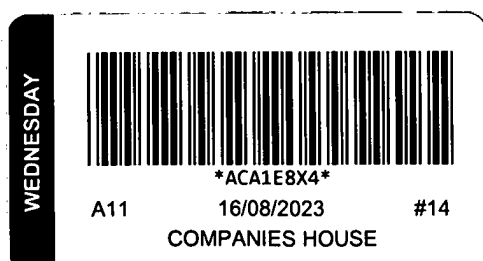


Pfizer Consumer Healthcare

Directors' report and financial statements

For the year ended 30 November 2022

Registered number: 00132018



Pfizer Consumer Healthcare

Directors' report and financial statements

Contents	Page
Directors and other information	1
Directors' report	2 - 3
Statement of directors' responsibilities in respect of the directors' report and financial statements	4
Independent auditor's report to the members of Pfizer Consumer Healthcare	5 - 8
Profit and loss account and other comprehensive income	9
Statement of financial position	10
Statement of changes in equity	11
Notes forming part of the financial statements	12 - 24

Pfizer Consumer Healthcare

Directors and other information

Directors

DI Highton
EJ Pearson
DJ Harnett
S Rienow

Registered office

Pfizer
Ramsgate Road
Sandwich
Kent
CT13 9NJ

Independent auditor

KPMG LLP
Chartered Accountants
15 Canada Square
London
E14 5GL

Registered number

00132018

Pfizer Consumer Healthcare

Directors' report

The directors present their report and the audited financial statements for the year ended 30 November 2022.

Directors

The directors who held office from 1 December 2021 and to the date of this report, unless otherwise stated, were:

DI Highton	
EJ Pearson	
DJ Harnett	
S Rienow	(appointed 28 February 2022)
BJ Osborn	(resigned 28 February 2022)
JA Mount	(resigned 31 May 2022)

Going concern

The directors have not prepared these financial statements on a going concern basis as they do not believe it is appropriate to do so, this is detailed further in the statement of accounting policies.

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.

Share capital and dividends

No shares have been issued during the period. In the prior year, the company reduced its share capital by cancelling 73,257,705 ordinary shares of £1.00 each and also reduced its share premium by the amount of £6,505,000. During the year, the directors did not pay any dividends (2021: £164,000,000) to its parent Pfizer Pharmaceuticals Global B.V..

Political donations

No political donations were made during the year (2021: none).

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that 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.

Pfizer Consumer Healthcare

Directors' report (continued)

Auditor

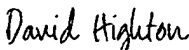
Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Small companies exemption

In preparing this directors' report, the directors have taken advantage of the small companies exemption under Section 415 (A) of the Companies Act 2006 for reduced disclosures. The directors have also taken exemption under Section 414 (B) not to prepare a strategic report.

This report was approved by the board and signed on its behalf.

By order of the board

DocuSigned by:

2660F72693E3433...

DI Highton

Date: 29 June 2023

Director

Ramsgate Road

Sandwich

Kent, CT13 9NJ

Pfizer Consumer Healthcare

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

The directors are responsible for preparing the strategic report, 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 applicable law and Section 1A of FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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 estimates that are reasonable and prudent;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so (as explained in the statement of accounting policies, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis).

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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 MEMBERS OF PFIZER CONSUMER HEALTHCARE

Opinion

We have audited the financial statements of Pfizer Consumer Healthcare ("the company") for the year ended 30 November 2022, which comprise the Profit and loss account and other comprehensive income, the Statement of financial position and the Statement of changes in equity and related notes, including the accounting policies in the Note 1 to the 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 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including *FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Emphasis of Matter

We draw attention to the disclosure made in Note 1 to the financial statements which explains that the financial statements have not been prepared on the going concern basis for the reason set out in that note. Our opinion is not modified in respect of this matter.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

- As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions. We did not identify any additional fraud risks.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PFIZER CONSUMER HEALTHCARE (continued)

Fraud and breaches of laws and regulations – ability to detect (continued)

Identifying and responding to risks of material misstatement due to fraud (continued)

We also performed procedures including:

Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management and those posted to unusual accounts.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors (as required by auditing standards), and discussed with the directors the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, anti-bribery, employment law, regulatory capital and liquidity, and certain aspects of company legislation recognizing the financial and regulated nature of the company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PFIZER CONSUMER HEALTHCARE (continued)

Other information

The directors are responsible for the other information, which comprises the directors' report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the director's report.
- in our opinion the information given in the directors' report for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PFIZER CONSUMER HEALTHCARE (continued)

The purpose of our audit work and to whom we owe our responsibilities

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.



