liability, patent protection, government investigations, and other legal proceedings
- Pfizer's ability to protect its patents and other intellectual property
- Interest rate and foreign currency exchange rate fluctuations
- Governmental laws and regulations affecting operations, including tax obligations
- Changes in generally accepted accounting principles
- General economic, political, business, industry, regulatory and market conditions including, without limitation, any impact on Pfizer, its lenders, its customers, its suppliers and counterparties to its foreign-exchange and interest-rate agreements from weak global economic conditions and changes in global financial markets
- Any changes in business, political and economic conditions due to actual or threatened terrorist activity
- Growth in costs and expenses
- Changes in Pfizer's product, segment and geographic mix
- The impact of acquisitions, divestitures, restructurings, product withdrawals and other unusual items

### Financial instruments

The overall objective of Pfizer's financial risk management programme is to seek to minimise the impact of foreign exchange rate movements and interest rate movements on its earnings. These financial exposures are managed through operational means and by using various financial instruments. These practices may change as economic conditions change.

### Disabled employees

It is the policy of the company to give full and fair consideration to applications for employment made by persons with disability taking account of their particular abilities and aptitudes. Policies to actively eliminate discrimination and to ensure that all applicants are considered solely on their merits are promoted. Should any existing employee become disabled every effort is made to ensure continuity of employment after appropriate assessment of special needs, suitable adjustment to accommodate the disability, retraining, resettlement and continued support. The same opportunity for training and career development is given to disabled employees as is given to employees generally.

### Employee involvement

The company seeks open and direct relations with its employees through the provision of efficient formal and informal channels for communication. These include the publication of magazines for employees, information and support services provided by e-mail, web and telephone as well as face to face, and consultation through a variety of committees, forums, surveys and regular departmental meetings. The company also participates in the Pfizer Europe Employee Forum.

# Pfizer Consumer Healthcare Limited

## **Directors' report** *(continued)*

### **Employee involvement** *(continued)*

The company actively promotes an "open door" management policy and has a grievance escalation process. There is also an extensive performance management programme in place which facilitates open and regular dialogue between employees and their managers. Employees complete an annual integrity pledge and have direct access to a corporate compliance hotline and other facilities.

The Pfizer Share Ownership Plan, through which shares in the ultimate parent company, Pfizer Inc. may be purchased, encourages employees of the participating companies to take a direct interest in the performance of the world-wide group.

### **Overseas branches**

The audited financial statements for the year ended 30 November 2012 include the results of the company's Irish branch up until the date it was disposed of. The company sold its Irish branch to a fellow group company on 2 April 2012.

### **Results and dividends**

The audited financial statements for the year ended 30 November 2012 are set out on pages 9 to 23.

The company generated an after tax profit of £715,000 (2011 £1,113,000). No dividends were declared in 2012 (2011 £nil). The retained profit for the year of £715,000 (2011 profit £1,113,000) has been transferred to reserves.

# Pfizer Consumer Healthcare Limited

## **Directors' report** *(continued)*

### **Directors**

The directors who held office from 1 December 2011 and to the date of this report, unless otherwise noted, were

AL Verrinder

IE Franklin

RN Blackburn (resigned 1 January 2012)

SM Poulton (resigned 7 January 2013)

JR Smith

IA Tichias (resigned 22 April 2013)

LP Jones (resigned 29 February 2012)

RA Coles

JC Emms (appointed 1 January 2012)

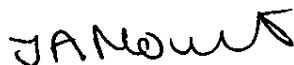
JA Mount (appointed 24 February 2012)

### **Auditor**

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

The company's auditor is KPMG LLP, UK

By order of the board



**JA Mount**

24 July 2013

*Director*

## **Statement of directors' responsibilities in respect of the Directors' report and the financial statements**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



## **Independent auditor's report to the member of Pfizer Consumer Healthcare Limited**

We have audited the financial statements of Pfizer Consumer Healthcare Limited for the year ended 30 November 2012 set out on pages 9 to 23. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 6, 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 Auditing Practices Board's (APB'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 APB's web-site at [www.frc.org.uk/auditscopeukprivate](http://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 30 November 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

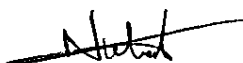
In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Independent auditor's report to the member of Pfizer Consumer Healthcare Limited** *(continued)*

