

PowderMed Limited

Directors' report and
financial statements

Year ended 30 November 2012

Registered number 05055092

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PowderMed Limited

Directors' report and financial statements

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PowderMed Limited

Directors and other information

Directors	JR Merson MJ O' Callaghan P Rao AL Verrinder JA Mount
Registered office	c/o Pfizer Limited Ramsgate Road Sandwich Kent CT13 9NJ
Independent auditor	KPMG LLP Chartered Accountants 15 Canada Square London E14 5GL
Registered number	05055092

PowderMed Limited

Directors' report

The directors present their directors' report and financial statements for the year ended 30 November 2012

Principal activity

The company's principal activity during the year was the development of pharmaceutical products using powder injection technology.

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)

The consolidated profit and loss account for the year is set out on page 9

Results and dividends

The audited financial statements for the year ended 30 November 2012 are set out on pages 7 to 15

The group generated an after tax loss of £459,000 (2011 £348,000) No dividends were declared in 2012 (2011 £nil) The consolidated loss for the year of £459,000 (2011 £348,000) has been transferred to reserves

Going concern

PowderMed Limited is a research and development company which expects to incur further losses unless product development progresses successfully to a position where revenues from royalty income and milestone receipts exceed expenditure on product development

The financial statements have been prepared on a going concern basis as the Group has entered into a financial arrangement with a fellow group undertaking to provide financial support for the foreseeable future This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment As with any company placing its reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so

Directors

The directors who served in office from 1 December 2011 to the date of this report, unless otherwise noted, were as follows

JR Merson
MJ O'Callaghan
P Rao
AL Verrinder
LP Jones
JA Mount

(Resigned 29 February 2012)
(Appointed 24 February 2012)

PowderMed Limited

Directors' report *(continued)*

Auditor

The directors who held office at the date of approval of this directors' report confirm that so far as they are aware, there is no relevant audit information of which the company's auditor is unaware. The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The company's auditor is KPMG LLP, UK.

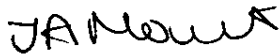
Political and charitable contributions

The company made no disclosable political or charitable donations or incurred any disclosable political expenditure during the year.

Small company exemption

This directors' report has been prepared in accordance with the provisions under the Companies Act 2006 applicable to companies entitled to the small companies' exemption.

By order of the board



JA Mount
Director
Ramsgate Road
Sandwich
Kent
CT13 9NJ

Date 16 August 2013

PowderMed Limited

Statement of Directors' responsibilities in respect of the Directors' report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They 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 PowderMed Limited

We have audited the financial statements of PowderMed Limited for the year ended 30 November 2012 set out on pages 7 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 November 2012 and of the group's loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters 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 auditor's report to the members of PowderMed Limited (*continued*)

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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



Nicholas Frost (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London, E14 5GL
Date

19th August 2013.

PowderMed Limited

Statement of accounting policies

for the year ended 30 November 2012

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

Basis of preparation

These financial statements are prepared in accordance with generally accepted accounting principles, under the historical cost convention, and comply with financial reporting standards of the Accounting Standards Board. The principal accounting policies, which have been applied consistently throughout the year, are set out below

The Group and company financial statements incorporate the results of PowderMed Limited and its subsidiary undertakings. The results of subsidiary undertakings acquired during the year are included from the effective date of acquisition. All inter-company balances and transactions have been eliminated

In accordance with Section 408 of the Companies Act 2006 the company is exempt from the requirement to present its own profit and loss account

Going concern

The financial statements have been prepared on a going concern basis as the Group has entered into a financial arrangement with a fellow group undertaking to provide financial support for the foreseeable future. This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing its reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Cash flow statement

The Group has taken advantage of the exemptions available in FRS 1 (revised) "Cash Flow Statements" to not produce a cash flow as it qualifies as a small Group.

Research and development

Research and development expenditure is charged to the profit and loss account in the year in which it is incurred.

Financial fixed assets – investment in subsidiary undertakings

Investments in subsidiary undertakings are stated at cost less any provision for impairment. Impairment reviews are carried out where there is an indication that the carrying value of the investment may be impaired.

PowderMed Limited

Statement of accounting policies *(continued)* *for the year ended 30 November 2012*

Taxation

The charge for taxation is based on the loss for the year

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Provision is made at the rates expected to apply when the timing differences reverse. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in taxable profits in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Foreign currencies

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

The accounts of overseas subsidiary undertakings are translated into sterling in the consolidated accounts. Profit and loss account items are translated at the average rate for the year. Assets and liabilities are translated at the rate of exchange ruling on the balance sheet date. Exchange differences arising on the retranslation of opening assets and liabilities are taken directly to reserves.