John Theis (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London,

E14 5GL

United Kingdom

Date: 29 June 2023

Pfizer Consumer Healthcare

Profit and loss account and other comprehensive income*for the year ended 30 November 2022*

	<i>Note</i>	2022 £'000	2021 £'000
Cost of sales		<u>—</u>	<u>(88)</u>
Gross profit/(loss)		—	(88)
Marketing and distribution costs		—	(151)
Administrative expenses		<u>(105)</u>	<u>(538)</u>
Loss on ordinary activities before interest		(105)	(777)
Interest receivable and similar income	5	203	—
Interest payable and similar charges	6	(62)	—
Profit/(loss) on ordinary activities before taxation	2	<u>36</u>	<u>(777)</u>
Taxation	7	(24)	86
Profit/(loss) on ordinary activities after taxation		<u><u>12</u></u>	<u><u>(691)</u></u>

The notes on pages 12 to 24 form part of these financial statements.

All activities are derived from discontinued operations.

Pfizer Consumer Healthcare

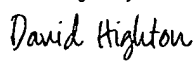
Statement of financial position

as at 30 November 2022

	Note	2022 £'000	2021 £'000
Current assets			
Cash and cash equivalents		2,247	99
Debtors: amounts falling due within one year	8	21,027	26,160
		<u>23,274</u>	<u>26,259</u>
Creditors: amounts falling due within one year	9	(18,841)	(21,909)
Net current assets		<u>4,433</u>	<u>4,350</u>
Total assets less current liabilities		<u>4,433</u>	<u>4,350</u>
Creditors: amounts falling due after more than one year	10	(1)	(2)
Net assets		<u>4,432</u>	<u>4,348</u>
Capital & reserves			
Called up share capital	12	—	—
Profit and loss account		4,432	4,348
Shareholder's funds		<u>4,432</u>	<u>4,348</u>

The notes on pages 12 to 24 form part of these financial statements.

These financial statements were approved by the board of directors and were signed on its behalf by:

DocuSigned by:

 2660F72693E3433...

DI Highton

Director

Date: 29 June 2023

Registered number: 00132018

Pfizer Consumer Healthcare

Statement of changes in equity

for the year ended 30 November 2022

	Called up share capital £'000	Profit and loss account £'000	Share premium £'000	Total £'000
Balance as at 1 December 2020	73,258	89,028	6,505	168,791
Loss for the year	—	(691)	—	(691)
Total comprehensive loss for the year	—	(691)	—	(691)
Transactions with owners, recognised in equity				
Dividends declared during the year	—	(164,000)	—	(164,000)
Capital reduction	(73,258)	79,763	(6,505)	—
Adjustment in respect of employee share schemes	—	248	—	248
Balance as at 30 November 2021	—	4,348	—	4,348
Profit for the year	—	12	—	12
Total comprehensive income for the year	—	12	—	12
Transactions with owners, recognised in equity				
Adjustment in respect of employee share schemes	—	72	—	72
Balance as at 30 November 2022	—	4,432	—	4,432

The notes on pages 12 to 24 form part of these financial statements.

Pfizer Consumer Healthcare

Notes

forming part of the financial statements

1. Statement of accounting policies

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

Basis of preparation

Pfizer Consumer Healthcare is a private unlimited liability company domiciled and registered in England in the UK. The registered number is 00132018 and the registered office is Ramsgate Road, Sandwich, Kent, CT13 9NJ.

These financial statements were prepared in accordance with FRS 102, the financial reporting standard applicable in the UK and Republic of Ireland.

The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 17.

Going concern

On 19 December 2018 Pfizer Inc., the company's ultimate parent, announced a proposal to enter into an agreement with GSK plc to create a consumer healthcare joint venture. Subsequent to this, during 2019, the company agreed to transfer a portion of its consumer healthcare business and related net assets to PF Consumer Healthcare UK Limited.

