

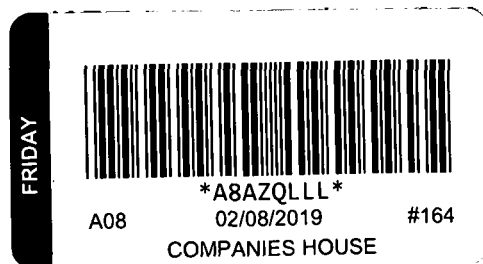
5

**Pfizer Development Services (UK)  
Limited**

**Annual report and financial statements**

**Year ended 30 November 2018**

**Registered number 7801957**



# Pfizer Development Services (UK) Limited

## Annual report and financial statements

<i>Contents</i>	<i>Page</i>
Directors and other information	1
Strategic Report	2-3
Directors' report	4
Statement of directors' responsibilities in respect of the Strategic Report, Directors' report and the financial statements	5
Independent auditor's report to the members of Pfizer Development Services (UK) Limited	6 - 8
Statement of accounting policies	9 - 13
Profit and loss account and other comprehensive income	14
Statement of financial position	15
Statement of changes in equity	16
Notes forming part of the financial statements	17 - 23

# Pfizer Development Services (UK) Limited

## Directors and other information

### **Directors**

IE Franklin  
JA Mount  
EJ Pearson  
E Nougier  
S Mashiter  
B Osborn

### **Registered office**

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

### **Independent auditor**

KPMG LLP  
Chartered Accountants  
15 Canada Square  
London  
E14 5GL

### **Registered number**

7801957

# Pfizer Development Services (UK) Limited

## Strategic report

The directors present their annual report and the audited financial statements for the year ended 30 November 2018.

## Business review

The audited financial statements for the year ended 30 November 2018 are set out on pages 8 to 22.

The company generated an after tax profit of £71,776,000 (2017: £39,925,000). No dividends were declared in 2018 (2017: *£nil*). The retained profit for the year of £71,776,000 (2017 profit: £39,925,000) has been transferred to reserves.

The profit and loss account and statement of financial position are set out on pages 13 and 14 respectively. 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 2018. 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 42nd Street, New York, NY 10017, USA.

## Principal 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.

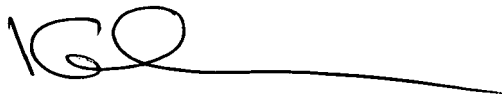
# Pfizer Development Services (UK) Limited

## Strategic report *(continued)*

### Principal risks and uncertainties *(continued)*

- Trends toward managed care and health care cost containment.
- Legislation or regulatory action affecting, amongst other things, pharmaceutical product pricing, reimbursement or access.
- Contingencies related to actual or alleged environmental action.
- 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. Specifically the potential impact of Brexit to the operations of the company.
- 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.

By order of the board



**I.E. Franklin**

Director

Date: 2<sup>nd</sup> July 2019

# Pfizer Development Services (UK) Limited

## Directors' report

The directors present their directors' report and the financial statements for the year ended 30 November 2018.

### Directors

The directors, who held office from 1 December 2017 to the date of this report, unless otherwise noted, were:

IE Franklin	
EJ Pearson	
JA Mount	
E Nougier	
L Smith	(resigned 30 July 2018)
S Mashiter	(appointed 30 July 2018)
B Osborn	(appointed 29 April 2019)

### 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.

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.

### Political and charitable contributions

No political or charitable contributions were made during the year (2017: £nil).

By order of the board



**IE Franklin**  
Director  
Ramsgate Road  
Sandwich  
Kent  
CT13 9NJ

Date: 2<sup>nd</sup> July 2019

Registered number: 7801957

# Pfizer Development Services (UK) Limited

## Statement of directors' responsibilities in respect of the Strategic report, Directors' report and the 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 UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

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 Development Services (UK) Limited**

We have audited the financial statements of Pfizer Development Services (UK) Limited ("the company") for the year ended 30 November 2018, 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 Statement of accounting policies.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2018 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.

### **Other matter**

The impact of uncertainties due to the UK exiting the European Union on our audit:

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.



## **Independent auditor's report to the members of Pfizer Development Services (UK) Limited** *(continued)*

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

### **Strategic report and Directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report 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 strategic report and the directors' report;
- in our opinion the information given in those reports 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.

We have nothing to report in these respects.

### **Directors' responsibilities**

As explained more fully in their statement set out on page 5, 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.

