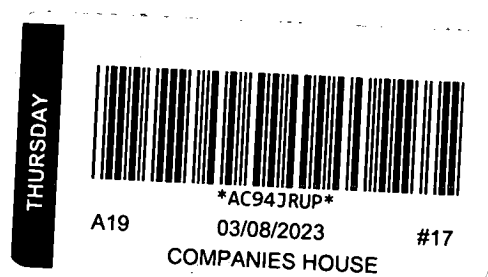


UCB (Investments) Limited

Annual Report for the
year ended 31 December 2022

Company registration number: 01106309



UCB (Investments) Limited
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UCB (Investments) Limited
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their Strategic Report of UCB (Investments) Limited (the "Company") for the year ended 31 December 2022, detailing the main factors impacting upon the business during the year and a review of progress.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The principal activity of the Company (registered number: 01106309) is that of a holding company to its subsidiaries.

The Company made a profit for the financial year of £150,000 (2021: £8,586,000).

The total comprehensive income for the year was £150,000 (2021: £8,586,000).

The Company has net assets of £379,058,000 (2021: £378,908,000) at the Balance Sheet date.

PRINCIPAL RISKS AND UNCERTAINTIES

A global Risk Management policy, applicable for the whole UCB Group and its affiliates worldwide, describes the UCB Group's commitment to provide an effective risk management system across the Group in order to minimise its exposure to risks that could threaten the UCB Group's corporate objectives.

The Group Board of Directors is responsible for approving the UCB Group's strategy, goals and objectives and overseeing the establishment, implementation and review of the Group's risk management system. The Group Board of Directors is assisted by the Group Audit Committee in its responsibility for the appreciation of risk and risk management. The Group Audit Committee examines on a regular basis the areas where risk could significantly affect the Group's financial situation and reputation and monitors the overall risk management process of the Group.

The Group Corporate Risk Management Committee, consisting of Executive Committee members and senior management representatives of all business functions and reporting to the Executive Committee, provides strategic leadership that endorses the corporate risk assessment and prioritisation process that drives the establishment of risk mitigation plans within all business functions and operations, supported by a global risks management system to effective and efficiently asset report, mitigate and manage actual or potential risk or exposures.

UCB (Investments) Limited is part of the UK Group of UCB Companies and as such is included within the global Risk Management policy.

KEY PERFORMANCE INDICATORS (KPI's)

Given the straightforward nature of the business and the fact that the Company is not engaged in any trading activities, the Company's Directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development performance or position of the business.

SECTION 172 (1) STATEMENT

This statement sets out how the directors of the company have complied with section 172 ("section 172") of the Companies Act 2006 in the course of the financial year subject to this report.

The company is part of the UCB sub-group of companies in the UK and is ultimately owned by UCB S.A. a Company registered in Belgium. It is a member of the wider UCB international group of companies ("Group").

The Directors have a duty to promote the success of the Company which is a key consideration when determining the Company's strategy. The Directors ensure they have suitable access to information to allow them to make informed business decisions and the Directors consider whether they possess sufficient information regarding the stakeholder interests which are affected by their actions. In instances when the Directors do not have all the information relevant to a decision, it is important to consider the expertise of others and care is taken to assess the source, quality and quantity of all information available.

Delivering UCB's strategy requires strong mutually beneficial relationships with suppliers, customers, government, National Health Authorities and other partners. The Company seeks the promotion and application of certain general principles in such relationships. The ability to promote these principles effectively is an important factor in the decision to enter into or remain in such relationships and this alongside other standards are reviewed and approved by the Board periodically. The Board of the Group also reviews and approves UCB's approach to suppliers which is set out by UCB's Global purchasing function. The businesses continuously assess the priorities related to customers and those with whom we do business, and the Board engages with the businesses on these topics, for example, within the context of business strategy updates and investment proposals.

The Board of the Group also reviews and approves UCB's approach to suppliers which is set out by UCB's Global purchasing function. The businesses continuously assess the priorities related to customers and those with whom we do business, and the Board engages with the businesses on these topics, for example, within the context of business strategy updates and investment proposals.