### **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



**Nicholas Frost, Senior Statutory Auditor  
for and on behalf of KPMG LLP, Statutory Auditor**  
Chartered Accountants  
15 Canada Square  
London  
E14 5GL  
United Kingdom

Date 26<sup>th</sup> July 2013

# Pfizer Consumer Healthcare Limited

## **Statement of accounting policies** *for the year ended 30 November 2012*

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

### **Basis of preparation**

The financial statements have been prepared in accordance with generally accepted accounting principles under the historical cost convention, and comply with financial reporting standards of the Accounting Standards Board in the United Kingdom

The company is exempt by virtue of S401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

Under Financial Reporting Standard 1 (Revised) the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking consolidates the company's financial statements in its own published consolidated financial statements.

### **Going concern**

After making enquiries the directors have a reasonable expectation that the company has adequate resources to continue in operational existence in the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

### **Goodwill and intangible assets**

Purchased goodwill, representing the excess of the fair value of purchase consideration over the fair value of the separable net assets acquired, is capitalised and amortised in instalments of up to 20 years, based on the directors' estimate of its useful economic life.

Goodwill and intangible assets are stated net of any provisions for impairment.

### **Investments**

Investments are stated at purchase cost less provision for any impairment in value. An impairment test is undertaken on an annual basis by the company to confirm that the carrying value is appropriate.

### **Research and development**

Research and development expenditure is charged to the profit and loss account in the year in which it is incurred.

### **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at historical purchase cost net of depreciation. Tangible fixed assets are depreciated by reference to cost at rates estimated to write off the cost of the relevant assets less residual value, by equal instalments over their estimated useful lives.

Plant, machinery and vehicles	5-15 years
Furniture and fixtures	3-10 years

Residual value is calculated on prices prevailing at the date of acquisition. The net book value of fixed assets is written down to estimated recoverable amount, should any impairment be identified.

## Statement of accounting policies *(continued)*

### Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity. Net realisable value is based on estimated normal selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow moving or defective items where appropriate.

### Taxation

UK Corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

### Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

### Pension costs

The company participates in a group operated pension scheme for the benefit of the majority of its employees. The scheme has both a defined contribution section and a defined benefit section.

The defined contribution section includes some members who benefit from a component that is based on a defined benefit in addition to defined contribution.

The defined benefit section comprises two components dependant on employee status or criteria:

- for some employees, the scheme provides benefits on a purely defined benefit basis
- for certain employees who previously met specific age and service criteria the scheme provides a defined contribution benefit with an additional component that is based on a defined benefit.

The assets of the scheme are held in a separate fund administered by trustees.

In respect of the defined benefit scheme, assets are measured using market value. Pension scheme liabilities are measured using the projected unit actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent terms and quality to the liability. The increase in the present value of the liabilities of the group's defined benefit pension section expected to arise from employee service in the period is charged to operating profit. The amount of pension contributions charged in the profit and loss account represents amounts payable in the year to the Group pension scheme by the participating group companies, less allocated charges to fellow group companies based on current headcount. The expected return on the scheme's assets and the increase during the year in the present value of the scheme's liabilities arising from the passage of time are included in other finance income. Actuarial gains and losses are recognised in the statement of total recognised gains and losses.

**Statement of accounting policies** *(continued)*

**Pension costs** *(continued)*

The pension scheme is a multi-employer scheme and the company is not able to identify its share of the underlying assets and liabilities of the scheme. Therefore, in accordance with the multi-employer exemption available under FRS 17, the scheme has been accounted for as if it was a defined contribution scheme and the company has taken advantage of the multi-employer exemption in relation to the reporting of its pension funding arrangements.

**Foreign currency**

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

The financial statements of the Irish branch are maintained in Euros. The results and balances are translated in Sterling on the last working day of each month at the rates of exchange prevailing at that date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

The company uses derivative financial instruments to reduce exposure to foreign exchange risk. The company does not hold or issue derivative financial instruments for speculative purposes. The company does not use hedge accounting or account for derivatives at fair value.

**Leases**

Rentals under operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

**Turnover**

Turnover represents amounts receivable for goods provided in the normal course of business, net of trade discounts, discounts given to customers for early settlement of amounts outstanding, returns, allowances and value added tax. Turnover is recognised at the time that the risk and rewards pass to the buyer.