## **Independent auditor's report to the members of Pfizer Development Services (UK) Limited** *(continued)*

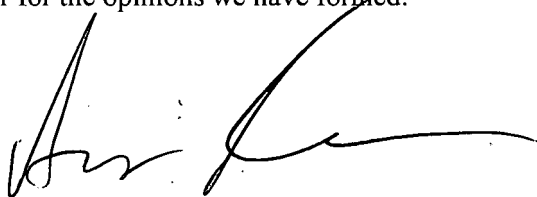
### **Auditor's responsibilities**

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](http://www.frc.org.uk/auditorsresponsibilities).

### **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.



**Andrew Royle (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
Chartered Accountants  
15 Canada Square  
London  
E14 5GL  
United Kingdom

Date: 2<sup>nd</sup> July 2019

# Pfizer Development Services (UK) Limited

## Statement of accounting policies

*for the year ended 30 November 2018*

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 Development Services (UK) Limited is a limited liability company incorporated in England. The Registered Office is Ramsgate Road, Sandwich, Kent, CT13 9NJ.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in May 2017 have been applied.

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.

### **Exemptions for qualifying entities under FRS 102**

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of and no objection to the use of exemptions by the company's shareholders.

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. Other than transactions with related group undertakings there are no related party transactions. Details of the availability of the group consolidated financial statements are given in note 16.

The company has availed of the exemption from disclosures for financial assets and liabilities required by Section 11 paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 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 Development Services (UK) Limited is consolidated.

# Pfizer Development Services (UK) Limited

## Statement of accounting policies *(continued)*

*for the year ended 30 November 2018*

### **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.

### **Measurement convention**

The financial statements are prepared on the historical cost basis except where noted in accounting policies below.

### **Turnover**

Turnover represents the amounts (excluding value added tax) derived from the company's share of a co-promotion arrangement with Bristol-Myers Squibb (BMS). Turnover is recognised when it is earned, as defined in the contract, and can be reliably estimated. In general, this is upon billing of a product sold to customers.

### **Interest receivable and Interest payable**

Interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains. Interest payable and similar charges include 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.

# Pfizer Development Services (UK) Limited

Statement of accounting policies (*continued*)  
for the year ended 30 November 2018

## **Taxation**

Tax on the profit for the year comprises current 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 balance sheet 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. 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 or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for 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 balance sheet 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.

## **Foreign currencies**

Transactions in foreign currencies are recorded using the company's actual month end exchange rate for the month of the transaction. 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 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.

# Pfizer Development Services (UK) Limited

## Statement of accounting policies (*continued*)

*for the year ended 30 November 2018*

### **Intangible assets**

Milestone payments representing contributions due on commercial launch of the product have been capitalised and amortised over the period between product launch date and the date of the loss of exclusivity. A provision is made for any impairment identified.

Intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

Intangible assets are tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that goodwill or an intangible asset may be impaired.

### **Research and development expenditure**

Expenditure on research and development is charged to the profit and loss account in the year in which it is incurred.

### **Financial instruments**

#### *Financial assets*

Basic financial assets, including trade and other debtors and amounts owed by group undertakings 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 de-recognised 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 owed to group undertakings 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 receipts discounted at a market rate of interest.

# Pfizer Development Services (UK) Limited

## Statement of accounting policies (*continued*) *for the year ended 30 November 2018*

### **Financial instruments (continued)**

Debt instruments 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.

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 to liability simultaneously.

### **Other financial instruments**

#### *Derivative financial instruments and hedging*

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

### **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.

# Pfizer Development Services (UK) Limited

## Profit and loss account and other comprehensive income for the year ended 30 November 2018

	<i>Notes</i>	<b>2018</b> <b>£'000</b>	2017 £'000
Turnover	<i>1</i>	<b>113,075</b>	72,250
Net operating costs	<i>2</i>	<b>(24,733)</b>	(22,591)
		<hr/>	<hr/>
<b>Profit on ordinary activities before interest</b>	<i>3</i>	<b>88,342</b>	49,659
Interest receivable and similar income	<i>6</i>	<b>260</b>	224
Interest payable and similar charges	<i>7</i>	<b>(1)</b>	(404)
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		<b>88,601</b>	49,479
Tax charge on ordinary activities	<i>8</i>	<b>(16,825)</b>	(9,554)
		<hr/>	<hr/>
<b>Profit after taxation and for the financial year</b>		<b>71,776</b>	39,925
Other comprehensive income		-	-
		<hr/>	<hr/>
<b>Total comprehensive income for the year</b>		<b>71,776</b>	39,925
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 17 to 23 and the accounting policies on pages 9 to 13 form an integral part of the financial statements.

All amounts relate to continuing operations.