PowderMed Limited

Consolidated profit and loss account for the year ended 30 November 2012

	<i>Note</i>	2012	2011
		£'000	£'000
Research and development expenditure		<u>(41)</u>	<u>(18)</u>
Operating loss	<i>1</i>	(41)	(18)
Interest receivable and similar income	<i>4</i>	3	2
Interest payable and similar charges	<i>5</i>	<u>(339)</u>	<u>(324)</u>
Loss on ordinary activities before taxation		(377)	(340)
Tax charge on loss on ordinary activities	<i>6</i>	<u>(82)</u>	<u>(8)</u>
Loss for the financial year	<i>12</i>	<u>(459)</u>	<u>(348)</u>

All amounts relate to continuing operations

The loss of the Company for the financial year amounted to £459,000 (2011 £348,000)

Notes on pages 11 to 15 and the accounting policies on pages 7 to 8 form part of the financial statements

Statement of group total recognised gains and losses for the year ended 30 November 2012

	2012	2011
	£'000	£'000
Loss for the financial year	(459)	(348)
Exchange adjustments in reserves	<u>(5)</u>	<u>(5)</u>
Total recognised gains and losses in the year	<u>(464)</u>	<u>(353)</u>

PowderMed Limited

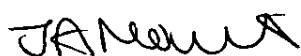
Consolidated and company balance sheet at 30 November 2012

Registered Number 05055092

	Notes	2012		2011	
		Group £'000	Company £'000	Group £'000	Company £'000
Fixed assets					
Investments	7	-	-	-	-
Current assets					
Debtors	8	39	39	241	241
		<u>39</u>	<u>39</u>	<u>241</u>	<u>241</u>
Creditors amounts falling due within one year	9	<u>(54,827)</u>	<u>(55,106)</u>	<u>(54,565)</u>	<u>(54,849)</u>
Net current liabilities		<u>(54,788)</u>	<u>(55,067)</u>	<u>(54,324)</u>	<u>(54,608)</u>
Net liabilities		<u>(54,788)</u>	<u>(55,067)</u>	<u>(54,324)</u>	<u>(54,608)</u>
Capital and reserves					
Called up share capital	10	329	329	329	329
Share premium	11	24,789	24,789	24,789	24,789
Profit and loss account	11	<u>(79,906)</u>	<u>(80,185)</u>	<u>(79,442)</u>	<u>(79,726)</u>
Shareholders' deficit	12	<u>(54,788)</u>	<u>(55,067)</u>	<u>(54,324)</u>	<u>(54,608)</u>

Notes on pages 11 to 15 and the accounting policies on pages 7 to 8 form part of the financial statements

These financial statements were approved by the board and were signed on its behalf on 16/8/2013 by



JA Mount
Director

PowderMed Limited

Notes

forming part of the financial statements

1 Operating loss

Operating loss is stated after charging

	2012 £'000	2011 £'000
Research and development expenditure	41	18

Auditor's remuneration for the audit of these financial statements is borne without recourse by Pfizer Limited, a fellow group undertaking. In 2012 these fees amounted to £5,559 (2011 £6,000)

Research and development expenditure includes work undertaken under recharge arrangements

2 Directors' emoluments

None of the directors received emoluments or accrued retirements benefit (2011 *none*) in respect of qualifying services they provided to the company in 2012 (2011 *£nil*)

Four of the directors received shares under long term incentive scheme (2011 *four*) and none of the directors exercised share options in the ultimate holding company Pfizer Inc during the period (2011 *one*)

3 Employee information

The company did not employ any staff during either the current or previous year

4 Interest receivable and similar income

	2012 £'000	2011 £'000
Foreign exchange gain	3	2

5 Interest payable and similar charges

	2012 £'000	2011 £'000
Interest payable to fellow subsidiary undertaking	339	324

PowderMed Limited

Notes (continued)

forming part of the financial statements

6 Tax (credit)/ charge on loss on ordinary activities

	2012 £'000	2011 £'000
Current tax		
UK corporation tax at 24.67% (2011 26.66%)	(10)	(29)
Adjustments in respect of previous periods	-	(32)
	<u>(10)</u>	<u>(61)</u>
Deferred tax		
Origination and reversal of timing differences	92	69
	<u>82</u>	<u>8</u>

The tax charge assessed for the year is the same (2011 lower) as would have been achieved by tax affecting the loss before tax for the year at 24.67% (2011 26.66%). The differences are as follows

	2012 £'000	2011 £'000
Loss on ordinary activities before tax	(377)	(340)
	<u>(377)</u>	<u>(340)</u>
Taxation credit at UK corporation tax rate of 24.67% (2011 26.66%)	(93)	(91)
Effects of		
Expenses not deductible for tax purposes	83	86
Capital allowances in excess of depreciation	-	(24)
Adjustment to tax charge in respect of previous periods	-	(32)
	<u>(10)</u>	<u>(61)</u>

The Group has a net unrecognised deferred tax asset of £5,724,728 (2011 £6,221,927) and the Company has a net unrecognised deferred tax asset of £5,724,728 (2011 £6,221,927) primarily consisting of tax losses carried forward. The asset is not recognised in accordance with the group's accounting policies on deferred tax assets.