# Pfizer Consumer Healthcare Limited

## Profit and loss account

for the year ended 30 November 2012

	<i>Note</i>	<b>2012 £000</b>	<b>2012 £000</b>	<b>2011 £000</b>	<b>2011 £000</b>
<b>Turnover</b>	<i>1</i>		<b>32,844</b>		<b>31,400</b>
Continuing operations		<b>31,528</b>		<b>26,858</b>	
Discontinued operations		<b>1,316</b>		<b>4,542</b>	
<b>Cost of sales</b>	<i>2</i>		<b>(17,993)</b>		<b>(16,337)</b>
<b>Gross profit</b>	<i>2</i>		<b>14,851</b>		<b>15,063</b>
Distribution costs	<i>2</i>		<b>(12,131)</b>		<b>(11,881)</b>
Administrative expenses	<i>2</i>		<b>(3,561)</b>		<b>(1,509)</b>
<b>Operating (loss)/ profit before exceptional item</b>			<b>(841)</b>		<b>1,673</b>
Continuing operations		<b>(967)</b>		<b>1,077</b>	
Discontinued operations		<b>126</b>		<b>596</b>	
<b>Profit from sale of branch</b>	<i>6</i>		<b>1,667</b>		<b>-</b>
<b>Profit on ordinary activities before interest</b>			<b>826</b>		<b>1,673</b>
Interest receivable and similar income	<i>7</i>		<b>91</b>		<b>81</b>
<b>Profit on ordinary activities before taxation</b>	<i>3,5</i>		<b>917</b>		<b>1,754</b>
Tax on the profit on ordinary activities	<i>8</i>		<b>(202)</b>		<b>(641)</b>
<b>Retained profit for the financial year</b>	<i>16</i>		<b>715</b>		<b>1,113</b>

There are no material differences between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents

Notes on pages 15 to 23 form part of the financial statements.

# Pfizer Consumer Healthcare Limited

## Balance sheet

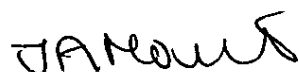
As at 30 November 2012

Registered Number 00132018

	Note	2012 £000	2011 £000
<b>Fixed assets</b>			
Intangible fixed assets	9	1,613	-
Financial fixed assets	10	326	-
Tangible fixed assets	11	1	2
		<hr/>	<hr/>
		1,940	2
 <b>Current assets</b>			
Stocks	12	5,306	6,778
Debtors	13	28,855	27,070
Cash at bank and in hand		360	1,382
		<hr/>	<hr/>
		34,521	35,230
 <b>Creditors</b> amounts falling due within one year	14	(32,974)	(32,460)
		<hr/>	<hr/>
<b>Net current assets</b>		1,547	2,770
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		3,487	2,772
		<hr/>	<hr/>
<b>Net assets</b>		3,487	2,772
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	15	75	75
Profit and loss account	16	3,412	2,697
		<hr/>	<hr/>
<b>Shareholders' funds</b>		3,487	2,772
		<hr/>	<hr/>

Notes on pages 15 to 23 form part of the financial statements.

These financial statements were approved by the board of directors and were signed on its behalf on 24 July 2013 by



**J Mount**  
Director

## Pfizer Consumer Healthcare Limited

### **Reconciliation of movements in shareholder's funds**

*for the year ended 30 November 2012*

	<i>Note</i>	<b>2012</b> <b>£000</b>	<b>2011</b> <b>£000</b>
Opening equity shareholder's funds		<b>2,772</b>	1,659
Profit for the financial year	<i>16</i>	<b>715</b>	1,113
Net increase to shareholder's funds		<b>715</b>	1,113
Closing shareholder's funds		<b>3,487</b>	2,772

**Notes on pages 15 to 23 form part of the financial statements**



# Pfizer Consumer Healthcare Limited

## Notes

*(forming part of the financial statements)*

### 1 Analysis of turnover

Contributions to turnover by geographical destination are as follows

	2012 £000	2011 £000
United Kingdom	30,549	26,858
Overseas	2,295	4,542
	<u>32,844</u>	<u>31,400</u>

Disclosures of segment information with regard to turnover by class of business would, in the opinion of the directors, be seriously prejudicial to the interests of the company

