Hospira UK Limited

Annual report and financial statements

Year ended 30 November 2019

Registered number: 01923357

Hospira UK Limited

Annual report and financial statements

Contents **Page**

Directors and other information

Directors	IE Franklin EJ Pearson B Osborn
Registered office	Horizon Honey Lane Hurley Maidenhead Berkshire, SL6 6RJ
Independent auditor	KPMG LLP Statutory Auditor & Chartered Accountants 15 Canada Square London E14 5GL
Registered number	001923357

Strategic report

Business review

The audited financial statements for the year ended 30 November 2019 are set out on pages 10 to 27.The company had an after tax loss of £623,000 (2018: loss of £2,468,000). No dividends were declared in 2019 (2018: nil). At the year end the company had net assets of £22,633,000 (2018: £23,256,000). The decrease in net assets was due to the impact of the after tax loss for the year.

In June 2018 the directors approved the sale of the compounded pharmaceutical products business. This sale was completed on 14 December 2018. Following this sale the company ceased trading. As they did not acquire a replacement trade, the directors prepared the 2018 and all subsequent financial statements on a basis other than going concern. No adjustments were necessary to the amounts at which the net liabilities are included in these financial statements.

The presentation of the financial statements on a basis other than going concern did not have a material impact on the company's assets and liabilities at 30 November 2019.

The development and performance of the company during the year was in line with expectations, as was the position of the company at the year-end. 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. The focus of the business is innovation in the medicines that are integral to good healthcare, with a central task being the discovery and development of more new medicines for patients. 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.

Strategic report (continued)

Principal risks and uncertainties (continued)

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

Strategic report (continued)

Approach to Brexit

In June 2016, the U.K. electorate voted in a referendum to leave the EU, which is commonly referred to as "Brexit". The U.K. left the EU on January 31, 2020 with status quo arrangements through a transition period scheduled to end on December 31, 2020. The consequences of the U.K. leaving the EU and the terms of the future trading relationship continue to be uncertain, which may pose certain implications to research, commercial and general business operations in the U.K. and the EU, including the approval and supply of products. In preparing for Brexit the priority of Pfizer Inc. group has been to maintain continuity of supply of medicines. The U.K. and the EU have issued detailed guidance for the industry on how medicines, medical devices and clinical trials will be separately regulated in their respective territories. Pfizer Inc. group has substantially completed its preparations for Brexit, having made the changes necessary to meet relevant regulatory requirements in the EU and the U.K., through the transition period and afterwards, especially in the regulatory, research, manufacturing and supply chain areas.

As a non-going concern this is not expected to have a material impact on the results or position of the Company.

Risks associated with COVID-19 outbreak

In December 2019, a novel strain of coronavirus (COVID-19) emerged in Wuhan, Hubei Province, China. On March 11 2020, due to the rapid increase in the number of cases outside China, the World Health Organisation characterised the COVID-19 outbreak as a pandemic. The extent to which the COVID-19 impacts both the Company's and the Pfizer Inc. group's operations as well as the global economy will depend on future developments, which are highly uncertain and cannot be predicted with confidence. The Company and Pfizer Inc. group are monitoring the situation to ensure the safety of Pfizer staff as well as adapting services and operations.

Up to the date of this report, the outbreak has not had a material impact on the results of the Company. However, we continue to monitor the situation closely.

By order of the board

DocuSigned by:
Ian Franklin
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IE Franklin Date: 29 July 2020

Director

Directors' report

The directors present their report and the audited financial statements for the year ended 30 November 2019. A review of the performance of the company's business during the year, the principal risks and uncertainties facing the company and its future prospects are included in the strategic report on pages 2 to 4 which should be read in conjunction with the Directors' report.

During 2018 directors agreed to sell the compounded pharmaceutical products business and related assets. The sale completed on 14 December 2018. Since the directors did not to acquire a replacement trade the have continued to prepare the financial statements on a basis other than going concern.

Directors

The directors, who held office from 1 December 2018 and to the date of this report, unless otherwise stated, were:

IE Franklin	
EJ Pearson	
B Osborn	(Appointed 06 February 2019)
S Rienow	(Resigned 05 February 2019)

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, other reserves and dividends

No shares have been issued during the period. During the year, the directors did not propose to pay any dividends (2018: £nil).

Political and charitable contributions

No political or charitable contributions were made during the year (2018: £nil)

Employee involvement

The company operates a framework for employee information and consultation which complies with the requirements of the Information and Consultation of Employees Regulations 2004. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

Disabled employees

The company gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion. Where existing employees become disabled, it is the company's policy to provide continuing employment wherever practicable in the same or an alternative position and to provide appropriate training to achieve this aim.

