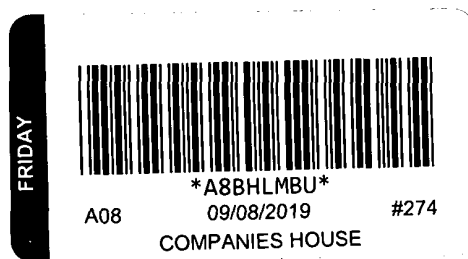


# Pfizer R&D UK Limited

Annual report and financial statements

**Period from 28 June 2018 to 30 November 2018**

Registered number: 11439437



# Pfizer R&D UK Limited

## Annual report and financial statements

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**Pfizer R&D UK Limited**

**Directors and other information**

<b>Directors</b>	JK Thompson IE Franklin EJ Pearson D Lehman DJ Harnett B Henry B Osborn
<b>Company secretary</b>	J Mount
<b>Registered office</b>	Pfizer Ramsgate Road Sandwich Kent CT13 9NJ
<b>Independent auditor</b>	KPMG LLP Chartered Accountants 15 Canada Square London E14 5GL
<b>Registered number</b>	11439437

## Pfizer R&D UK Limited

### Directors' report

The directors present their first annual report and the audited financial statements for the period from 28 June 2018 to 30 November 2018.

Pfizer R&D UK Limited ("the company") was incorporated on 28 June 2018. On 30th November 2018 the company purchased the research and development business from fellow group undertaking Pfizer Limited for £143,000,000.

#### 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

On incorporation 100 ordinary shares of £1 each were issued at par. An additional 2,000 ordinary shares of £1 each were allotted during the period. During the period, the directors did not propose to pay any dividends.

#### Political donations

No political donations were made during the period.

#### Directors

The directors who held office since the date of incorporation and to the date of this report, unless otherwise stated, were:

JK Thompson	(appointed 28 June 2018)
IE Franklin	(appointed 30 July 2018)
EJ Pearson	(appointed 30 July 2018)
D Lehman	(appointed 28 June 2018)
HH Nordkamp	(appointed 30 July 2018, resigned 15 May 2019)
DJ Harnett	(appointed 30 July 2018)
B Henry	(appointed 30 July 2018)
B Osborn	(appointed 20 November 2018)

#### 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.

Pfizer R&D UK Limited

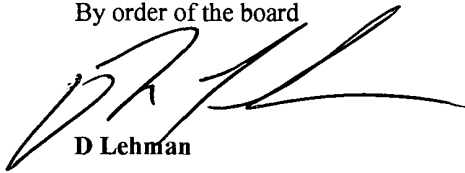
**Directors' report** *(continued)*

**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.

The company has appointed KPMG LLP, UK as auditor.

By order of the board



**D Lehman**

**Date:** 1<sup>st</sup> August 2019

Director  
Ramsgate Road  
Sandwich  
Kent  
CT13 9NJ

## Pfizer R&D UK Limited

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

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), 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 R&D UK Limited**

### **Opinion**

We have audited the financial statements of Pfizer R&D UK Limited ("the company") for the period ended 30 November 2018 which comprise the Profit and loss account, Statement of financial position, Statement of changes in equity and related notes, including the accounting policies in 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 period 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 R&D UK Limited** *(continued)*

### **Going concern** *(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.

### **Directors' report**

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

Our responsibility is to read 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 directors' report;
- in our opinion the information given in that report for the financial period is consistent with the financial statements; and
- in our opinion that report has 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.



**Independent auditor's report to the members of Pfizer R&D UK Limited**  
*(continued)*

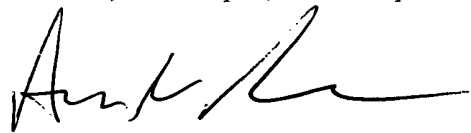
**Auditor's responsibilities**

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  
Date: 1<sup>st</sup> August 2019

## Pfizer R&D UK Limited

### **Statement of accounting policies**

*for the period from 28 June 2018 to 30 November 2018*

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

#### **Basis of preparation**

Pfizer R&D UK Limited is a limited liability company domiciled and registered in England in the UK. The registered number is 11439437 and the registered address 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 July 2015 have been applied.

The presentation currency of these financial statements is sterling.

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 is exempt from disclosing the company key management personnel compensation, as required by FRS 102 paragraph 33.7.

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 R&D UK Limited is consolidated.

## Pfizer R&D UK Limited

### **Statement of accounting policies** *(continued)* *for the period from 28 June 2018 to 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 have adopted 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.

#### **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 currency accounting policy).

Interest receivable 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 actual month end 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 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.

#### **Fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The entity assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The estimated useful lives are as follows:

Freehold buildings	20 to 33 years
Leasehold improvements	Life of lease
Plant and equipment	3 to 20 years

No depreciation is provided on payments on account or assets in the course of construction.

