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# Pfizer Technologies Limited

Directors' report and  
financial statements

**Year ended 30 November 2004**



# Pfizer Technologies Limited

## Directors' report and financial statements

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# Pfizer Technologies Limited

## Directors and other information

### Directors

K. Fletcher  
R. Stone  
S. Eccles  
O. Brandicourt  
A.M. Doherty  
F.J.C. Overtoom  
E. Bauman

### Registered office

c/o Pfizer Limited  
Ramsgate Road  
Sandwich  
Kent  
CT13 9NJ

### Independent auditors

KPMG  
Chartered Accountants  
1 Stokes Place  
St. Stephen's Green  
Dublin 2  
Ireland

### Registered number

03443383

# Pfizer Technologies Limited

## Directors' report

The directors hereby present their annual report and the audited financial statements for the year ended 30 November 2004.

### Principal activities

The principal activity of the company is the development and exploitation of pharmaceutical intellectual property.

The directors do not have any current plans to change the company's activities.

### Business review and future development

The level of activity was satisfactory and the directors anticipate that this will continue in 2005.

### Results and dividends

The audited financial statements for the year ended 30 November 2004 are set out on pages 7 to 15.

The company generated an after tax profit of £127,398,000 (2003: *profit of £164,553,000*). The directors paid a dividend of £220,000,000 (2003: *£125,000,000*). The retained loss for the year of £92,602,000 (2003: *profit of £39,553,000*) has been charged against reserves.

### Political and charitable contributions

The company made no political or charitable contributions during the year.

### Directors and directors' interests

The directors who served during the year were as follows

T.G.R. Audley	(Resigned 31 May 2004)
K. Fletcher	
R. Stone	
S. Eccles	
O. Brandicourt	
A.M. Doherty	
F.J.C. Overtoom	(Appointed 04 May 2004)

On 28 April 2005, Eric Bauman was appointed a director of the company.

At no time during the year did any of the directors have any interest in the shares of the company or of any Pfizer UK group company, or any rights to subscribe for such shares.

# Pfizer Technologies Limited


## Directors' report *(continued)*

### **Auditors**

During the year, KPMG LLP, UK resigned as auditor to the company and was replaced by KPMG, Ireland. Pursuant to a shareholder's resolution, the company is not obliged to reappoint its auditors annually and consequently KPMG, Ireland will continue in office.

By order of the board

Director



F. OVERTOOM

Date: 26/8/2005

# Pfizer Technologies Limited

## Statement of directors' responsibilities

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 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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



**KPMG**  
**Chartered Accountants**  
1 Stokes Place  
St. Stephen's Green  
Dublin 2  
Ireland

## **Independent auditors' report to the member of Pfizer Technologies Limited**

We have audited the financial statements on pages 7 to 15.

This report is made solely to the company's member, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's member 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 member as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the directors' report and, as described on page 4, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

### **Basis of audit opinion**

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

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



Independent auditors' report to the member of Pfizer Technologies Limited  
(continued)

**Opinion**

In our opinion, the financial statements give a true and fair view of the state of the company's affairs at 30 November 2004 and of the loss for the year then ended and have been properly prepared in accordance with the Companies Act, 1985.

KPMG

*Chartered Accountants  
Registered Auditors*

2 September 2005



# **Pfizer Technologies Limited**

## **Statement of accounting policies** *for the year ended 30 November 2004*

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**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

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 includes the company in its own published consolidated financial statements.

### **Foreign currencies**

Transactions in foreign currencies are recorded using the company's standard exchange rate for the month of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

### **Turnover**

Turnover represents the amounts (excluding value added tax) derived from royalty agreements with other members of the Pfizer worldwide group and is recognised on related actual product sales.

### **Taxation**

The tax charge is based on the profit for the year and takes into account taxation deferred because of timing differences that have originated but not reversed by the balance sheet date and which could give rise to an obligation to pay more or less tax in the future.

### **Intangible fixed assets**

Intangible fixed assets purchased separately from a business are capitalised at their cost. They are amortised to nil by equal annual instalments over their useful economic lives, of not more than 20 years based on directors' estimates, after making any required provisions for impairment.

# Pfizer Technologies Limited

## Profit and loss account for the year ended 30 November 2004

	Notes	2004 £'000	2003 £'000
<b>Turnover – continuing operations</b>	1	<b>200,415</b>	254,186
Net operating costs	2	(12,853)	(13,533)
		<hr/>	<hr/>
<b>Operating profit – continuing operations</b>	3	<b>187,562</b>	240,653
Interest payable and similar charges	6	(79)	(91)
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		<b>187,483</b>	240,562
Tax on profit on ordinary activities	7	(60,085)	(76,009)
		<hr/>	<hr/>
<b>Profit on ordinary activities after taxation</b>		<b>127,398</b>	164,553
Dividend on equity shares	8	(220,000)	(125,000)
		<hr/>	<hr/>
<b>Retained (loss)/profit for the year</b>		<b>(92,602)</b>	39,553
		<hr/>	<hr/>

There are no recognised gains or losses other than those reported in the profit and loss account for each year.