Separately on 1 July 2019, the company agreed to transfer its remaining business operations to fellow group undertaking Upjohn UK Limited.

The completion of these transactions occurred in 2020, when legal title to the assets and liabilities related to the business operations transferred.

As the company has not acquired a replacement trade, in line with the requirements of FRS 102, the directors have prepared the financial statements on a basis other than going concern from 2018 onwards. No adjustments were necessary to the amounts at which the assets and liabilities are included in these financial statements.

Discontinued operations

Discontinued operations are components of the company's core operations that represented a separate major line of business or geographical area of operation that have been disposed of.

Exemptions for qualifying entities under FRS 102

In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the below disclosures. The disclosure exemptions are subject to certain conditions, which have been complied with.

Pfizer Consumer Healthcare

Notes (continued)

forming part of the financial statements

1. Statement of accounting policies (continued)

Exemptions for qualifying entities under FRS 102 (continued)

A separate cash flow statement is not presented by the company as the information is included in the consolidated cash flow statement prepared by the ultimate parent, Pfizer Inc., in the manner prescribed by FRS102.7.

The company has availed of the exemption in FRS 102.33.1A from the requirement to disclose details of transactions with group undertakings. Details on transactions with related parties, other than fellow group undertakings, are given in note 15. Details of the availability of the group consolidated financial statements are given in note 16.

The company is exempt from disclosing the company key management personnel compensation, as required by FRS 102 paragraph 33.7. The company is exempt from certain disclosures of share based payments as the relevant information is disclosed in the consolidated financial statements of Pfizer Inc., as required by FRS 102.26.

The company has availed of the exemption from disclosures for financial assets and liabilities required by Section 11 paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c) and Section 12 paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A as equivalent disclosures are included in the consolidated financial statements of the group in which Pfizer Consumer Healthcare is consolidated.

Interest receivable and interest payable

Interest receivable and similar income includes interest receivable on funds invested and net foreign exchange gains. Interest payable and similar charges includes interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currencies accounting policy).

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest rate method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

Foreign currency

Transactions in foreign currencies are recorded using the company's set exchange rate for the month of the transaction. This set exchange rate is the actual month end rate for the last close period. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the statement of financial position date and the gains or losses on translation are included in the profit and loss account. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Pfizer Consumer Healthcare

Notes (continued)

forming part of the financial statements

1. Statement of accounting policies (continued)

Foreign currency (continued)

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 accounts for derivatives at fair value and they are recognised at their fair value on the statement of financial position.

Related parties transactions

The company avails of the exemption contained in *FRS 102 Section 33 Related Party Disclosures* and does not disclose transactions entered into between wholly owned members of the group, transactions with entities not wholly group owned are disclosed in accordance with the accounting standards and Companies Act 2006.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the statement of financial position date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pfizer Consumer Healthcare

Notes (continued)

forming part of the financial statements

1. Statement of accounting policies (continued)

Cash and cash equivalents

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash that are subject to an insignificant risk of changes in value. Therefore, an investment normally qualifies as a cash equivalent only when it has a short maturity of, say, three months or less from the date of acquisition. Bank overdrafts are normally considered financing activities similar to borrowings. However, if they are repayable on demand and form an integral part of an entity's cash management, bank overdrafts are a component of cash and cash equivalents.

Financial instruments

Financial assets

Basic financial assets, including trade and other debtors and amounts due from group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. A provision is made when there is objective evidence that the company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables and amounts due to group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Pfizer Consumer Healthcare

Notes (continued)

forming part of the financial statements

1. Statement of accounting policies (continued)

Financial instruments (continued)

Financial liabilities *(continued)*

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Other financial instruments

Derivative financial instruments

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit and loss.

Fair value hedges

Where a derivative financial instrument is designated as a hedge of the variability in fair value of a recognised asset or liability or an unrecognised firm commitment, all changes in the fair value of the derivative are recognised immediately in profit or loss. The carrying value of the hedged item is adjusted by the change in fair value that is attributable to the risk being hedged and any gains or losses on remeasurement are recognised immediately in the profit and loss.