### 2 Cost of sales, gross profit and other operating expenses (net)

	Continuing operations £000	2012 Discontinued operations £000	Total £000	Continuing operations £000	2011 Discontinued operations £000	Total £000
Cost of sales	17,462	531	17,993	14,507	1,830	16,337
Gross profit	<u>14,066</u>	<u>785</u>	<u>14,851</u>	<u>12,351</u>	<u>2,712</u>	<u>15,063</u>
Distribution costs	11,457	674	12,131	10,160	1,721	11,881
Administrative expenses	3,576	(15)	3,561	1,114	395	1,509
Other operating expenses (net)	<u>15,033</u>	<u>659</u>	<u>15,692</u>	<u>11,274</u>	<u>2,116</u>	<u>13,390</u>

On 2 April 2012 the company sold the business of its Irish branch (see note 6)

The credit balance of £15,000 in administration expenses in discontinued operations related to the reversal of a prior year provision for doubtful debts

# Pfizer Consumer Healthcare Limited

## Notes (continued)

forming part of the financial statements (continued)

### 3 Profit on ordinary activities before taxation

	2012 £000	2011 £000
<i>Profit on ordinary activities before taxation is stated after charging/(crediting):</i>		
Goodwill amortisation	63	-
Depreciation of owned tangible fixed assets	1	8
Foreign exchange loss / (gain)	225	(67)

Auditor's remuneration in respect of the audit of these financial statements for the current year is borne without recourse by Pfizer Limited, a fellow group undertaking. In 2012 these fees amounted to £32,962 (2011 £35,601)

The lease rental in respect of the Vanwall Road property was borne by Pfizer Limited. £1 million was recharged in respect of property related costs in 2012 by Pfizer Ltd. In 2011 Pfizer Ltd made no recharge of property costs.

### 4 Directors' remuneration and emoluments

The remuneration of the directors in respect of qualifying services for 2012 and 2011 was borne by Pfizer Limited.

Seven of the directors received shares under long term incentive scheme (2011 7) and three of the directors exercised share options in the ultimate holding company Pfizer Inc. during the period (2011 none).

### 5 Staff numbers and costs

	2012 £000	2011 £000
<b>Staff costs</b>		
Wages and salaries	139	653
Restructuring	-	1,179
Social security costs	4	52
Other pension costs (note 18)	37	47
	<u>180</u>	<u>1,931</u>

The average monthly number of persons (including executive directors) employed by the company during the year was 3 (2011 17).

By activity	2012 No.	2011 No.
Marketing and administration	3	17

In addition to the above the company utilises the services of employees contracted to a fellow group company. These employees are involved in marketing/administration. The cost of these services recharged to the company in the year was £4,177,000 (2011 £2,938,000).

# Pfizer Consumer Healthcare Limited

## Notes (continued)

forming part of the financial statements (continued)

### 6 Exceptional item

	2012 £000	2011 £000
Income from sale of branch	1,667	-

On 2 April 2012 the business of the company's Irish branch (selling over the counter consumer products) was transferred to Pfizer Healthcare Ireland Limited for consideration of £2,304,153. The transfer included marketing authorisations, trademarks and stock of the branch but did not include cash. The profit arising on the sale was £1,666,750 which is disclosed as an exceptional item in the profit and loss account.

### 7 Interest receivable and similar income

	2012 £000	2011 £000
Interest from group undertakings	91	81

# Pfizer Consumer Healthcare Limited

## Notes (continued)

forming part of the financial statements (continued)

### 8 Tax on the profit on ordinary activities

	2012 £000	2011 £000
<i>UK corporation tax</i>		
Current tax on income for the period	(68)	533
Adjustments in respect of prior periods	180	132
	<hr/>	<hr/>
Total current tax charge	112	665
	<hr/>	<hr/>
<i>Deferred tax</i>		
Origination and reversal of timing differences	85	(30)
Adjustment in respect of prior periods	-	(5)
Effect of change in tax rate	5	11
	<hr/>	<hr/>
Total deferred tax charge/(credit) (note 13)	90	(24)
	<hr/>	<hr/>
Tax on the profit on ordinary activities	202	641
	<hr/>	<hr/>

The tax assessed for the period is lower (2011 higher) than the applicable rate of corporation tax in the UK 24.67% (2011 26.66%). The difference is explained below

	2012 £000	2011 £000
Profit on ordinary activities before tax	917	1,754
	<hr/>	<hr/>
Profit on ordinary activities multiplied by composite rate in the UK (24.67%) (2011 26.66%)	226	467
Effects of		
Permanent differences	(276)	36
Overseas tax charge	23	-
Accelerated capital allowances	(18)	(18)
Other timing differences	(23)	48
Adjustments in respect of prior periods	180	132
	<hr/>	<hr/>
Current tax charge for the year	112	665
	<hr/>	<hr/>

The availability of group relief from other group companies for which no payment is expected to be made, may affect the tax charge in future periods

The 2013 budget on 20 March 2013 announced that the UK corporation tax rate will reduce to 20% by 2015. A reduction in the rate from 26% to 25% (effective from 1 April 2012) had been substantively enacted on 5 July 2011. Further reductions to 24% (also effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. This will reduce the company's future tax charge accordingly. The deferred tax asset at 30 November 2012 has been calculated based on the rate of 23% substantively enacted at the balance sheet date.