# Pfizer Technologies Limited

## Balance sheet at 30 November 2004

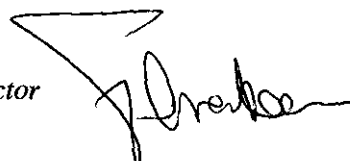
	Notes	2004 £'000	2003 £'000
<b>Fixed assets</b>			
Intangible fixed assets	9	72,533	85,333
<b>Current assets</b>			
Debtors	10	304,914	96,429
<b>Creditors: amounts falling due within one year</b>	11	(330,817)	(42,530)
<b>Net current (liabilities) / assets</b>		(25,903)	53,899
<b>Net assets</b>		46,630	139,232
<b>Capital and reserves</b>			
Called up share capital	12	1	1
Profit and loss account	13	46,629	139,231
<b>Equity shareholder's funds</b>		46,630	139,232

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

26/8/2005

and were

Director



F. OVERTOOM

# Pfizer Technologies Limited

## Reconciliation of movements in shareholder's funds for the year ended 30 November 2004

	2004 £'000	2003 £'000
Opening equity shareholder's funds	139,232	99,679
Profit for the year	127,398	164,553
Dividends declared	(220,000)	(125,000)
	<hr/>	<hr/>
Closing equity shareholder's funds	46,630	139,232
	<hr/>	<hr/>

# Pfizer Technologies Limited

## Notes

*forming part of the financial statements*

### 1 Segmental analysis

All turnover, profit before taxation and net assets relate to the company's principal activity, the development and exploitation of pharmaceutical intellectual property.

	USA		Rest of the World		Total	
	2004	2003	2004	2003	2004	2003
	£'000	£'000	£'000	£'000	£'000	£'000
Turnover	157,107	234,325	43,308	19,861	200,415	254,186

### 2 Net operating costs

	2004	2003
	£'000	£'000
Royalty expense	-	179
Research costs	53	554
Amortisation of intangible fixed assets	12,800	12,800
	12,853	13,533

### 3 Profit on ordinary activities before taxation

Auditors' remuneration is borne without recourse by Pfizer Limited, a fellow group company.

### 4 Remuneration of directors

None of the directors received any emoluments or became entitled to benefits of any kind for the services they provided to the company in either 2004 or 2003.

During the year, one director exercised options over shares in the ultimate parent company Pfizer Inc, (2003: three).

Retirement benefits did not accrue to any of the directors in respect of their services to the company in 2004 or 2003.

None of the directors received shares under long term incentive schemes in respect of their services to the company (2003:nil).

# Pfizer Technologies Limited

## Notes

*forming part of the financial statements (continued)*

### 5 Staff numbers and costs

The company did not employ any staff during either the current or previous year.

### 6 Interest payable and similar charges

	2004 £'000	2003 £'000
Other interest payable	79	91

### 7 Taxation

	2004 £'000	2003 £'000
UK corporation tax at 30% (2003: 30%)	59,974	76,009
Adjustment relating to an earlier year	111	(65)
Deffered Tax – origination and reversal of timing Differences	-	65
	<b>60,085</b>	<b>76,009</b>

The tax charge assessed for the year is higher than would have been achieved by tax affecting the profit before tax for the year at 30%. The differences are as follows:

	2004 £'000	2003 £'000
Profit on ordinary activities before tax	187,483	240,562
Taxation charge at UK corporation tax rate of 30% (2003: 30%)	56,245	72,169
Effects of: Permanent differences	3,729	3,840
Current tax charge for the year	<b>59,974</b>	<b>76,009</b>

The directors are not aware of any factors, other than those described above that will have a significant effect on the future tax charge.

# Pfizer Technologies Limited

## Notes

forming part of the financial statements (continued)

### 8 Dividends

	2004 £'000	2003 £'000
<i>Equity shares:</i>		
Dividend paid	220,000	125,000

### 9 Intangible assets

	Intellectual Property Rights £'000
<i>Cost</i>	
At beginning and end of year	112,000
<i>Amortisation</i>	
At beginning of year	26,667
Charge for year	12,800
<b>At end of year</b>	<b>39,467</b>
<i>Net book value</i>	
At 30 November 2004	72,533
At 30 November 2003	85,333

The company holds certain intellectual property rights which it purchased at market value of £112,000,000 from Parke Davis & Co Limited, a fellow Pfizer Inc group company, on 26 October 2001.

The company also holds other intellectual property rights which were assigned to it by its immediate parent company for nominal consideration.

# Pfizer Technologies Limited

## Notes

*forming part of the financial statements (continued)*

### 10 Debtors

	2004 £'000	2003 £'000
Amounts due from group undertakings	304,914	96,429

All amounts fall due within one year.

### 11 Creditors: amounts falling due within one year

	2004 £'000	2003 £'000
Amounts due to group undertakings	296,931	-
Corporation Tax Payable	33,886	42,530
	330,817	42,530

### 12 Called up share capital

	2004 £'000	2003 £'000
<i>Authorised</i>		
Equity: 1,000 ordinary shares of £1 each	1	1
<i>Allotted, called up and fully paid</i>		
Equity: 1,000 ordinary shares of £1 each	1	1



# Pfizer Technologies Limited

## Notes

*forming part of the financial statements (continued)*

### 13 Reserves

	<b>Profit and loss account £'000</b>
At beginning of year	139,231
Retained loss for the year	(92,602)
	<hr/>
At end of year	46,629
	<hr/>

### 14 Related party disclosures

The company is controlled by Pfizer UK Group Limited. The ultimate controlling company is Pfizer Inc., a company incorporated in the United States of America.

As the company is a wholly owned subsidiary of Pfizer Limited, it has availed of the exemption in FRS No. 8: *Related Party Disclosures* (FRS 8) from disclosing transactions with group undertakings. Other than transactions with related group undertakings there are no related party transactions requiring disclosure.

### 15 Ultimate parent company and parent undertaking of larger group of which the company is a member

Pfizer Technologies Limited is part of the world-wide group of companies whose ultimate parent is Pfizer Inc., a company incorporated in the 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, NY10017, USA.

The immediate holding company is Pfizer 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., Rivium Westlann 142, 2909 LD Capelle a/d IJssel, Holland whose accounts are publicly available from the Chamber of Commerce, PO Box 450, 3001 AL Rotterdam, Holland