

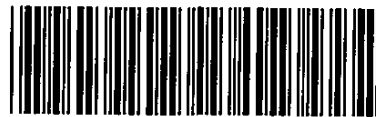
Company Registration No. 00698405

S-P RIL Limited

Directors' report and financial statements

for the year ended 31 December 2011

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S-P RIL Limited

Directors' report and financial statements for the year ended 31 December 2011

Contents	Page
Officers and professional advisers	1
Directors' report	2-3
Independent auditors' report to the members of S-P RIL Limited	4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7-11

S-P RIL Limited

Directors' report and financial statements for the year ended 31 December 2011

Officers and professional advisers

Directors

D K Khanna
MAC McDowell
K Bousfield

Registered Office

Schering-Plough House
Falcon way
Shire Park
Welwyn Garden City
Herts
AL7 1TW

Bankers

Citibank
CGC Centre
Canary wharf
E14 5LB

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
10 Bricket Road
St Albans
Herts
AL1 3JX

S-P RIL Limited

Directors' report for the year ended 31 December 2011 (continued)

The directors present their report and the audited financial statements for the year ended 31 December 2011. The company was dormant in the prior year.

PRINCIPAL ACTIVITIES

The company was dormant in the prior year but has been active in the current year following the receipt of income resulting from its investments. As a result, the company is no longer exempt under Section 480 of the Companies Act 2006 from the requirement for an audit. It should be noted that the comparative year has not been audited.

The company continued to act as a holding company.

BUSINESS REVIEW

The company received an interim dividend in April 2011 amounting to £659,572 from its investment in AESCA Chemisch-Pharmazeutische Fabrik GmbH.

During the year the company received a final dividend and a return of capital of £1,080,707 from Technobiotic Limited as a result of its liquidation. The return of capital amounted to £66,009 with £1,014,698 being dividend income.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties relate to the recoverability of the amounts due from group undertakings. Credit risk, liquidity risk and cash flow risk are all related to other group undertakings being able to settle the intercompany receivable position when requested. Periodic reviews are undertaken of the carrying values of its intercompany receivables to ensure these assets are stated at their respective recoverable amounts. Given the straightforward nature of the company's operations, key performance indicators are not used by the directors to understand the company's operations.

FINANCIAL INSTRUMENTS

The company's assets comprise cash, amounts due from group undertakings and an investment in a subsidiary undertaking with liabilities representing an amount due to a group undertaking. The directors seek to ensure that the company maintains sufficient resources to enable it to settle its obligations when required to do so. The directors also consider that the risk to changes in foreign currency is low on the investment and dividend incomes.

DIRECTORS

The present directors are shown on page 1. The directors, who served during the year and up to the date of signing the financial statements, and the relevant dates of appointment and resignation, are shown below.

D K Khanna	
H Ahmad	(resigned 03/04/12)
S Ehren	(resigned 21/12/11)
MAC McDowell	
K Bousfield	(appointed 10/04/12)

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

DIVIDENDS AND RESULTS

The directors do not recommend payment of a dividend in the year 2011 (2010 Nil).

There was a profit for the financial year of £1,602,190 (2010 £nil).

S-P RIL Limited

Directors' report for the year ended 31 December 2011 (continued)

DISCLOSURE OF INFORMATION TO AUDITORS

So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

STATEMENT OF DIRECTORS' RESPONSIBILITIES

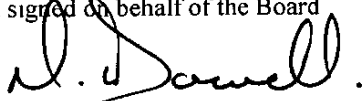
The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 year. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping 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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Board of Directors
and signed on behalf of the Board



M A C McDowell
Director
25 September 2012

Registered Number 00698405

S-P RIL Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF S-P RIL LIMITED

We have audited the financial statements of S-P RIL Limited for the year ended 31 December 2011 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities set out on page 3 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

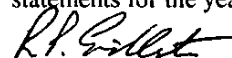
Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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.

Other matter

The financial statements for the year ended 31 December 2010, forming the corresponding figures of the financial statements for the year ended 31 December 2011, are unaudited.