# Pfizer Development Services (UK) Limited

## Statement of financial position as at 30 November 2018

Registered Number: 7801957

	<i>Notes</i>	<b>2018</b> <b>£'000</b>	<b>2017</b> <b>£'000</b>
<b>Fixed assets</b>			
Intangible fixed assets	9	2,751	3,292
<b>Current assets</b>			
Debtors: all due within one year	10	146,637	54,990
Creditors: amounts falling due within one year	11	(50,166)	(30,836)
<b>Net current assets</b>		<b>96,471</b>	<b>24,154</b>
<b>Net assets</b>		<b>99,222</b>	<b>27,446</b>
<b>Capital and reserves</b>			
Called up share capital	14	1	1
Profit and loss account		99,221	27,445
<b>Shareholders' funds</b>		<b>99,222</b>	<b>27,446</b>

The notes on pages 17 to 23 and the accounting policies on pages 9 to 13 form an integral part of the financial statements.

These financial statements were approved by the board of directors and were signed on its behalf on 2<sup>nd</sup> July 2019 by:



**IE Franklin**  
Director

# Pfizer Development Services (UK) Limited

## Statement of changes in equity for the year ended 30 November 2018

	Share capital £'000	Retained earnings £'000	Total £'000
<b>At 1 December 2016</b>	<b>1</b>	<b>(12,480)</b>	<b>(12,479)</b>
Profit for the year	-	39,925	39,925
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>39,925</b>	<b>39,925</b>
<b>At 30 November 2017</b>	<b>1</b>	<b>27,445</b>	<b>27,446</b>
<b>Total comprehensive income for the year</b>			
Profit for the year	-	71,776	71,776
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>71,776</b>	<b>71,776</b>
<b>Balance at 30 November 2018</b>	<b>1</b>	<b>99,221</b>	<b>99,222</b>

The notes on pages 17 to 23 and the accounting policies on pages 9 to 13 form an integral part of the financial statements.

# Pfizer Development Services (UK) Limited

## Notes

*forming part of the financial statements*

### 1 Turnover analysis

All turnover, profit before taxation and net assets relate to the company's principal activity, the development, marketing and sale of pharmaceutical products.

	2018 £'000	2017 £'000
Turnover	113,075	72,250

### 2 Net operating costs

	2018 £'000	2017 £'000
Research and development expenditure	2,071	1,972
Administration expenses	22,121	20,077
Amortisation of intangibles	541	542
	<u>24,733</u>	<u>22,591</u>

### 3 Profit on ordinary activities before interest

Profit on ordinary activities before interest is stated after charging:

	2018 £'000	2017 £'000
Auditor's remuneration for the audit of these financial statements	12	12

# Pfizer Development Services (UK) Limited

## Notes (continued)

forming part of the financial statements

### 4 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 2018 (2017: nil).

Six of the directors received shares under long term incentive schemes (2017: six) and two of the directors exercised share options in the ultimate holding company Pfizer Inc. during the year (2017: one).

### 5 Staff numbers and costs

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

### 6 Interest receivable and similar income

	2018 £'000	2017 £'000
Foreign exchange gain - net	63	224
Interest receivable on amounts due from group undertakings	197	-
	<u>260</u>	<u>224</u>

### 7 Interest payable and similar charges

	2018 £'000	2017 £'000
Interest payable on amounts due to group undertakings	(1)	(404)
	<u>(1)</u>	<u>(404)</u>

# Pfizer Development Services (UK) Limited

Notes *(continued)*  
forming part of the financial statements

## 8 Tax on profit on ordinary activities

	2018	2017
	£'000	£'000
UK corporation tax at 19% (2017: 19.33%)	16,834	(9,564)
Adjustment in respect of prior periods	(9)	10
	<hr/>	<hr/>
Tax charge on profit on ordinary activities	<b>16,825</b>	<b>(9,554)</b>
	<hr/> <hr/>	<hr/> <hr/>

The tax credit/charge assessed for the year is lower than (2017: lower) the standard effective rate of 19% (2017: 19.33%).

The factors affecting the tax (credit)/charge are explained below:

	2018	2017
	£'000	£'000
Profit on ordinary activities before tax	88,601	49,479
Tax using the UK corporation tax rate of 19% (2017: 19.33%)	16,834	9,564
	<hr/>	<hr/>
Tax expense for the current period	16,834	9,564
Adjustments in respect of prior periods	(9)	(10)
	<hr/>	<hr/>
Total tax expense included in profit or loss	<b>16,825</b>	<b>9,554</b>
	<hr/> <hr/>	<hr/> <hr/>

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2018) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. An additional reduction to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016.

