

**Company Registration No. 00698405**

**S-P RIL Limited**

**Directors' report and financial statements**

**for the year ended 31 December 2012**

FRIDAY



\*L2HS7018\*

L11

27/09/2013

#6

COMPANIES HOUSE

---

## **S-P RIL Limited**

### **Directors' report and financial statements for the year ended 31 December 2012**

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

---

---

## **S-P RIL Limited**

### **Directors' report and financial statements for the year ended 31 December 2012**

#### **Officers and professional advisers**

##### **Directors**

D K Khanna  
MAC McDowell  
K Bousfield

##### **Registered Office**

West Hill  
Hertford Road  
Hoddesdon  
Herts  
EN11 9BU

##### **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 2012 (continued)**

The directors present their report and the audited financial statements for the year ended 31 December 2012

### **PRINCIPAL ACTIVITIES**

The company continued to act as a holding company and received interest income on its cash balance

### **BUSINESS REVIEW**

The company generated a profit after tax of £2,000 (2011 £1,602,000) during the year. The profits were lower than the prior year as no dividend income had been received and intercompany balances were impaired during the year which resulted in a charge of £5,000

### **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 3 April 2012)
MAC McDowell	
K Bousfield	(appointed 10 April 2012)

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 2012 (2011 Nil).

There was a profit for the financial year of £2,000 (2011 £1,602,000).

## **S-P RIL Limited**

### **Directors' report for the year ended 31 December 2012 (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  
20 September 2013

Registered Number 00698405



## **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 2012 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 2012 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.

Robert Girdlestone (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
St Albans, United Kingdom  
24 September 2013

Bricket Road, St Albans AL1 3JX  
T +44 (0) 1727 844155, F +44 (0) 1727 892333, [www.pwc.co.uk](http://www.pwc.co.uk)

## S-P RIL Limited

### Profit and loss account for the year 31 December 2012

	Note	2012 £'000	2011 £'000
Other operating income		-	25
Other operating expenses		(5)	-
<b>Operating (loss) / profit</b>	2	<b>(5)</b>	25
Income from participating interests		-	1,675
Interest receivable and similar income	3	8	2
<b>Profit on ordinary activities before taxation</b>		<b>3</b>	1,702
Tax on profit on ordinary activities	4	(1)	(100)
<b>Profit on ordinary activities after taxation</b>	9	<b>2</b>	1,602

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

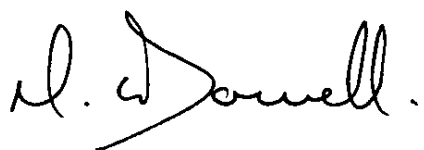
The notes on pages 7 to 11 form part of these financial statements

## S-P RIL Limited

### Balance Sheet As at 31 December 2012

	Note	2012 £'000	2011 £'000
<b>Fixed assets</b>			
Investments	5	<u>33</u>	<u>33</u>
<b>Current assets</b>			
Debtors	6	47,609	47,613
Cash at bank and in hand		<u>1,600</u>	<u>1,669</u>
		49,209	49,282
<b>Creditors: amounts falling due within one year</b>	7	<u>(2)</u>	<u>(77)</u>
<b>Total assets less current liabilities</b>		<u>49,207</u>	<u>49,205</u>
<b>Net assets</b>		<u>49,240</u>	<u>49,238</u>
<b>Capital and reserves</b>			
Called up share capital	8	-	-
Profit and loss account	9	46,301	46,299
Share premium account	9	<u>2,939</u>	<u>2,939</u>
<b>Total shareholders' funds</b>	10	<u>49,240</u>	<u>49,238</u>

The financial statements on pages 5 to 11 were approved by the Board of Directors on 20 September 2013 and were signed on its behalf by



M A C McDowell  
Director

Registered Number 00698405



## **S-P RIL Limited**

### **Notes to the financial statements Year ended 31 December 2012**

#### **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.

##### **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 2012

#### 2 OPERATING (LOSS) / PROFIT

	2012 £'000	2011 £'000
Operating profit is stated after charging		
Exchange gain	-	25
Amounts written off intercompany receivables	(5)	-
	<u>          </u>	<u>          </u>

The audit fee of £1,500 for the year ended 31 December 2012 (2011 £1,500) has been borne by a fellow group company