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 auditor, KPMG LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

DocuSigned by:
Ian Franklin
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IE Franklin

Date: 29 July 2020

Honey Lane
Hurley
Maidenhead,
Berkshire, SL6 6RJ

Statement of directors' responsibilities in respect of the annual 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 applicable law and UK Accounting Standards (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 (as explained in the accounting policies, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis).

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOSPIRA UK LIMITED

Opinion

We have audited the financial statements of Hospira UK Limited ("the company") for the year ended 30 November 2019, 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 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 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Emphasis of matter - non-going concern basis of preparation

We draw attention to the disclosure made in the statement of accounting policies to the financial statements which explains that the financial statements are now not prepared on the going concern basis for the reason set out in the statement of accounting policies. Our opinion is not modified in respect of this matter.

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 accordingly 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOSPIRA UK LIMITED (continued)

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

Auditor's responsibilities

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

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

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: 29 July 2020

Statement of accounting policies

for the year ended 30 November 2019

Basis of preparation

Hospira UK Limited is a limited liability company incorporated in England and domiciled and registered in the UK. The registered number is 01923357 and the registered office is Honey Lane, Hurley, Maidenhead, Berkshire, SL6 6RJ.

These financial statements were prepared in accordance with FRS 102, the financial reporting standard applicable in the UK and Republic of Ireland as issued in September 2015. The amendments to FRS 102 issued in March 2016, December 2016 and May 2017 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 22.

All amounts in the financial statements have been rounded to the nearest £1,000.

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 22.

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

The company is exempt from certain disclosures of share based payments as the relevant information is disclosed in the consolidated financial statements of Pfizer Inc., as required by FRS 102.26.

The company has availed of the exemption from disclosures for financial assets and liabilities required by Section 11 paragraphs 11.41(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 Pfizer Inc. in which Hospira UK Limited is consolidated.

Statement of accounting policies (continued)

for the year ended 30 November 2019

Going Concern

In June 2018 the directors approved the sale of the compounded pharmaceutical products business. This sale was completed on 14 December 2018. Following this sale the company ceased trading. As they did not acquire a replacement trade, the directors prepared the 2018 and all subsequent financial statements on a basis other than going concern. No adjustments were necessary to the amounts at which the net liabilities are included in these financial statements.

The presentation of the financial statements on a basis other than going concern did not have a material impact on the company's assets and liabilities at 30 November 2019.

Revenue recognition

Turnover represents the amounts (excluding value added tax and net of returns) derived from the provision of goods to customers. Turnover is recognised at the point at which the significant risks and rewards are transferred to the buyer, in line with contract terms, typically on date of goods deliver to customer site.

Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

An impairment test is undertaken on an annual basis by the company to confirm that the carrying value of non-listed financial fixed assets is appropriate.

Stocks

Stocks are stated at the lower of cost and net realisable value. In determining the cost of consumables and goods purchased for resale, the lower of cost and net realisable value method of valuation is used. For finished goods cost is taken as production cost, which includes an appropriate proportion of attributable overheads.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Statement of accounting policies (continued)

for the year ended 30 November 2019

Financial instruments

Financial assets

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

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

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

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

Financial liabilities

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

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

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.

Statement of accounting policies (continued)

for the year ended 30 November 2019

Financial instruments (continued)

Other financial instruments

Derivative financial instruments

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

Fair value hedges

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

Foreign currency translation

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the profit and loss account within 'other operating income'.

Operating leases: the company as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term.

Statement of accounting policies (continued)

for the year ended 30 November 2019

Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Interest income

Interest income is recognised in the profit and loss account using the effective interest method.

Borrowing costs

All borrowing costs are recognised in the profit and loss account in the year in which they are incurred.

Measurement Convention

The financial statements are prepared on the historical cost basis.

Current and deferred taxation

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

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

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

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

Statement of accounting policies (continued)

for the year ended 30 November 2019

Current and deferred taxation (continued)

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

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

Hospira UK Limited

Profit and loss account and other comprehensive income

for the year ended 30 November 2019

	Note	2019 £'000	2018 £'000
Turnover	1	**676**	14,833
Cost of sales		**(765)**	(13,029)
Gross (loss)/profit		**(89)**	1,804
Distribution costs		**(32)**	(227)
Administrative expenses		**(663)**	(4,763)
Other operating income/(expense)	2	**517**	(16)
Operating (loss)	3	**(267)**	(3,202)
Interest receivable and similar income	7	**111**	134
(Loss) before tax		**(156)**	(3,068)
Tax on (loss)	8	**(467)**	600
(Loss) for the year		**(623)**	(2,468)
Other comprehensive income		—	—
Total comprehensive expenditure for the year		**(623)**	(2,468)

The notes on pages 19 to 27 and the accounting policies on pages 10 to 15 form part of these financial statements.

All activities are derived from discontinued operations.

