

Company number: 05965409

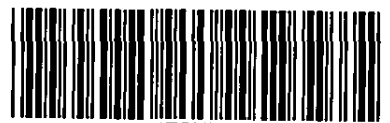


Shire Holdings UK Canada Limited

Annual report and financial statements

For the year ended 31 December 2009

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Shire Holdings UK Canada Limited

Annual report and financial statements

For the year ended 31 December 2009

Contents	Page
Officers and professional advisers	2
Directors' report	3
Statement of Directors' responsibilities	6
Independent auditors' report	7
Profit and loss account	9
Balance sheet	10
Notes to the financial statements	11

Shire Holdings UK Canada Limited

Officers and professional advisers

Directors

PN Clements

JN Bowling

DWD Hartley

Secretary

AJ Guthrie

Registered office

Hampshire International Business Park

Chineham

Basingstoke

RG24 8EP

Independent auditors

Deloitte LLP

London

Shire Holdings UK Canada Limited

Directors' report

The Directors present their Annual report and the audited financial statements for the year ended 31 December 2009

Principal activity and business review

The Company is a wholly owned indirect subsidiary of Shire plc, part of the group comprising Shire plc and its subsidiaries (the 'Group'), the principal activity of which is the research, development and marketing of prescription medicines. The Group focuses on three therapeutic areas: attention deficit and hyperactivity disorder ('ADHD'), gastrointestinal, and human genetic therapies ('HGT').

The principal activity of the Company is that of a holding company.

During the year ended 31 December 2009 the Company received a return of capital from its subsidiary undertaking and subsequently sold its subsidiary undertaking in return for a loan receivable due from a Group company.

The Company made a profit before tax in the year ended 31 December 2009 of \$186.8 million (2008 \$17.8 million loss) primarily as a result of a return of capital from its subsidiary undertaking and the reversal of a past impairment loss.

The Company's financial position at the year end, in terms of net assets, was \$0.5 million (2008 \$194.4 million net liabilities).

The Directors expect the Company to continue to manage its loans receivable and payable with other Group companies until such time as the Directors believe these loans should be settled or re-structured.

Principal risks and uncertainties

In common with any holding activity within the context of a pharmaceutical group there is an inherent risk that the results of the underlying subsidiaries can be influenced by results of future trials, the future requirements of regulatory authorities, or developments in respect of competitive products. Although the Company is not directly involved with these development and commercial activities, the effect of these factors on the Company and other Group companies could have significant future consequences for the Company. The Directors continuously monitor these developments and take action where appropriate.

Further information in respect of risk factors impacting the Company and the Group can be obtained from the Shire plc Annual Report and Accounts 2009, which are publicly available but do not form part of this Annual report, and also available from the Shire website at www.shire.com.

Financial risk management

The Company's financial risks are managed on a Group basis.

Financial risk factors

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including foreign currency exchange risk, price risk and interest rate risk).

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to economically hedge certain risk exposures.

Financial risk management is carried out by a central treasury department (Group Treasury) conducted within a framework of policies and procedures approved annually by the Shire plc Board of Directors. Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. As a matter of policy, the Group does not undertake speculative transactions that would increase currency or interest rate exposure.

Shire Holdings UK Canada Limited

Directors' report (continued)

Financial risk management (continued)

Further information in respect of the financial risk management of the Group can be obtained from the Shire plc Annual Report and Accounts 2009, which is publicly available and also available from the Shire website at www.shire.com

Key performance indicators

The Group manages its business on a product division basis and for this reason the Company's Directors believe that key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The Group's key performance indicators are discussed in the Shire plc Annual Report and Accounts 2009 which does not form part of this Annual report.