Robert Girdlestone (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
St Albans

25 September 2012

S-P RIL Limited

Profit and loss account for the year 31 December 2011

	Note	2011 £'000	Unaudited 2010 £'000
Other operating income		<u>25</u>	<u>-</u>
Operating profit	2	<u>25</u>	<u>-</u>
Income from participating interests		1,675	-
Interest receivable and similar income	3	<u>2</u>	<u>-</u>
Profit on ordinary activities before taxation		<u>1,702</u>	<u>-</u>
Tax on profit on ordinary activities	4	<u>(100)</u>	<u>-</u>
Profit on ordinary activities after taxation	9	<u><u>1,602</u></u>	<u><u>-</u></u>

The profit and loss account has been prepared on the basis that all amounts relate to continuing operations

There are no recognised gains or losses other than the profit for the financial year. Accordingly, no statement of total recognised gains and losses is presented.

There are no material differences between the profit on ordinary activities before taxation and the retained profit for the financial year and their historical cost equivalents.

The notes on pages 7 to 11 form part of these financial statements.

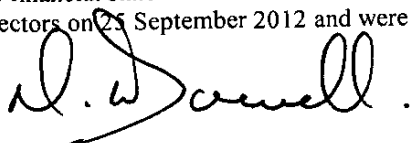
S-P RIL Limited

Balance Sheet

As at 31 December 2011

	Note	2011 £'000	Unaudited 2010 £'000
Fixed assets			
Investments	5	<u>33</u>	<u>99</u>
Current assets			
Debtors	6	<u>47,613</u>	<u>47,613</u>
Cash at bank and in hand		<u>1,669</u>	<u>-</u>
		49,282	47,613
Creditors' amounts falling due within one year	7	<u>(77)</u>	<u>(76)</u>
Total assets less current liabilities		<u>49,205</u>	<u>47,537</u>
Net assets		<u>49,238</u>	<u>47,636</u>
Capital and reserves			
Called up share capital	8	<u>-</u>	<u>-</u>
Profit and loss account	9	<u>46,299</u>	<u>44,697</u>
Share premium account	9	<u>2,939</u>	<u>2,939</u>
Total equity shareholders' funds	10	<u>49,238</u>	<u>47,636</u>

The financial statements of S-P RIL Limited, registered 00698405, on pages 5 to 11 were approved by the Board of Directors on 25 September 2012 and were signed on its behalf by



M A C McDowell
Director
25 September 2012

S-P RIL Limited

Notes to the financial statements Year ended 31 December 2011

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies are set out below and they have been applied consistently in both the current and prior year.

The financial statements contain information about S-P RIL Limited as an individual company and do not contain consolidated information as the parent of a group. The results of the company and its subsidiaries are included in the consolidated financial statements of Merck & Co, Inc, a company incorporated in the United States of America, which are publicly available. The Company considers that these financial statements, prepared under US Generally Accepted Accounting Practices, to be equivalent to the requirements of the 7th EU Directive in all material respects and have therefore taken advantage of section 400 of the Companies Act 2006, and not prepared consolidated financial statements.

Comparative amounts

The comparative amounts have not been audited since the company was dormant in the prior year.

Fixed asset investments

Investments held as fixed assets are stated at cost less provision for impairment. Impairment reviews are undertaken when events or circumstances are identified that may indicate that the carrying values may no longer be recoverable.

Cash flow statement

Under the provisions of Financial Reporting Standard Number 1 (Revised 1996) "Cash Flow Statements", the company has not prepared a cash flow statement as its ultimate parent company, Merck & Co, Inc, which is incorporated in the USA, has prepared consolidated financial statements which incorporate the results and cash flows of the company and which are publicly available.

Taxation

UK corporation tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date. The taxation liabilities of certain group companies are reduced wholly or in part by the surrender of losses by fellow group companies. The tax benefits are recognised in the financial statements of the surrendering and recipient companies in the year for which the claim is made at the prevailing tax rate.

Foreign currency

Normal trading activities denominated in foreign currencies are recorded in sterling at the exchange rates as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange prevailing at the year end. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is reported as an exchange gain or loss in the profit and loss account.