The 2013 budget on 20 March 2013 announced that the UK corporation tax rate will reduce to 20% by 2015. A reduction in the rate from 26% to 25% (effective from 1 April 2012) had been substantively enacted on 5 July 2011. Further reductions to 24% (also effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 17 July 2013. This will reduce the company's future tax charge accordingly.

PowderMed Limited

Notes (continued)
forming part of the financial statements

7 Fixed assets – investment in subsidiary undertakings

	2012	2011
Company	£	£
Subsidiary undertakings	8	8
	<u>8</u>	<u>8</u>

The company had the following subsidiary undertakings at 30 November 2012, all of which are held directly

	Country of registration and incorporation
PowderJect Research Limited	United Kingdom
PowderJect Vaccines Inc	United States
PowderMed Inc	United States

All of the subsidiary undertakings are 100% owned and included in the consolidation. The companies are all dormant.

8 Debtors

	2012		2011	
	Group £'000	Company £'000	Group £'000	Company £'000
Tax Group Relief Debtor	29	29	120	120
Corporation tax	10	10	29	29
Deferred tax asset (note 6)	-	-	92	92
	<u>39</u>	<u>39</u>	<u>241</u>	<u>241</u>

PowderMed Limited

Notes (continued)

forming part of the financial statements

9 Creditors: amounts falling due within one year

	2012		2011	
	Group £'000	Company £'000	Group £'000	Company £'000
Loan from fellow subsidiary undertaking	51,809	51,809	51,633	51,633
Interest due on loan from fellow subsidiary undertaking	11	11	14	14
Other amounts owed to group undertakings	3,007	3,286	2,918	3,202
	<u>54,827</u>	<u>55,106</u>	<u>54,565</u>	<u>54,849</u>

10 Called up share capital

	2012		2011	
	Number	£'000	Number	£'000
Allotted and fully paid				
3,286,020,000 ordinary shares of £0.01 each	<u>32,860,200</u>	<u>329</u>	<u>32,860,200</u>	<u>329</u>

11 Reserves

	Share premium £'000	Profit and loss reserve £'000
Group		
At 1 December 2011	24,789	(79,442)
Loss for the financial year	-	(459)
Exchange adjustments in reserves	-	(5)
30 November 2012	<u>24,789</u>	<u>(79,906)</u>
Company		
At 1 December 2011	24,789	(79,726)
Loss for the financial year	-	(459)
30 November 2012	<u>24,789</u>	<u>(80,185)</u>

Exchange differences arising on the retranslation of opening and closing assets and liabilities of subsidiary undertakings are taken directly to reserves

PowderMed Limited

Notes *(continued)*

forming part of the financial statements

12 Reconciliation of movements in shareholders' funds

	2012		2011	
	Group £'000	Company £'000	Group £'000	Company £'000
At 1 December 2011	(54,324)	(54,608)	(53,971)	(54,260)
Loss for the year	(459)	(459)	(348)	(348)
Exchange adjustments in reserves	<u>(5)</u>	<u>-</u>	<u>(5)</u>	<u>-</u>
Total shareholders' deficit at 30 November 2012	<u>(54,788)</u>	<u>(55,067)</u>	<u>(54,324)</u>	<u>(54,608)</u>

13 Related party disclosure

The ultimate controlling company is Pfizer Inc a company incorporated in the State of Delaware, United States of America

The Group has taken advantage of the exemption under the terms of FRS 8 "Related Party Transactions" from the requirement to disclose related party transactions with wholly owned group undertakings Other than transactions with related group undertakings there were no other related party transactions

14 Ultimate parent company and parent undertaking of larger group of which the company is a member

PowderMed Limited is part of the world-wide group of companies whose ultimate parent is Pfizer Inc , a company incorporated in the State of Delaware, United States of America The only group in which the company's results are consolidated is that of Pfizer Inc Copies of the ultimate parent company's financial statements may be obtained from Pfizer Inc , 235 East 42nd Street, New York, NY10017, USA

The company's immediate parent undertaking is Pfizer Vaccines LLC, a company registered in the United States of America and a subsidiary of Pfizer Inc