Going concern

The Directors have acknowledged the latest guidance on going concern. The Group's balance sheet includes \$498.9 million of cash and cash equivalents at 31 December 2009. The Group has no debt maturing in the next two years and substantially all of the Group's debt relates to its \$1,100 million 2.75% convertible bond which matures in 2014, although these bonds include a put option which could require repayment of the bonds in 2012. In addition, the Group has a committed facility until 2012 of \$1,200 million, which is currently undrawn. The current financial situation affecting the banking system and financial markets, together with the current uncertainty in global economic conditions, has resulted in tighter credit markets and a lower level of liquidity in many financial markets. As a result, the Group may not be able to access new equity or debt finance at the same level or cost as it has done previously. However, given the financial condition of the Group as at 31 December 2009, the Directors of the Company believe that the Company is well placed to manage its business risks.

The Directors therefore have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the accounting policies in the notes to the financial statements.

Results and dividends

A profit on ordinary activities before taxation of \$186,781,000 was recorded for the year ended 31 December 2009 (2008: \$17,784,000 loss).

The Directors do not recommend the payment of a dividend (2008: \$nil).

Directors

The Directors who served throughout the year and up to the date of signing these financial statements are shown below:

PN Clements
JN Bowling
DWD Hartley

Shire Holdings UK Canada Limited

Directors' report (continued)

Independent auditors

Each of the persons who is a Director at the date of approval of this report confirms that

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with provisions of Section 418 of the Companies Act 2006

It is the Directors' intention that Deloitte LLP will be automatically re-appointed as auditors at the end of the next financial period under Section 487(2) of the Companies Act 2006

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



AJ Guthrie
Secretary
7 July 2010

Shire Holdings UK Canada Limited

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 elected to prepare 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 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, and
- prepare 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.

Independent auditors' report to the members of Shire Holdings UK Canada Limited

We have audited the financial statements of Shire Holdings UK Canada Limited for the year ended 31 December 2009 which comprise the Profit and loss account, the Balance sheet and the related notes 1 to 12. 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).

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 auditors' 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 auditors

As explained more fully in the Statement of Directors' responsibilities, 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 the financial statements in accordance with applicable law and International Standards on Auditing (United Kingdom and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

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.

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 2009 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 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 auditors' report to the members of Shire Holdings UK Canada 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, 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



James A Bates (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom

7 July 2010

Shire Holdings UK Canada Limited

Profit and loss account

For the year ended 31 December 2009

	Note	2009 \$'000	2008 \$'000
Administrative income/(expenses) (includes reversal of impairment loss on fixed asset investment of \$113,864,000 (2008 \$nil))	7	114,593	(1,167)
Operating profit/(loss)	2	114,593	(1,167)
Excess return of capital	7	81,020	-
Interest receivable and similar income	4	595	3,437
Interest payable and similar charges	5	(9,427)	(20,054)
Profit/(loss) on ordinary activities before taxation		186,781	(17,784)
Tax credit on profit/(loss) on ordinary activities	6	8,103	5,068
Profit/(loss) on ordinary activities after taxation	11	194,884	(12,716)

All activities relate to continuing operations

There are no recognised gains and losses other than those stated above. Accordingly, no statement of total recognised gains and losses has been presented.

Shire Holdings UK Canada Limited

Balance sheet

As at 31 December 2009

	Note	2009 \$'000	2008 \$'000
Fixed assets			
Investments	7	-	133,086
Current assets			
Debtors amounts falling due within one year	8	336,343	102,189
Creditors amounts falling due within one year	9	(335,825)	(429,641)
Net current asset/(liabilities)		518	(327,452)
Net asset/(liabilities)		518	(194,366)
Capital and reserves			
Called-up share capital	10	-	-
Profit and loss account	11	518	(194,366)
Shareholder's funds/(deficit)	11	518	(194,366)

The financial statements of Shire Holdings UK Canada Limited, company number 05965409, were approved by the Board of Directors on 7 July 2010 and signed on its behalf by



PN Clements
Director

Shire Holdings UK Canada Limited

Notes to the financial statements

For the year ended 31 December 2009

1 Accounting policies

The principal accounting policies adopted are described below. They have been applied consistently throughout the current and preceding year.

a) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

b) Going concern

The Company and the Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review of the Shire plc Annual Report and Accounts 2009 (the 'Annual Report'). The Directors' report in the Annual Report describes the financial position of the Group, its cash flows, liquidity position and borrowing facilities, the Group's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities, and its exposure to credit risk and liquidity risk.