Share-based payments

Share-based payment arrangements in which the entity receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the entity. The grant date fair value of share-based payments awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the awards. The fair value of the awards granted is measured based on the fair value of the options or shares determined at the grant date. The company uses option valuation models, taking into account the terms and conditions upon which the awards were granted. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Pfizer Consumer Healthcare

Notes (continued)

forming part of the financial statements

1. Statement of accounting policies (continued)

Share-based payments (continued)

The company currently does not issue its own equity instruments as share-based payments. The company is part of the Pfizer Inc. group which operates a stock plan that offers share-based payments to employees of the wider group. Share-based payments issued by Pfizer Inc. are recognised based on the company's allocation of the group expense. This allocation is based on an assignment of colleague expenses based on their employing entity within the group. Pfizer Inc. does not recharge for the cost of the shares issued under this plan.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2. Profit/(loss) on ordinary activities before taxation

	2022	2021
	£'000	£'000
Profit/(loss) on ordinary activities before taxation is stated after charging/(crediting):		

Auditor's remuneration for the audit of these financial statements	13	13
Foreign exchange loss/(gain)	<u>1</u>	<u>(5)</u>

3. Directors' remuneration and emoluments

None of the directors received emoluments or accrued retirement benefits in respect of qualifying services they provided to the company in 2022 (2021: none).

Six of the directors received shares under a long term incentive scheme (2021: seven) and one of the directors exercised share options in the ultimate holding company Pfizer Inc. during the period (2021: four).

Pfizer Consumer Healthcare

Notes (continued)

forming part of the financial statements

4. Staff numbers and costs

	2022 £'000	2021 £'000
Wages and salaries	—	(30)
Social security costs	18	551
	<u>18</u>	<u>521</u>

Following the closure of business operations in 2020 the company no longer employed any staff. Expenses incurred in the current and prior financial periods primarily relate to group recharges of employer taxes arising from the settlement of long term group incentives issued to former employees of the company. See note 14 for disclosures on share based compensation.

5. Interest receivable and similar income

	2022 £'000	2021 £'000
Interest receivable on amounts due from group undertakings	<u>203</u>	<u>—</u>

6. Interest payable and similar charges

	2022 £'000	2021 £'000
Interest payable on amounts due to group undertakings	<u>62</u>	<u>—</u>

Pfizer Consumer Healthcare

Notes (continued)

forming part of the financial statements

7. Taxation

	2022 £'000	2021 £'000
<i>UK and Foreign corporation tax</i>		
Current tax charge/(credit) on profit for the period	21	(101)
Adjustments in respect of prior periods	4	15
Total current tax charge/(credit)	<u>25</u>	<u>(86)</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	(1)	—
Total deferred tax credit (note 11)	<u>(1)</u>	<u>—</u>
Tax charge/(credit) on profit on ordinary activities	<u>24</u>	<u>(86)</u>

Reconciliation of effective tax rate is explained below:

	2022 £'000	2021 £'000
Profit/(loss) on ordinary activities before taxation	36	(777)
Taxation charge at UK corporation tax rate of 19% (2021: 19%)	7	(148)
Effects of:		
Non deductible expenses	13	47
Adjustments in respect of prior periods	4	15
Total tax charge/(credit) included in profit or loss	<u>24</u>	<u>(86)</u>

An increase in the UK corporation tax rate from 19% to 25% was announced in March 2021. This increase to 25% is effective from April 2023. This was enacted and received royal assent on 10 June 2021.

Pfizer Consumer Healthcare

Notes (continued)

forming part of the financial statements

8. Debtors: amounts falling due within one year

	2022 £'000	2021 £'000
Amounts owed by group undertakings	21,027	23,715
UK corporation tax	—	100
Other receivables	—	2,345
	<u>21,027</u>	<u>26,160</u>

Amounts owed by group undertakings are unsecured and non interest bearing. For amounts placed with Pfizer Service Company Ireland, a group treasury company, interest is charged at commercial rates for loan facilities and at a rate determined by Pfizer Service Company Ireland for call account facilities. Where commercial rates are negative a floor of 0% may be applied however Pfizer Service Company Ireland reserves the right to pass on any costs incurred in providing the required facilities by adjusting the interest rate. At year-end the interest rate on loan facilities with Pfizer Service Company Ireland was 2.7916% and the company had no call account facilities in relation to Pfizer Service Company Ireland. All debtors fall due within one year.

9. Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Trade payables	—	101
Amounts owed to group undertakings	18,624	21,430
UK corporation tax	21	—
Accruals	196	378
	<u>18,841</u>	<u>21,909</u>

Amounts owed to group undertakings are unsecured and non interest bearing. For amounts placed with Pfizer Service Company Ireland, a group treasury company, interest is charged at commercial rates for loan facilities and at a rate determined by Pfizer Service Company Ireland for call account facilities. Where commercial rates are negative a floor of 0% may be applied however Pfizer Service Company Ireland reserves the right to pass on any costs incurred in providing the required facilities by adjusting the interest rate. At year-end the interest rate on loan facilities with Pfizer Service Company Ireland was 2.9279% and the company had no call account facilities in relation to Pfizer Service Company Ireland.

Pfizer Consumer Healthcare

Notes (continued)

forming part of the financial statements

10. Creditors: amounts falling due after more than one year

	2022 £'000	2021 £'000
Deferred tax liability (note 11)	<u>1</u>	<u>2</u>

11. Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2022			2021		
	Assets £'000	Liabilities £'000	Net £'000	Assets £'000	Liabilities £'000	Net £'000
Other	<u>—</u>	<u>(1)</u>	<u>(1)</u>	<u>—</u>	<u>(2)</u>	<u>(2)</u>
Net tax liabilities	<u><u>—</u></u>	<u><u>(1)</u></u>	<u><u>(1)</u></u>	<u><u>—</u></u>	<u><u>(2)</u></u>	<u><u>(2)</u></u>

12. Called up share capital

	2022 £'000	2021 £'000
Allotted, called up and fully paid 100 (2021: 100) ordinary shares of £1 each	<u>—</u>	<u>—</u>

13. Financial instruments

The analysis of the carrying amounts of the financial instruments of the group required under section 11 of FRS 102 is as follows:

Financial assets that are debt instruments measured at amortised cost

	2022 £'000	2021 £'000
Amounts owed by group undertakings	21,027	23,715
Other receivables	<u>—</u>	<u>2,345</u>

Pfizer Consumer Healthcare

Notes (continued)

forming part of the financial statements

13. Financial instruments (continued)

Financial liabilities that are debt instruments measured at amortised cost

	2022 £'000	2021 £'000
Trade payables	—	101
Amounts owed to group undertakings	<u>18,624</u>	<u>21,430</u>

14. Employee benefits

Share-based payments

FRS 102 requires the company to recognise share-based payments as an expense and share-based payments must be measured in accordance with the standard. Pfizer Consumer Healthcare is part of the Pfizer Inc. group which operates under the ("Pfizer") 2019 Stock Plan. Under FRS 102.1.12(d) the company is exempt from certain disclosures around share based payments as the relevant information is disclosed in the holding undertaking's (Pfizer Inc.) consolidated financial statements. The cost of employee share schemes in the financial period totalled £72,000 (2021: £248,000). Share-based payments issued by Pfizer Inc. are recognised based on the company's allocation of the group expense. This allocation is based on an assignment of colleague expenses based on their employing entity within the group. Pfizer Inc. does not recharge for the cost of the shares issued under this plan.

The primary types of Pfizer Inc. share based awards are as follows;

- Total Shareholder Return Units (TSRUs) which entitle the holder to receive shares of Pfizer Inc. common stock with a value equal to the difference between the defined settlement price and the grant price, plus the dividend equivalents accumulated during the five or seven-year term, if and to the extent the total value is positive. Settlement price is the average closing price of Pfizer Inc. common stock during the 20 trading days ending on the fifth or seventh anniversary of the grant, as applicable; the grant price is the closing price of Pfizer Inc. common stock on the date of the grant. Automatically settle on the fifth or seventh anniversary of the grant but vest on the third anniversary of the grant.
- Restricted Stock Units (RSUs) which entitle the holder to receive a specified number of shares of Pfizer Inc. common stock, including dividend equivalents that are reinvested into additional RSUs. For RSUs granted before 2022, generally in all instances, the units vest on the third anniversary of the grant date assuming continuous service from the grant date. Beginning in 2022, generally in all instances, the units vest and distribute one-third per year for three years on each of the three annual anniversaries from the date of grant assuming continuous service from the grant date.