Statement of financial position

as at 30 November 2019

Registered number: 01923357

	Note	**2019 £'000**	2018 £'000
Non-current assets			
Debtors: amounts falling due after more than one year	9	**215**	450
		215	450
Current assets			
Fixed assets held for sale	10	—	984
Investments	11	**267**	267
Stocks	12	—	1,779
Debtors: amounts falling due within one year	9	**21,891**	18,884
Cash at bank and in hand	13	**598**	2,549
		22,756	24,463
Creditors: amounts falling due within one year	14	**(338)**	(1,657)
Net current assets		**22,418**	22,806
Net assets		**22,633**	23,256
Capital and reserves			
Share capital	17	**64**	64
Share premium		**11,259**	11,259
Retained earnings		**11,310**	11,933
Total equity		**22,633**	23,256

The notes on pages 19 to 27 and the accounting policies on pages 10 to 15 form part of these financial statements.

These financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:
Ian Franklin
3942165333FE47C...

IE Franklin　　　　Date: 29 July 2020

Director

Statement of changes in equity

for the year ended 30 November 2019

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total equity £'000
1 December 2017	64	11,259	14,401	25,724
Loss for the year	—	—	(2,468)	(2,468)
30 November 2018	64	11,259	11,933	23,256
Loss for the year	—	—	(623)	(623)
30 November 2019	**64**	**11,259**	**11,310**	**22,633**

The notes on pages 19 to 27 and the accounting policies on pages 10 to 15 form part of these financial statements.

Notes

forming part of the financial statements

1. Turnover

The whole of the turnover is attributable to the sale of compounded drugs. All turnover arose within the United Kingdom and Ireland.

2. Other operating income/(expense)

	2019	2018
	£'000	£'000
TSA with ICU Medical	**—**	(19)
Profit on sale of medical devices business	**—**	3
Gain on disposal of fixed assets	**517**	—
	517	(16)

3. Operating (loss)

	2019	2018
	£'000	£'000
The operating (loss) is stated after (crediting)/charging:		
Depreciation of tangible fixed assets	**—**	431
Foreign exchange loss/(gain)	**1**	(9)
Other operating lease rentals	**—**	130
(Gain) on disposal of fixed assets	**(517)**	—
Defined contribution pension cost	**7**	75

The gain on disposal of fixed assets related to the sale of the compounded pharmaceutical products business which completed on 14 December 2018.

4. Auditor's remuneration

It has been agreed that Pfizer Limited will pay the 2019 audit fee of £15,618 (2018: £39,000) for Hospira UK Ltd.

Notes (continued)

forming part of the financial statements

5. Employees

Staff costs, included directors' remuneration, were as follows:

	2019	2018
	£'000	£'000
Wages and salaries	**113**	2,373
Social security costs	**61**	252
Contributions to defined contribution scheme	**7**	75
	181	2,700

The average monthly number of employees, including the directors, during the year was as follows:

	2019	2018
	No.	No.
Sales and distribution	**—**	2
Administration	**—**	26
Production	**—**	36
	—	64

6. Director's remuneration

None of the directors received emoluments or accrued retirement benefits in respect of qualifying services they provided to the company in 2019 (2018: none).

Four of the directors received shares under long term incentive schemes (2018: three) and two of the directors exercised share options in the ultimate holding company Pfizer Inc. during the year (2018: one).

7. Interest receivable and similar income

	2019	2018
	£'000	£'000
Other interest receivable	**—**	13
Interest from fellow group undertakings	**96**	49
Loan income receivable	**15**	72
	111	134

Notes (continued)

forming part of the financial statements

8. Taxation

	2019	2018
	£'000	£'000
Corporation tax		
Current tax on profits for the year	**—**	(634)
Adjustments in respect of previous periods	**7**	(64)
Total current tax	**7**	(698)
Deferred tax		
Origination and reversal of timing differences	**469**	98
Adjustments in respect of previous periods	**38**	—
Effect of changes in tax rates	**(47)**	—
Total deferred tax	**460**	98
Tax on (loss) on ordinary activities	**467**	(600)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019	2018
	£'000	£'000
(Loss) on ordinary activities before tax	**(156)**	(3,068)
(Loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	**(30)**	(583)
Tax losses not recognised	**418**	—
Expenses not deductible	**470**	—
Income not chargeable	**(389)**	(81)
Adjustments to tax charge in respect of prior periods	**45**	64
Tax rate changes	**(47)**	—
Total tax expense/(credit) included in profit or loss	**467**	(600)

Factors that may affect future tax charges

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

Post year-end a reversal of these reductions, maintaining the existing UK corporation tax rate of 19% (effective 1 April 2020), was substantively enacted on 17 March 2020.