The Group's balance sheet includes \$498.9 million of cash and cash equivalents at 31 December 2009. The Group has no debt maturing in the next two years and substantially all of the Group's debt relates to its \$1,100 million 2.75% convertible bond which matures in 2014, although these bonds include a put option which could require repayment of the bonds in 2012. In addition, the Group has a committed facility until 2012 of \$1,200 million, which is currently undrawn. The current financial situation affecting the banking system and financial markets, together with the current uncertainty in global economic conditions, has resulted in tighter credit markets and a lower level of liquidity in many financial markets. As a result, the Group may not be able to access new equity or debt finance at the same level or cost as it has done previously. However, given the financial condition of the Group as at 31 December 2009, the Directors of the Company believe that the Company is well placed to manage its business risks.

The Directors therefore have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

c) Functional and presentational currency

The principal cash flows and liabilities of the Company are denominated in US dollars. Therefore the functional currency of the Company and the presentational currency of its financial statements is the US dollar.

d) Fixed asset investments

Investments held as fixed assets are held at cost less any provision for impairment.

Return of capital

In the event of a return of capital by a subsidiary the Company's accounting policy is to apply the return of capital against the cost of investment such that the Company's investment in its subsidiary is recorded at its recoverable amount. Any surplus return of capital is recorded as an excess return of capital in the profit and loss account.

e) Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Shire Holdings UK Canada Limited

Notes to the financial statements (continued)

For the year ended 31 December 2009

1 Accounting policies (continued)

e) Taxation (continued)

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. 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 tax assessments 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.

Deferred tax is not provided on timing differences arising on unremitted earnings of subsidiaries and associates where there is no commitment to remit these earnings.

Deferred tax is measured at the rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax balances are not discounted.

f) Cash flow statement

No cash flow statement has been prepared in accordance with FRS 1 'Cash flow statements (revised 1996)', as the ultimate parent undertaking, Shire plc, has prepared consolidated financial statements including a cash flow statement in which the results of the Company are included.

g) Related party transactions

Under the provisions of FRS 8 'Related party disclosures' (amended December 2008), the Company is not required to disclose details of related party transactions with other Group undertakings provided that any Group undertaking which is a party to the transaction is wholly owned by a member of that Group.

2. Operating profit/(loss)

Operating profit/(loss) is stated after (crediting)/charging

	2009 \$'000	2008 \$'000
Foreign exchange (gains)/losses	(736)	1,167
Reversal of impairment loss	(113,864)	-

Auditors' remuneration in respect of audit services amounting to \$4,000 (2008 \$4,000) has been borne by another Group undertaking and there was no recharge to the Company.

The Company had no employees during the year (2008 nil)

3 Directors' remuneration

All of the Directors were employed by other Group undertakings and were remunerated \$1,282,467 (2008 \$6,326,167) for their services. Their remuneration costs have been borne by those other Group undertakings and the amount recharged to the Company is \$nil (2008 \$nil).

Shire Holdings UK Canada Limited

Notes to the financial statements (continued)

For the year ended 31 December 2009

4 Interest receivable and similar income

	2009 \$'000	2008 \$'000
Interest receivable on amounts due from Group undertakings	595	3,437

5 Interest payable and similar charges

	2009 \$'000	2008 \$'000
Interest payable on amounts due to Group undertakings	9,427	20,054

6 Tax on profit/(loss) on ordinary activities

The tax credit comprises

	2009 \$'000	2008 \$'000
Current tax		
UK corporation tax credit on profit/(loss) for the year	(8,103)	(5,068)
Total tax credit on profit/(loss) on ordinary activities	(8,103)	(5,068)