# Pfizer Consumer Healthcare Limited

## Notes (continued)

forming part of the financial statements (continued)

### 9 Intangible fixed assets

	Goodwill £000
<i>Cost</i>	
At beginning of year	-
Additions	1,028
Transfer from investments	648
	<hr/>
At end of year	1,676
	<hr/>
<i>Amortisation</i>	
At beginning of year	-
Charge for the year	63
	<hr/>
At end of year	63
	<hr/>
<i>Net realisable value</i>	
At 30 November 2012	1,613
	<hr/> <hr/>
At 30 November 2011	-
	<hr/> <hr/>

On 24 February 2012 the company acquired Ferrosan Limited, a company involved in the sale of skin supplements. Subsequently the company hived up the business of Ferrosan Limited and net liabilities of £43,000 in consideration for a payment of £985,000. The goodwill arising on hive up of the business was £1,028,000, and as part of the group reorganisation it was considered appropriate to reallocate £648,000 of the cost of investment in Ferrosan Limited to goodwill.

In the opinion of the directors, intangible fixed assets are stated at the lower of their cost and net recoverable value.

The turnover in the year arising from the acquisition of the business from Ferrosan Limited was £1,900,000.

### 10 Financial fixed assets

	2012 £000
At beginning of year	-
Additions	974
Transfer to goodwill	(648)
	<hr/>
At end of year	326
	<hr/> <hr/>

During 2012 PCH acquired 100% of the share capital of Ferrosan Limited for £974,796. Following the group reorganisation and transfer of business from Ferrosan Limited to Pfizer Consumer Healthcare Limited, £648,000 of the investment carrying value was reallocated to goodwill.

# Pfizer Consumer Healthcare Limited

## Notes (continued)

forming part of the financial statements (continued)

### 11 Tangible fixed assets

	<b>Furniture and fixtures £000</b>	<b>Plant, machinery and vehicles £000</b>	<b>Total £000</b>
<b>Cost</b>			
At beginning of financial year	193	211	404
Disposals	-	(36)	(36)
	<hr/>	<hr/>	<hr/>
At end of financial year	193	175	368
	<hr/>	<hr/>	<hr/>
<b>Accumulated depreciation</b>			
At beginning of financial year	191	211	402
Charge for year	1	-	1
Disposals	-	(36)	(36)
	<hr/>	<hr/>	<hr/>
At end of financial year	192	175	367
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 30 November 2012	<b>1</b>	-	<b>1</b>
	<hr/>	<hr/>	<hr/>
At 30 November 2011	2	-	2
	<hr/>	<hr/>	<hr/>

### 12 Stocks

	<b>2012 £000</b>	<b>2011 £000</b>
Finished goods and goods for resale	<b>5,306</b>	<b>6,778</b>
	<hr/>	<hr/>

# Pfizer Consumer Healthcare Limited

## Notes (continued)

forming part of the financial statements (continued)

### 13 Debtors

	2012 £000	2011 £000
Trade debtors	12,844	9,030
Amounts owed by group undertakings	15,871	17,903
UK corporation tax	93	-
Deferred tax assets	47	137
	<u>28,855</u>	<u>27,070</u>

All debtors fall due within one year

Amounts due from group undertakings are unsecured, interest free and repayable on demand, except for term deposits placed with fellow affiliates at commercial rates of interest

### Deferred taxation

	2012 £000	2011 £000
Accelerated capital allowances	47	69
Other timing differences	-	68
	<u>47</u>	<u>137</u>

The company has recognised the potential deferred tax asset of £46,744 (2011 £136,845) as at the year-end, as the directors of the company consider it to be more likely than not that the asset will crystallise in the foreseeable future