Notes (continued)

forming part of the financial statements

9. Debtors

	2019	2018
	£'000	£'000
Due after more than one year		
Other debtors	**215**	450

	2019	2018
	£'000	£'000
Due within one year		
Trade debtors	**14**	1,968
Amounts owed by group undertakings	**17,313**	11,569
Prepayments and accrued income	**—**	19
Corporation tax	**4,221**	4,855
Deferred taxation	**13**	473
Other tax	**99**	—
Other debtors	**231**	—
	21,891	18,884

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.

Notes (continued)

forming part of the financial statements

10. Fixed assets held for sale

	Short-term leasehold property £'000	Plant, machinery and vehicles £'000	Total £'000
Cost			
At beginning of year	1,367	2,726	4,093
Additions	—	—	—
Disposals	(1,367)	(2,726)	(4,093)
At end of year	—	—	—
Depreciation			
At beginning of year	941	2,168	3,109
Charge for year on owned assets	—	—	—
Disposals	(941)	(2,168)	(3,109)
At end of year	—	—	—
Net book value			
30 November 2019	**—**	**—**	**—**
30 November 2018	426	558	984

The disposal of fixed assets held for sale related to the sale of the compounded pharmaceutical products business which completed on 14 December 2018. A gain of £517,000 was recognised in the other operating income section of the profit and loss account (see note 2).

11. Investments

	2019 £'000	2018 £'000
Share in group undertakings	**267**	267

Subsidiary undertakings

Name	Country of incorporation	Address	Class of shares	Principal activity	Holding
Hospira Aseptic Services Ltd	United Kingdom	Horizon, Honey Lane, Hurley, Maidenhead, Berkshire, SL6 6RJ	Ordinary	Dormant	100%

Notes (continued)

forming part of the financial statements

12. Stocks

	2019 £'000	2018 £'000
Finished goods and goods for resale	—	1,779

The replacement cost of stock is not materially different from the amount shown above.

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to £765,000 (2018: £13,029,000). The write-down of stocks to net realisable value amounted to £nil (2018: £nil).

13. Cash and cash equivalents

	2019 £'000	2018 £'000
Cash at bank and in hand	598	2,549

The company is party to the Pfizer treasury management scheme which ensures that group entities maintain cash balances in line with their day to day requirements with any historic excess or shortfall in cash managed via intercompany loans.

14. Creditors: amounts falling due within one year

	2019 £'000	2018 £'000
Trade creditors	71	1,108
Amounts owed to group undertakings	267	267
Other taxation and social security	—	90
Accruals and deferred income	—	192
	338	1,657

	2019 £'000	2018 £'000
Other taxation and social security		
VAT liability	—	30
PAYE/NI liability	—	60
	—	90

Notes (continued)

forming part of the financial statements

14. Creditors: amounts falling due within one year (continued)

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. 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 costs:

	2019	2018
	£'000	£'000
Trade debtors	**14**	1,968
Amounts owed by group undertakings	**17,313**	11,569
Other debtors	**446**	450

Financial liabilities that are debt instruments measured at amortised costs:

	2019	2018
	£'000	£'000
Trade creditors	**71**	1,108
Amounts owed to group undertakings	**267**	267

Notes (continued)

forming part of the financial statements

16. Deferred taxation

	2019 £'000	2018 £'000
At beginning of year	473	571
(Charged) to the profit and loss account	(460)	(98)
At end of year	13	473

The deferred tax asset is made up as follows:

	2019 £'000	2018 £'000
Depreciation in excess of capital allowance	—	425
Short term timing differences	13	48
	13	473

Deferred tax assets of £13,000 are expected to reverse over the next 12 months.

17. Share capital

	2019 £'000	2018 £'000
Allotted, called up and fully paid		
64,073 (2018 - 64,073) ordinary shares of £1 each	**64**	64

18. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £7,000 (2018 - £75,000). Contributions totalling £nil (2018 - £10,000) were payable to the fund at the balance sheet date and are included in creditors.

Notes (continued)

forming part of the financial statements

19. Commitments under operating leases

At 30 November 2019 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £'000	2018 £'000
Not later than one year	—	71
Later than one year and not later than five years	—	—
	—	71

As part of the sale of the compounded pharmaceutical products business which completed on 14 December 2018, short-term leasehold property and the associated commitments were transferred to the purchaser (see note 10).

20. Related party transactions

The company has taken advantage of exemptions available under FRS 102 section 33 from disclosing transactions entered into between wholly owned members of the same group. There were no related party transactions with non-wholly owned members of the group.

21. Controlling party

The immediate parent entity of the company is Pfizer Limited. The ultimate parent and ultimate controlling party is Pfizer Inc., a company incorporated in the United States of America. The smallest group into which the accounts are consolidated is that head 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.

22. 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. In the instance that estimates and judgements should arise, they are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from the estimates.