S-P RIL Limited

Notes to the financial statements Year ended 31 December 2011

2. OPERATING PROFIT

	2011 £'000	Unaudited 2010 £'000
Operating profit is stated after charging		
Exchange gain	25	-

The audit fee of £1,500 for the year ended 31 December 2011 (2010 £nil) has been borne by a fellow group company

3. INTEREST PAYABLE AND SIMILAR CHARGES

	2011 £'000	Unaudited 2010 £'000
On cash balances	2	-

4. TAXATION

	2011 £'000	Unaudited 2010 £'000
a) Analysis of tax charge for the year		
UK corporation tax on profit for the year	1	-
Foreign taxation	99	-
Total tax on profit on ordinary activities	100	-

(b) Factors affecting the tax charge for the year

The current tax charge for the current and preceding year is different to the standard rate of corporation tax in the UK 26.5%. The differences are explained below

	2011 £'000	Unaudited 2010 £'000
Profit on ordinary activities before tax	1,702	-
Tax on profit on ordinary activities multiplied by standard rate in the UK 26.5%	451	-
Effects of		
Income not subject to tax	(450)	-
Overseas tax	99	-
Total current tax charge for year	100	-

S-P RIL Limited

Notes to the financial statements Year ended 31 December 2011

4. TAXATION (CONTINUED)

(c) Factors affecting future tax charges

Reductions to the main rate of UK corporation tax were announced in the March 2011 Budget, such that the UK corporation tax rate would reduce from 27% to 26% with affect from 1 April 2011. A further reduction in the UK corporation rate to 25% was substantially enacted on 5 July 2011 effective from 1 April 2012. Subsequent to the year end, a further reduction in the UK corporation tax rate to 24% was substantially enacted on 26 March 2012 effective from 1 April 2012.

Further reductions in the UK corporation tax rate are proposed to reduce the rate by 1% per annum to 22% by 1 April 2014.

5. FIXED ASSET INVESTMENTS

	£'000
Cost and net book value	
At 1 January	99
Return of capital	(66)
	<u>33</u>
At 31 December	<u>33</u>

In November 2011 Technobiotic Limited was liquidated and returned capital to the company of £66,009 by way of a liquidation distribution. Prior to the liquidation of the Technobiotic Limited the company held 37.1% of its issued share capital.

The investments at 31 December 2011 in fellow subsidiaries of Merck & Co, Inc are as follows

Name of fellow group companies	Country of incorporation	Proportion held %
AESCA Chemisch-Pharmazeutische Fabrik GmbH	Austria	11.0

In the opinion of the directors, the aggregate value of the share in the investments is not less than the amounts at which they are stated in the company's balance sheet.

6. DEBTORS

	2011 £'000	Unaudited 2010 £'000
Amounts owed by group companies	<u>47,613</u>	<u>47,613</u>

Amounts owed by group undertakings are unsecured, interest-free and are repayable on demand.

S-P RIL Limited

Notes to the financial statements Year ended 31 December 2011

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £'000	Unaudited 2010 £'000
Amounts owed to fellow group undertakings	76	76
Other creditors	1	-
	<u>77</u>	<u>76</u>

Amounts owed to group undertakings are unsecured, interest-free and are payable on demand

8. CALLED UP SHARE CAPITAL

	2011 £	Unaudited 2010 £'000
Allotted and fully paid		
200 deferred shares of £1 each	200	200
200 ordinary shares of £1 each	<u>200</u>	<u>200</u>

The deferred shares entitle the holder to the right to a return of capital at either a winding up or repayment of capital providing the ordinary shareholders have first received a distribution of £10,000 per share. The deferred shares do not entitle the holder to participate in any profits of the company.

9. PROFIT AND LOSS ACCOUNT

	Share premium account £'000	Profit and loss account £'000	Total Reserves £'000
At 1 January	2,939	44,697	47,636
Profit for the financial year	-	<u>1,602</u>	<u>1,602</u>
At 31 December	<u>2,939</u>	<u>46,299</u>	<u>49,238</u>

S-P RIL Limited

Notes to the financial statements Year ended 31 December 2011

10. Reconciliation of movement in shareholders' funds

	2011	Unaudited
	£'000	2010
		£'000
Opening shareholders' funds	47,636	47,636
Profit for the financial year	1,602	-
Closing shareholders' funds	49,238	47,636

11. DIRECTORS AND EMPLOYEES

The directors did not receive any remuneration (2010 - £nil) for their services to this company. The company had no employees in both the current and preceding financial year.

12. IMMEDIATE AND ULTIMATE PARENT COMPANY

In the opinion of the directors, the company's immediate parent company is Schering-Plough Holdings Limited, a company incorporated in United Kingdom and the ultimate parent company and controlling party is Merck & Co, Inc a company incorporated in the United States of America. Copies of the group financial statements Merck & Co, Inc reports and financial statements may be obtained from One Merck Drive, P O Box 100, Whitehouse Station, NJ 08889-0100 USA. Merck & Co, Inc is the largest and smallest group for which financial statements are available.