UCB (Investments) Limited
STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

SECTION 172 (1) STATEMENT (CONTINUED)

Moreover, the Directors receive information updates on a variety of topics that indicate and inform how these stakeholders have been engaged. These range from information provided from the Purchasing function (on suppliers and supplier contract management topics) to information provided by the businesses (on customers for example, business strategies, projects and investment or divestment proposals).

On behalf of the Board:

DocuSigned by:

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Y Khatri
Director

Date: 26-Jul-2023

UCB (Investments) Limited
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors are responsible for preparing the Strategic Report, the Directors' Report and audited Financial Statements of the Company for the year ended 31 December 2022 (referred to as "2022" and "year" throughout the Financial Statements).

FINANCIAL RISK MANAGEMENT

The Company is exposed to various financial risks arising from the financial instruments it holds and UCB Group corporate finance activities. The Group manages, on behalf of the subsidiaries, these financial risks. The financial risks relevant to this company are market risk (including interest rate risk) and liquidity risk.

Market risk

Market risk is the risk that changes in market prices, such as interest rates and equity prices will affect the Company's income or the value of its investment in subsidiaries which would result in a potential impairment of those. The objective of market risk management is to manage and control market risk exposures. The Group enters into derivative financial instruments and also incurs financial liabilities in order to manage market risk.

Interest rate risk

Changes in interest rates may cause variations in interest income and expenses resulting from interest bearing assets and liabilities. The Group uses interest rate derivatives to manage its interest rate risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's liquidity risk is managed by the Group. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under normal circumstances without incurring unacceptable losses or risking damage to the Group reputation. The Group maintains sufficient reserves of cash and readily realisable marketable securities to meet its liquidity requirements at all times. In addition the Group has certain unutilised revolving committed facilities at its disposal.

FUTURE DEVELOPMENTS

UCB (Investments) Limited will continue to be the UK holding company for all UCB companies operating in the UK.

DIRECTORS

The Directors who held office during the year and up to the date of signing the Financial Statements are listed below:

M G Hardy (Company Secretary and a Director)

Y Khatri

C Brading

DIVIDENDS

The Directors have not proposed dividend for this financial year (2021: £nil).

DIRECTOR'S INDEMNITIES

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, is currently in force and will remain in force at the date of the approval of these financial statements. The Company also purchased and maintained throughout the financial year Director's and Officers' liability insurance in respect of itself and its Directors.

UCB (Investments) Limited
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

POST BALANCE SHEET EVENTS

There have been no reportable post balance sheet events.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITOR

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

INDEPENDENT AUDITOR

Pursuant to Section 487 of the Companies Act 2006, the auditor appointed is Mazars LLP. The auditors have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

On behalf of the board:

DocuSigned by:

6DFFD13E05BF438...
Y Khatri
Director

208 Bath Road
Slough
Berkshire
United Kingdom
SL1 3WE

Date: 26-Jul-2023

UCB (Investments) Limited

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the Financial Statements in accordance with the applicable law and regulations.

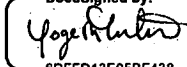
Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 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.

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.

On behalf of the board:

DocuSigned by:

Y. Khattar
80CFED12E05BF438...
Director

208 Bath Road
Slough
Berkshire
United Kingdom
SL1 3WE

Date: 26-Jul-2023

UCB (Investments) Limited**Independent auditor's report to the members of UCB (Investments) Limited**

Opinion

We have audited the financial statements of UCB (Investments) Limited (the 'Company') for the year ended 31 December 2022, which comprise the Statement of Comprehensive Income, Balance Sheet, and Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

UCB (Investments) Limited

**Independent auditor's report to the members of UCB (Investments) Limited
(CONTINUED)**

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the director's report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 6, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: anti-money laundering regulation.

UCB (Investments) Limited**Independent auditor's report to the members of UCB (Investments) Limited
(CONTINUED)**

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

In addition, we evaluated the director's and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to significant one-off or unusual transactions. .