## Pfizer R&D UK Limited

### **Statement of accounting policies** *(continued)* *for the period from 28 June 2018 to 30 November 2018*

#### **Fixed assets and depreciation** *(continued)*

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits. Residual value is calculated on prices prevailing at the date of acquisition. The net book value of fixed assets is written down to estimated recoverable amount, should any impairment be identified.

#### **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.

#### **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 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.

## Pfizer R&D UK Limited

### **Statement of accounting policies** *(continued)* *for the period from 28 June 2018 to 30 November 2018*

#### **Financial instruments**

##### *Financial assets*

Basic financial assets, including amounts due from group companies and cash and cash equivalents 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.

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.

#### **Provisions**

A provision will be recognised when the company has a present obligation (legal or constructive) as a result of a past event; it is probable that a transfer of economic benefits will be required to settle the obligation; and a reliable estimate can be made of the obligation. Unless these conditions are met, no provision will be recognised.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

#### **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.

#### **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 R&D UK Limited

**Profit and loss account**

*for the period from 28 June 2018 to 30 November 2018*

		<b>Period from 28 June 2018 to 30 November 2018 £'000</b>
Interest receivable and similar income	3	2
<b>Profit on ordinary activities before taxation</b>	<b>1</b>	<b>2</b>
Tax on the profit on ordinary activities	4	-
<b>Profit for the financial period</b>		<b>2</b>

There were no items of other comprehensive income in the financial period and, accordingly, no statement of other comprehensive income is presented.

The notes on pages 15 to 21 and the accounting policies on pages 8 to 11 form part of these financial statements.


Pfizer R&D UK Limited

**Statement of financial position**  
*as at 30 November 2018*

	<i>Note</i>	<b>2018</b> <b>£'000</b>
<b>Fixed assets</b>		
Tangible fixed assets	5	33,972
		<hr/>
<b>Current assets</b>		
Debtors	6	101,944
<b>Creditors: amounts falling due within one year</b>	7	(9,082)
		<hr/>
<b>Net current assets</b>		<b>92,862</b>
		<hr/>
<b>Total assets less current liabilities</b>		<b>126,834</b>
<b>Creditors: amounts falling due after more than one year</b>	8	(4,704)
Provisions for liabilities	9	(1,926)
		<hr/>
<b>Net assets</b>		<b>120,204</b>
		<hr/> <hr/>
<b>Capital and reserves</b>		
Called up share capital	11	2
Share premium		242,952
Profit and loss account		2
Other reserves	12	(122,752)
		<hr/>
<b>Shareholders' funds</b>		<b>120,204</b>
		<hr/> <hr/>

The notes on pages 15 to 21 and the accounting policies on pages 8 to 11 form part of these financial statements.

These financial statements were approved by the board of directors and were signed on its behalf on 1<sup>st</sup> August 2019 by:



**D Lehman**  
*Director*

Registered Number: 11439437

Pfizer R&D UK Limited

**Statement of changes in equity**

*for the period from 28 June 2018 to 30 November 2018*

	<b>Share Capital £'000</b>	<b>Share Premium £'000</b>	<b>Retained Earnings £'000</b>	<b>Other Reserves £'000</b>	<b>Total £'000</b>
<b>At 28 June 2018</b>	-	-	-	-	-
Issuance of share capital	2	242,952	-	-	242,954
Profit for the period	-	-	2	-	2
Common control reserve	<u>-</u>	<u>-</u>	<u>-</u>	<u>(122,752)</u>	<u>(122,752)</u>
<b>Balance at 30 November 2018</b>	<u>2</u>	<u>242,952</u>	<u>2</u>	<u>(122,752)</u>	<u>120,204</u>

The notes on pages 15 to 21 and the accounting policies on pages 8 to 11 form part of these financial statements.



## Pfizer R&D UK Limited

### Notes

*forming part of the financial statements*

#### **1 Profit on ordinary activities before taxation**

Auditor's remuneration for the audit of these financial statements is borne without recourse by Pfizer Limited, a fellow group undertaking. In the period these fees amounted to £10,000.

#### **2 Directors' remuneration and emoluments**

The remuneration of the directors in respect of qualifying services for 2018 was borne by Pfizer Limited.

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

#### **3 Interest receivable and similar income**

	<b>Period from 28 June 2018 to 30 November 2018 £'000</b>
Interest receivable on amounts due from group undertakings	<b>2</b>

## Pfizer R&D UK Limited

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

### 4 Tax on the profit on ordinary activities

	Period from 28 June 2018 to 30 November 2018 £'000
<i>UK and foreign corporation tax</i>	
Current tax charge/(credit) on profit for the period	-
Adjustments in respect of prior periods	-
Foreign tax	-
	<hr/>
Total current tax charge	-
	<hr/> <hr/>
<i>Deferred tax</i>	
Origination and reversal of timing differences	-
	<hr/>
Total deferred tax charge (note 10)	-
	<hr/>
Tax charge on profit on ordinary activities	-
	<hr/> <hr/>

The tax assessed for the period is equal to the applicable rate of corporation tax in the UK 19%. The effective tax rate reconciliation is detailed below.