The difference between the total current tax and the amount calculated by applying the standard rate of UK corporation tax to the profit/(loss) before tax is as follows

	2009 \$'000	2008 \$'000
Profit/(loss) on ordinary activities before taxation	186,781	(17,784)
Tax on profit/(loss) on ordinary activities at standard UK corporation tax rate of 28 % (2008 28.5%)	52,299	(5,068)
Effects of		
Income not taxable for tax purposes	(54,567)	-
Group relief surrendered	2,268	5,068
Receipt for Group relief	(8,103)	(5,068)
Current tax credit for the year	(8,103)	(5,068)

Shire Holdings UK Canada Limited

Notes to the financial statements (continued)

For the year ended 31 December 2009

7. Fixed asset Investments

<i>Subsidiary undertaking</i>	\$'000
Cost	
As at 1 January 2009	355,173
Disposal	(355,173)
As at 31 December 2009	-
Impairments	
As at 1 January 2009	222,087
Reversal of impairment loss	(113,864)
Disposal	(108,223)
As at 31 December 2009	-
Net book value	
As at 31 December 2009	-
As at 31 December 2008	133,086

Reversal of impairment loss

During the year ended 31 December 2009, the Company recorded a reversal of a past impairment loss as a result of the increase in the recoverable amount of the Company's investment in Shire Acquisition Inc ('SAI') which has arisen as a result of an increase in the recoverable amount of Shire Canada Inc, a wholly owned subsidiary of SAI. The reversal in the impairment loss of \$113,864,000 has been included within administrative expenses in the profit and loss account.

Excess return of capital

On 18 December 2009 the Company's subsidiary, Shire Acquisition Inc, returned capital totalling \$81,020,000 in cash. In accordance with the Company's accounting policy (see Note 1) the Company has recorded the return to the profit and loss account as an excess return of capital.

Disposal

On 18 December 2009 the Company sold its investment in Shire Acquisition Inc, being 1,000,000 Class B shares to another Group company for consideration totalling \$246,950,000 in the form of a loan receivable due from the other Group company.

8. Debtors

	2009 \$'000	2008 \$'000
Amounts falling due within one year:		
Amounts due from Group undertakings	336,343	102,189

The amounts due from Group undertakings are unsecured, US dollar denominated and interest bearing at floating rates of interest except \$8,373,000 (2008 \$4,895,000) which are interest free.

Shire Holdings UK Canada Limited

Notes to the financial statements (continued)

For the year ended 31 December 2009

9 Creditors. amounts falling due within one year

	2009 \$'000	2008 \$'000
Amounts due to Group undertakings	335,825	429,641

The amounts due to Group undertakings are unsecured, US dollar denominated, which accrue interest at floating rates of interest and are repayable on demand except \$293,000 (2008 \$683,000) which is interest free

10. Called-up share capital

	2009 \$'000	2008 \$'000
Called-up, allotted and fully paid		
2 (2008 2) ordinary shares of £1 each	-	-

The called-up, allotted and fully paid share capital of the Company is £2 (\$3 79) (2008 £2 (\$3 79))

11. Reserves and shareholder's funds/(deficit)

	Called-up share capital \$'000	Profit and loss account \$'000	2009 Total \$'000	2008 Total \$'000
As at 1 January	-	(194,366)	(194,366)	(181,650)
Profit/(loss) for the year	-	194,884	194,884	(12,716)
As at 31 December	-	518	518	(194,366)

12. Immediate and ultimate parent company

Shire Biopharmaceuticals Holdings, a company incorporated in England and Wales, is the immediate parent undertaking Shire plc, a company incorporated in Jersey, is the ultimate parent undertaking and controlling party and heads the only group in which the results of the Company are consolidated The financial statements of Shire plc are available from The Secretary, Shire, Hampshire International Business Park, Chineham, Basingstoke, RG24 8EP