Our audit procedures in relation to fraud included but were not limited to:

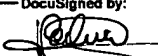
- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

DocuSigned by:

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David Herbinet (Senior Statutory Auditor)
 for and on behalf of Mazars LLP
 Chartered Accountants and Statutory Auditor
 30 Old Bailey
 London
 EC4M 7AU
 Date: 27-Jul-2023

UCB (Investments) Limited**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £'000	2021 £'000
Income from shares in group undertakings	3	—	8,700
Administrative expenses		(18)	(25)
Operating (loss)/profit	4	(18)	8,675
Interest receivable and similar income	5	207	1
Profit before taxation		189	8,676
Tax on profit	6	(39)	(90)
Profit for the financial year		150	8,586
Total other comprehensive income for the year, net of income tax		—	—
Total comprehensive income for the year		150	8,586

The notes on pages 14 to 20 form part of these Financial Statements.

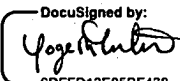
All results derive from continuing operations.

UCB (Investments) Limited
BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £'000	2021 £'000
Fixed assets			
Investments	7	364,272	364,272
		<u>364,272</u>	<u>364,272</u>
Current assets			
Debtors	8	14,848	14,707
		<u>14,848</u>	<u>14,707</u>
Creditors: amounts falling due within one year	9	(62)	(71)
Net current assets		<u>14,786</u>	<u>14,636</u>
Total assets less current liabilities		<u>379,058</u>	<u>378,908</u>
Net assets		<u>379,058</u>	<u>378,908</u>
Capital and reserves			
Called up share capital	10	45,928	45,928
Share premium account		391,804	391,804
Accumulated loss		(58,674)	(58,824)
Total equity		<u>379,058</u>	<u>378,908</u>

The notes on pages 14 to 20 form part of these Financial Statements.

The Financial Statements on pages 11 to 20 were approved by the Board of Directors on 26-Jul-2023 and signed on its behalf by:

DocuSigned by:

 Y. Khath
 Director

COMPANY REGISTERED NUMBER: 01106309

UCB (Investments) Limited**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called-up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total Shareholder's funds £'000
Balance at 1 January 2021	45,928	391,804	(67,410)	370,322
Total comprehensive income for the year				
Profit for the financial year	—	—	8,586	8,586
Total comprehensive income for the year	—	—	8,586	8,586
Balance at 31 December 2021 and 1 January 2022	45,928	391,804	(58,824)	378,908
Total comprehensive income for the year				
Profit for the financial year	—	—	150	150
Total comprehensive income for the year	—	—	150	150
Balance at 31 December 2022	45,928	391,804	(58,674)	379,058

The notes on pages 14 to 20 form part of these Financial Statements.

UCB (Investments) Limited
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

1 ACCOUNTING POLICIES

BASIS OF PREPARATION

UCB (Investments) Limited ("the Company") is a private company limited by shares and is incorporated, domiciled and registered in Berkshire, United Kingdom. The principal activity of the Company is that of a holding company. The registered number is 01106309 and the registered address is 208 Bath Road, Slough, Berkshire, SL1 3WE.

The Company is exempt by virtue of, section 401 of the Companies Act 2006 from the requirement to prepare group Financial Statements. These Financial Statements present information about the Company as an individual undertaking and not about its group.

These Financial Statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these Financial Statements, the Company applies the recognition, measurement and disclosure requirements of international accounting standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, UCB S.A. includes the Company in its consolidated Financial Statements. The consolidated Financial Statements of UCB S.A. are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Celltech Group Limited, 208 Bath Road, Slough, Berkshire, SL1 3WE.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based payments;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirements of Paragraph 38 of IAS 1, 'Presentation of financial statements' - comparative information requirements in respect of paragraph 79(a)(iv) of IAS 1 and paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors; and
- the requirements of IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group.
- A qualifying entity may take advantage of the following disclosure exemption, from when the relevant standard is applied:
 - The requirement of the second sentence of paragraph 110 and paragraph 113(a), 114, 115, 118, 119(a), 120 to 127 of IFRS 15 Revenue from Contracts with Customers.

