

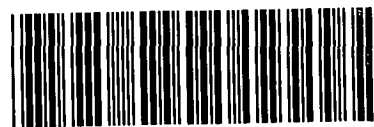
Company Registration No. 00698405

S-P RIL Limited

Directors' report and financial statements

for the year ended 31 December 2013

WEDNESDAY



A3GLSD8Y

A13

17/09/2014

#115

COMPANIES HOUSE

S-P RIL Limited

Directors' report and financial statements for the year ended 31 December 2013

Contents	Page
Officers and professional advisers	1
Directors' report	2-3
Independent auditors' report to the members of S-P RIL Limited	4-5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8-12

S-P RIL Limited

Directors' report and financial statements for the year ended 31 December 2013

Officers and professional advisers

Directors

D K Khanna
K Bousfield
M Leonard

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 2013 (continued)

The directors present their report and the audited financial statements for the year ended 31 December 2013.

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 £172,000 (2012: £2,000) during the year. During the year the company received a dividend from Merck Sharp & Dohme GmbH of £269,000 which after withholding tax of £110,000 contributed to the increase in the profit after tax this year compared to the prior year.

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	
MAC McDowell	(resigned 31 December 2013)
K Bousfield	
M Leonard	(appointed 11 December 2013)
M Nally	(appointed 30 June 2014)

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: Nil).

Directors' report for the year ended 31 December 2013 (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:

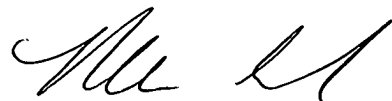
- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare 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.

STRATEGIC REVIEW

The company has taken advantage of section 414B of the Companies Act 2006 not to include a strategic review in these financial statements.

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



M Leonard
Director
30 June 2014

Registered Number: 00698405

Independent auditors' report to the members of S-P RIL Limited

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by S-P RIL Limited, comprise:

- the balance sheet as at 31 December 2013;
- the profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). 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 (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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.

Independent auditors' report to the members of S-P RIL Limited

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement 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 ISAs (UK & 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



Robert Girdlestone (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
St Albans
30 June 2014

S-P RIL Limited

Profit and loss account for the year 31 December 2013

	Note	2013 £'000	2012 £'000
Other operating income		7	-
Other operating expenses		-	(5)
Operating profit / (loss)	2	<u>7</u>	<u>(5)</u>
Income from participating interests		269	-
Interest receivable and similar income	3	<u>6</u>	<u>8</u>
Profit on ordinary activities before taxation		282	3
Tax on profit on ordinary activities	4	<u>(110)</u>	<u>(1)</u>
Profit on ordinary activities after taxation	9	<u>172</u>	<u>2</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 8 to 12 form part of these financial statements.

S-P RIL Limited

Balance Sheet As at 31 December 2013

	Note	2013 £'000	2012 £'000
Fixed assets			
Investments	5	<u>33</u>	<u>33</u>
Current assets			
Debtors	6	47,637	47,609
Cash at bank and in hand		<u>1,747</u>	<u>1,600</u>
		49,384	49,209
Creditors: amounts falling due within one year	7	<u>(5)</u>	<u>(2)</u>
Total assets less current liabilities		<u>49,379</u>	<u>49,207</u>
Net assets		<u>49,412</u>	<u>49,240</u>
Capital and reserves			
Called up share capital	8	-	-
Share premium account	9	2,939	2,939
Profit and loss account	9	<u>46,473</u>	<u>46,301</u>
Total shareholders' funds	10	<u>49,412</u>	<u>49,240</u>

The financial statements on pages 6 to 12 were approved by the Board of Directors on 30 June 2014 and were signed on its behalf by:



M Leonard
Director

Registered Number: 00698405

S-P RIL Limited

Notes to the financial statements Year ended 31 December 2013

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 2013

2. OPERATING PROFIT / (LOSS)

	2013 £'000	2012 £'000
Operating profit is stated after (crediting)/charging:		
Exchange gain	(6)	-
Amounts written off intercompany receivables	-	5
	<u> </u>	<u> </u>

The audit fee of £1,500 for the year ended 31 December 2013 (2011: £1,500) has been borne by a fellow group company.

3. INTEREST RECEIVED AND SIMILAR INCOME

	2013 £'000	2012 £'000
On cash balances	<u> 6 </u>	<u> 8 </u>

4. TAXATION

	2013 £'000	2012 £'000
a) Analysis of tax charge for the year		
UK corporation tax on profit for the year	2	1
Adjustments in relation to prior years	1	
Withholding tax	107	
	<u> </u>	<u> </u>
Total tax on profit on ordinary activities	<u> 110 </u>	<u> 1 </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 23.25% (2012: 24.5%). The differences are explained below:

S-P RIL Limited

Notes to the financial statements Year ended 31 December 2013

4. TAXATION (CONTINUED)

	2013 £'000	2012 £'000
Profit on ordinary activities before tax	<u>282</u>	<u>3</u>
Tax on profit on ordinary activities multiplied by standard rate in the UK 23.25% (2012: 24.5%)	66	1
Effects of:		
Income not subject to tax	(64)	-
Withholding tax	107	
Adjustments in respect of prior years	<u>1</u>	
Total current tax charge for year	<u>110</u>	<u>1</u>

(c) Factors affecting future tax charges

The Finance Act 2013 (the Act) was substantially enacted on 2 July 2013. The Act further reduced the main rate of corporation tax to 21% with effect from 1 April 2014 and 20% with effect from 1 April 2015. As these reductions have been substantially enacted before the balance sheet date, timing differences have been measured at 20%.

5. FIXED ASSET INVESTMENTS

	2013 £'000
Cost and net book value At 1 January and 31 December	<u>33</u>

The investments at 31 December 2013 are as follows:

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

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 2013

6. DEBTORS

	2013 £'000	2011 £'000
Amounts owed by group companies	47,608	47,608
Other debtors	29	1
	<u>47,637</u>	<u>47,609</u>

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

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £'000	2012 £'000
Amounts owed to fellow group undertakings	3	1
Corporation tax	2	-
Other creditors	-	1
	<u>5</u>	<u>2</u>

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

8. CALLED UP SHARE CAPITAL

	2013	2012
Allotted and fully paid		
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 2013	2,939	46,301	49,240
Profit for the financial year	-	172	172
	<u>2,939</u>	<u>46,473</u>	<u>49,412</u>
At 31 December 2013			

S-P RIL Limited

Notes to the financial statements Year ended 31 December 2013

10. Reconciliation of movement in shareholders' funds

	2013 £'000	2012 £'000
Opening shareholders' funds	49,240	49,238
Profit for the financial year	172	2
Closing shareholders' funds	<u>49,412</u>	<u>49,240</u>

11. DIRECTORS AND EMPLOYEES

The directors did not receive any remuneration (2012 - £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.