# Pfizer Development Services (UK) Limited

Notes (continued)  
forming part of the financial statements

## 9 Intangible assets

	<b>Milestone payments 2018 £'000</b>	<b>Milestone payments 2017 £'000</b>
<i>Cost</i>		
At beginning of year	5,780	5,780
Additions	-	-
Disposals	-	-
	<hr/>	<hr/>
At end of year	<b>5,780</b>	<b>5,780</b>
	<hr/>	<hr/>
<i>Amortisation</i>		
At beginning of year	2,488	1,946
Charge for the year	541	542
	<hr/>	<hr/>
At end of year	<b>3,029</b>	<b>2,488</b>
	<hr/>	<hr/>
<i>Net realisable value</i>		
At 30 November 2017	<b>2,751</b>	<b>3,292</b>
	<hr/> <hr/>	<hr/> <hr/>

## 10 Debtors: all due within one year

	<b>2018 £'000</b>	<b>2017 £'000</b>
Amounts owed by group undertakings	146,637	54,486
Other financial assets (note 13)	-	504
	<hr/>	<hr/>
	<b>146,637</b>	<b>54,990</b>
	<hr/> <hr/>	<hr/> <hr/>

Amounts owed by group undertakings are unsecured. For amounts that are repayable on demand, notional interest is not applied. For term loans placed with fellow affiliates a commercial rate of interest is charged.

All debtors fall due with one year.

# Pfizer Development Services (UK) Limited

Notes *(continued)*  
forming part of the financial statements

## 11 Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
Amounts owed to group undertakings	32,746	21,272
Corporation tax payable	16,834	9,564
Other financial liabilities (note 13)	586	-
	<u>50,166</u>	<u>30,836</u>

Amounts owed to group undertakings are unsecured. For amounts repayable on demand, notional interest is not applied. For term loans placed with fellow affiliates, a commercial rate of interest is charged.

## 12 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*

	2018 £'000	2017 £'000
Amounts owed by group undertakings	146,637	54,486
	<u>146,637</u>	<u>54,486</u>

Amounts owed by group undertakings are unsecured. For amounts that are repayable on demand, notional interest is not applied. For term loans placed with fellow affiliates a commercial rate of interest is charged.

*Financial (liabilities)/assets measured at fair value*

Other financial (liabilities)/assets (note 13)	(586)	504
	<u>(586)</u>	<u>504</u>

# Pfizer Development Services (UK) Limited

## Notes (continued)

forming part of the financial statements

### 12 Financial instruments (continued)

*Financial liabilities that are debt instruments measured at amortised cost*

	2018	2017
	£'000	£'000
Amounts owed to group undertakings within one year	32,746	21,272

Amounts owed to group undertakings are unsecured. For amounts repayable on demand, notional interest is not applied. For term loans placed with fellow affiliates, a commercial rate of interest is charged.

### 13 Derivatives included at fair value

The company has derivatives which are included at fair value in the accounts:

Fair value (liability)/asset	2018	2017
	£'000	£'000
Forward foreign exchange contracts	(586)	504

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 buy and sell various currencies. The fair values of these contracts are based on market values of equivalent instruments at the statement of financial position date.

### 14 Called up share capital

	2018	2017
	£'000	£'000
<i>Allotted, called up and fully paid</i>		
Equity: 1,000 ordinary shares of £1 each	1	1



# Pfizer Development Services (UK) Limited

Notes *(continued)*

*forming part of the financial statements*

## **15 Related party disclosures**

The company is controlled by Pfizer Holdings International Luxembourg (PHIL) S.a.r.l., 51 Avenue John F. Kennedy L-1855 Luxembourg, the general partner of Pfizer Development LP. The ultimate controlling company is Pfizer Inc., a company incorporated in the state of Delaware, in the 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. Other than transactions with related group undertakings there are no related party transactions. Details of the availability of the group consolidated financial statements are given in note 16.

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

Pfizer Development Services (UK) Limited is part of the world-wide group of companies whose ultimate parent is Pfizer Inc., a company incorporated in the state of Delaware, USA. 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 parent undertaking is Pfizer Development LP a limited partnership. The smallest group in which the results of the company are consolidated in that headed by C.P Pharmaceuticals International C.V., Coolsingel 93, 3012 AE Rotterdam, Holland whose accounts are publically available from the chambers of commerce, P.O box 450, 3001 AL Rotterdam, Holland.

## **17 Accounting estimates and judgements**

The company made 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. Estimates and judgements 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.

### *Useful lives of other intangible assets*

Management reviews its estimate of the useful lives and recoverability of other intangible assets at each reporting date, based on the expected utility of the assets. Management are happy that the Intangible assets stated in the statement of financial position are recoverable.