#### 3 INTEREST RECEIVED AND SIMILAR INCOME

	2012 £'000	2011 £'000
On cash balances	<u>8</u>	<u>2</u>

#### 4. TAXATION

	2012 £'000	2011 £'000
<b>a) Analysis of tax charge for the year</b>		
UK corporation tax on profit for the year	1	1
Foreign taxation	-	99
	<u>          </u>	<u>          </u>
<b>Total tax on profit on ordinary activities</b>	<u>1</u>	<u>100</u>

#### (b) Factors affecting the tax charge for the year

The current tax charge for the current year and preceding year is different to the standard rate of corporation tax in the UK 24.5% (UK 26.5%). The differences are explained below

## S-P RIL Limited

### Notes to the financial statements Year ended 31 December 2012

#### 4. TAXATION (CONTINUED)

	2012 £'000	2011 £'000
Profit on ordinary activities before tax	3	1,702
Tax on profit on ordinary activities multiplied by standard rate in the UK 24.5% (2011 26.5%)	1	451
Effects of		
Income not subject to tax	-	(450)
Overseas tax	-	99
Total current tax charge for year	1	100

#### (c) Factors affecting future tax charges

Reductions to the main rate of UK corporation tax were announced in the March 2012 Budget, such that the UK corporation tax rate would reduce from 26% to 24% with effect from 1 April 2012. A further reduction in the main rate of corporation tax was substantially enacted on 3 July 2012 to reduce the rate of corporation tax to 23% with effect from 1 April 2013. As this reduction was substantially enacted before 31 December 2012, the deferred tax balances at this date have been measured at 23%.

Subsequent to 31 December 2012, a further reduction in the UK corporation tax rate to 21% was substantially enacted on 2 July 2013 effective from 1 April 2014. A further reduction in the UK corporation tax rate is proposed to reduce the rate by 1% to 20% from 1 April 2015. The reductions in the UK corporation tax rate to 23% and 21% had not been substantially enacted at the balance sheet date and, therefore, are not relevant for measuring the deferred tax balances at 31 December 2012.

#### 5. FIXED ASSET INVESTMENTS

	2012 £'000
Cost and net book value At 1 January and 31 December	33

The investments at 31 December 2012 are as follows

Name of fellow group companies	Country of incorporation	Proportion held %
Merck Sharp & Dohme GmbH	Austria	4.52

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.

## S-P RIL Limited

### Notes to the financial statements Year ended 31 December 2012

#### 6. DEBTORS

	2012 £'000	2011 £'000
Amounts owed by group companies	47,608	47,613
Other debtors	1	-
	<u>47,609</u>	<u>47,613</u>
Total current tax charge for year		

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

#### 7. CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £'000	2011 £'000
Amounts owed to fellow group undertakings	1	76
Other creditors	1	1
	<u>2</u>	<u>77</u>

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

#### 8. CALLED UP SHARE CAPITAL

	2012	2011
<b>Allotted and fully paid</b>		
200 (2011 200) deferred shares of £1 each	200	200
200 (2011 200) ordinary shares of £1 each	200	200
	<u>400</u>	<u>400</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 2012	2,939	46,299	49,238
Profit for the financial year	-	2	2
	<u>2,939</u>	<u>46,301</u>	<u>49,240</u>
At 31 December 2012			

## S-P RIL Limited

### Notes to the financial statements Year ended 31 December 2012

#### 10. Reconciliation of movement in shareholders' funds

	2012 £'000	2011 £'000
Opening shareholders' funds	49,238	47,636
Profit for the financial year	2	1,602
Closing shareholders' funds	<u>49,240</u>	<u>49,238</u>

#### 11. DIRECTORS AND EMPLOYEES

The directors did not receive any remuneration (2011 - £nil) for their services to this company. The company had no employees in both the current and preceding financial year.

#### 12. RELATED PARTY TRANSACTIONS

In the ordinary course of business, the group has entered into transactions with its own subsidiaries, together with its fellow group subsidiaries and its ultimate parent company Merck & Co, Inc. In accordance with paragraph 3(c) of Financial Reporting Standard 8, 'Related party disclosures', transactions between group companies have not been disclosed because the entity is a wholly-owned subsidiary of Merck & Co, Inc whose financial statements are publicly available as discussed in note 13.

#### 13. 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 of 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.