Pfizer Consumer Healthcare

Notes (continued)

forming part of the financial statements

14. Employee benefits (continued)

Share based payments (continued)

- Portfolio Performance Shares (PPSs) which entitle the holder to receive, at the end of the performance period, shares of Pfizer Inc. common stock, if any, including shares resulting from dividend equivalents earned on such shares. For PPSs granted, the awards vest on the third anniversary of the grant assuming continuous service from the grant date and the number of shares paid, if any, depends on the achievement of predetermined goals related to Pfizer's long-term product portfolio during a three or five-year performance period from the year of the grant date, as applicable. The number of shares that may be earned ranges from 0% to 200% of the initial award depending on goal achievement over the performance period.
- Performance Share Awards (PSAs) which entitle the holder to receive, at the end of the performance period, shares of Pfizer common stock (retirees) earned, if any, or an equal value in cash (active colleagues), including dividend equivalents on shares earned, dependent upon the achievement of predetermined goals related to two measures: 1) adjusted net income over three one-year periods; and 2) TSR as compared to the NYSE ARCA Pharmaceutical Index (DRG Index) over the three-year performance period. PSAs vest on the third anniversary of the grant assuming continuous service from the grant date. The award that may be earned ranges from 0% to 200% of the target award depending on goal achievement over the performance period.
- Breakthrough Performance Awards (BPAs) which entitle the holder to receive, at the end of the performance period, shares of our common stock, if any, including shares resulting from dividend equivalents earned on such shares. For BPAs granted, the awards, if earned/vested, are settled at the end of the performance period, but no earlier than the one-year anniversary of the date of grant and dependent upon the achievement of the respective predetermined performance goals related to advancing Pfizer's product pipeline during the performance period. The number of shares that may be earned ranges from 0% to 600% of the target award depending on the level and timing of goal achievement over the performance period.
- Retirement-eligible holders, as defined in the grant terms, can convert their TSRUs, when vested, into Profit Units (PTUs) with a conversion ratio based on a calculation used to determine the shares at TSRU settlement. The PTUs are entitled to earn Dividend Equivalent Units (DEUs), and the PTUs and DEUs will be settled in Pfizer Inc. common stock on the TSRUs' original settlement date and will be subject to the terms and conditions of the original grant including forfeiture provisions.

Pfizer Consumer Healthcare

Notes (continued)

forming part of the financial statements

14. Employee benefits (continued)

Share based payments (continued)

- Stock Options which entitle the holder to purchase a specified number of shares of Pfizer Inc. common stock at a price per share equal to the closing market price of Pfizer Inc. common stock on the date of grant, for a period of time when vested. Stock options vest on the third anniversary of the grant assuming continuous service from the grant date and have a contractual term of 10 years.

The terms and conditions of the grants are as follows:

Number of Instrument Types	Vesting conditions	Contractual life of options
7	Primarily vest after three years of continuous service with exceptions for certain instruments as described above	10 years

15. 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 availed of the exemption in FRS 102.33.1A from the requirement to disclose details of transactions with group undertakings. Details of the availability of the group consolidated financial statements are given in note 16.

16. Controlling parties

The company's ultimate parent company and ultimate controlling party is Pfizer Inc., a company incorporated in the state of Delaware, USA. Pfizer Inc. is the largest group which includes the company and for which group accounts are prepared. The parent undertaking of the smallest such group is C.P. Pharmaceuticals International C.V., a company incorporated in the Netherlands. Copies of the group financial statements of Pfizer Inc. are available from Pfizer Inc., 66 Hudson Boulevard East, New York, NY10001-2192, USA. Copies of the group financial statements of C.P. Pharmaceuticals International C.V. are available from Chamber of Commerce, PO Box 450, 3001 AL Rotterdam, Holland. The company's immediate controlling party is Pfizer Pharmaceuticals Global B.V. a company incorporated in the Netherlands.

17. Accounting estimates and judgements

The company made no judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the group's accounting policies. In the instance that estimates and judgements should arise, they are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from the estimates.