	Period from 28 June 2018 to 30 November 2018 £'000
Profit on ordinary activities before tax	2
	<hr/>
Taxation charge at UK corporation tax rate of 19%	-
Effects of:	
Permanent differences	-
Adjustments in respect of prior periods	-
Non-taxable income	-
Withholding tax	-
	<hr/>
Tax charge on profit on ordinary activities	-
	<hr/> <hr/>

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) 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 R&D UK Limited

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

**5 Tangible fixed assets**

	Freehold buildings	Leasehold improve- ments	Plant and equipment	Assets in course of construction	Total
	£'000	£'000	£'000	£'000	£'000
<i>Cost or valuation</i>					
At beginning of period	-	-	-	-	-
Additions	578	3,531	20,350	9,513	33,972
Transfers between categories	-	-	-	-	-
Disposals	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>At end of period</b>	<b>578</b>	<b>3,531</b>	<b>20,350</b>	<b>9,513</b>	<b>33,972</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>					
At beginning of period	-	-	-	-	-
Charge for period	-	-	-	-	-
Disposals	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>At end of period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>					
<b>At 30 November 2018</b>	<b>578</b>	<b>3,531</b>	<b>20,350</b>	<b>9,513</b>	<b>33,972</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Fixed asset additions relate to the purchase of the research and development business from Pfizer Limited on 30<sup>th</sup> November 2018. Fixed assets were purchased at net book value and are subject to depreciation over their remaining useful economic lives.

**6 Debtors**

	<b>2018</b>
	<b>£'000</b>
Amounts owed by group undertakings	99,957
Other assets	1,012
Prepayments	648
Deferred tax asset (note 10)	327
	<hr/>
	<b>101,944</b>
	<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 within one year.

Pfizer R&D UK Limited

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

**7 Creditors:** amounts falling due within one year

	2018 £'000
Accruals	8,950
Deferred income	132
	<u>9,082</u>

**8 Creditors:** amounts falling due after more than one year

	2018 £'000
Deferred tax liability (note 10)	4,192
Accruals	512
	<u>4,704</u>

**9 Provisions for liabilities**

	2018 £'000
<b><i>Restructuring Provision</i></b>	
At beginning of period	-
Liabilities incurred due to business purchase	1,926
	<u>1,926</u>

The restructuring provision arose as a result of the purchase of the research and development business on 30<sup>th</sup> November 2018. The various assets and liabilities associated with this business were assumed as a result of this transaction. The restructuring provision is related to divisional reorganisations.

## Pfizer R&D UK Limited

### Notes (continued)

forming part of the financial statements

#### 10 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets £'000	2018 Liabilities £'000	Net £'000
Business transfer	327	(4,192)	(3,865)
	<hr/>	<hr/>	<hr/>
Net tax liabilities	327	(4,192)	(3,865)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

#### 11 Called up share capital

	2018 £'000
Allotted, called up and fully paid 2,100 ordinary shares of £1 each	2
	<hr/> <hr/>

#### 12 Other reserves

On 30<sup>th</sup> November 2018 Pfizer R&D UK Limited purchased the research and development business from fellow group undertaking Pfizer Limited for £143,000,000. The book value of the net assets purchased was £20,248,000. The excess consideration over the carrying value of the net assets acquired was £122,752,000 and is recorded as a common control reserve.

#### 13 Commitments

Annual commitments under non-cancellable operating leases are as follows:

	2018 Freehold Buildings £'000
Operating leases which expire: In the second to fifth years inclusive	3,538
	<hr/> <hr/>

## Pfizer R&D UK Limited

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

### 14 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*

	<b>2018</b> <b>£'000</b>
Amounts owed by group undertakings	99,957

All debtors are due within one year.

Amounts owed to 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.

### 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. 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 undertaking

Pfizer R&D 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, United States of America. Copies of the ultimate parent company's financial statements may be obtained from Pfizer Inc., 235 East 42<sup>nd</sup> Street, New York, NY10017, USA.

The immediate holding company is Pfizer R&D Holdings B.V., Rivium Westlaan 142, 2909 LD Capelle aan den IJssel, a company incorporated and registered in the Netherlands.

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

## Pfizer R&D UK Limited

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

*forming part of the financial statements*

#### **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 economic lives of tangible assets*

The company depreciates tangible fixed assets over their estimated useful lives after taking into account their estimated residual values. The estimated useful life reflects management's estimate of the period that the company intends to derive future economic benefits from the use of the company's tangible fixed assets. The residual value reflects management's estimated amount that the company would currently obtain from the disposal of the asset, after deducting the estimated costs of disposal, as if the asset were already of the age and in condition expected at the end of its useful life. Changes in the expected level of usage and technological developments could affect the economies, useful lives and the residual values of these assets which could then consequently impact future depreciation charges.