	2012 £000	2011 £000
Opening balance	137	113
(Debited) /credited to profit and loss account (note 8)	(90)	24
Closing balance	<u>47</u>	<u>137</u>

# Pfizer Consumer Healthcare Limited

## Notes (continued)

forming part of the financial statements (continued)

### 14 Creditors amounts falling due within one year

	2012 £000	2011 £000
Trade creditors	77	476
Amounts due to group undertakings	28,047	27,858
Group relief creditor	396	154
Other tax and social security	1,460	1,800
Accruals and deferred income	2,994	2,172
	<u>32,974</u>	<u>32,460</u>

All creditors fall due within one year

Amounts due to group undertakings are unsecured, interest free and repayable on demand, except for intercompany loans from fellow affiliates at commercial rates of interest

### 15 Called up share capital

	2012 £000	2011 £000
Allotted, called up and fully paid 75,000 (2011 75,000) ordinary shares of £1 each	<u>75</u>	<u>75</u>

### 16 Reserves

	Profit and loss account £000
At beginning of year	2,697
Profit for the financial year	715
At end of year	<u>3,412</u>

### 17 Derivatives not included at fair value

The company has derivatives which are not included at fair value in these financial statements

	Fair value asset 2012 £000	Fair value asset 2011 £000
Forward foreign exchange contracts	-	29

The company uses derivatives to hedge its exposures to changes in foreign currency exchange rates. As at the year end the company had open forward currency contracts in place with a fellow group company to sell £nil (2011 £1,094,000) and to buy £nil (2011 £1,094,000). The fair values of these contracts are based on market values of equivalent instruments at the balance sheet date.



# Pfizer Consumer Healthcare Limited

## **Notes** *(continued)*

*forming part of the financial statements (continued)*

### **18 Pension scheme**

The company participates within a group pension scheme in the UK, the Wyeth Group Pension and Life Assurance Scheme (1977) ("the Scheme"), which covers all employees of the companies within the group of which the parent company is American Home Products Holdings (U K ) Limited

The latest full valuation for funding purposes was as at 31 December 2011. The combined ongoing funding level for the Defined Benefit and Defined Contribution Sections was 98% of the accrued liabilities and the deficit revealed was £8,000,000. The ongoing funding level for the Defined Benefit liabilities, which for this purpose includes both the Defined Benefit Section and those parts of the Defined Contribution Section that benefit from a Defined Benefit component, was 97%. The sponsoring company has agreed to eliminate the deficit by the payment of £1.75m by 30 April 2013 and £6.25m by 31 December 2013. Interest on the deficit is assumed to be covered by asset out performance. The next full actuarial valuation is due as at 31 December 2014.

The pension charge relating to the defined benefit liabilities has been assessed in accordance with the advice of an independent professionally qualified actuary using the projected unit method.

During the period, the group paid contributions at the age-related rates set out for the defined contribution section (the rates range from 3% to 12% of members' pensionable pay) and the Scheme receives age related rebates from the State.

The charge to the operating profit for the period was £5,733 (2011 £19,684), comprising of £5,733 (2011 £14,064) for the Defined Contribution section and £Nil (2011 £5,620) for the Defined Benefit section.

In addition, DC contributions of £31,655 (2011 £27,663) relating to employees of the Irish branch were paid into other pension schemes.

### **19 Related party disclosures**

The ultimate controlling company is Pfizer Inc, a company incorporated in the State of Delaware, United States of America.

The company has taken advantage of the exemption in FRS No 8 Related Party Disclosures (FRS 8) from the requirement to disclose details of transactions with wholly owned group undertakings. Other than transactions with related group undertakings there were no other related party transactions. Details on the availability of group consolidated financial statements are given in note 20.

### **20 Ultimate parent undertaking**

Pfizer Consumer Healthcare Limited is part of the world-wide group of companies whose ultimate parent is Pfizer Inc, a company incorporated in the State of Delaware, United States of America. Copies of the ultimate parent company's financial statements may be obtained from Pfizer Inc, 235 East 42nd Street, New York, NY 10017 USA.

The immediate holding company is American Home Products Holdings (U K ) Limited, which is incorporated in Great Britain and registered in England and Wales.

The smallest group in which the results of the company are consolidated is that headed by C P Pharmaceuticals International C V, Coolsingel 93, 3012 AE Rotterdam, Holland whose accounts are publicly available from the Chamber of Commerce, PO Box 450, 3001 AL Rotterdam, Holland.