As the consolidated Financial Statements of UCB S.A. include the equivalent disclosures, the Company has also taken the exemption under FRS 101 available in respect of the following disclosures:

- The disclosures required by IFRS 7 and IFRS 13 regarding financial instrument disclosures have not been provided apart from those which are relevant for the financial instruments which are held at fair value and are not either held as part of a trading portfolio or derivatives.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all years presented in these Financial Statements.

Judgements made by the Directors, in the application of these accounting policies that have significant effect on the Financial Statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2.

UCB (Investments) Limited**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022****1 ACCOUNTING POLICIES (CONTINUED)****ACCOUNTING CONVENTION**

The Financial Statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

INTEREST RECEIVABLE AND PAYABLE

Interest receivable and payable are recognised on an accruals basis.

DIVIDENDS

Dividends receivable are recognised at the date on which their payment becomes irrevocable. Dividend distributions to the Company shareholders are recognised in the year in which the dividends are approved by the Shareholders.

GOING CONCERN

The Directors consider that the Company has adequate resources to continue in business in the foreseeable future and that it is therefore appropriate to adopt the going concern basis in preparing the Financial Statements.

FOREIGN CURRENCIES

Transactions denominated in foreign currencies are translated at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using at the rate of exchange ruling at the Balance Sheet date and the gains or losses on translation are dealt with through the Statement of Comprehensive Income in the year in which they arise. Foreign currency differences are recognised within finance income and expense.

FINANCIAL INSTRUMENTS

Financial assets

a) Classification

The company classifies its financial assets at amortised cost.

The classification depends on the purpose for which the financial assets were acquired i.e. the entity's business model for managing the financial assets and/or the contractual cash flow characteristics of the financial asset. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets include intercompany loans, classified as measured at amortised cost and investments in subsidiaries carried at cost less impairment.

b) Subsequent measurement and gains and losses

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method.

The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities are classified as measured at amortised cost. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. Impairment losses are presented as a separate line item in the profit or loss under 'net impairment losses on financial assets'.

UCB (Investments) Limited
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

1 ACCOUNTING POLICIES (continued)

FINANCIAL INSTRUMENTS (CONTINUED)

c) Impairment

The company assesses on a forward-looking basis the expected credit loss associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Write-offs

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

CURRENT AND DEFERRED TAX

The tax expense for the period comprises of current tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the Balance Sheet date in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred taxation is provided on timing differences that have originated but not reversed by 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.

A net deferred tax asset is recognised 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 against which the asset can be utilised.

Deferred tax is measured at the average tax rates that are expected to apply in the years 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 is measured on an undiscounted basis.

INVESTMENTS

Investments are carried at the lower of cost and recoverable amount.

The carrying values of investments are reviewed for impairment when there is an indication that the investment might be impaired. Any provision resulting from an impairment review is charged to the statement of comprehensive income in the year in which the impairment is identified. At each Balance Sheet date an assessment is carried out whether there is an indication that an impairment loss may have decreased. If so, the recoverable amount is calculated. Reversal of an impairment loss is recognised in the profit or loss unless it relates to a revalued asset.

2 ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. These estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Impairment of investments

At each reporting date, the Company reviews the carrying amount of its investments in subsidiaries to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. To determine the value in use, the Company uses estimates of future cash flows generated by the investments. Estimated cash flows are discounted using an appropriate rate that reflects current market assessments of the time value of money and the risks specific to the investments.

An impairment loss is recognised directly in the Statement of Comprehensive Income under the "Impairment of fixed asset investment" caption.

UCB (Investments) Limited
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

3 INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2022	2021
	£'000	£'000
Dividend received from group undertakings	—	8,700

4 OPERATING (LOSS)/PROFIT

	2022	2021
	£'000	£'000

The operating (loss)/profit is stated after charging:

Auditor's remuneration - audit services	4	9
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The Company has no employees (2021: nil) and no staff costs (2021: £nil).

None of the Directors received nor were due remuneration from the Company during the year (2021: £nil).

The emoluments of the Directors were paid by another UCB group company. The Directors' services to this Company are of a non-executive nature. Accordingly, the Statement of Comprehensive Income includes no emoluments in respect of the Directors.

No impairment of investments occurred during the year (2021: £nil) (Note 7).

5 INTEREST RECEIVABLE AND SIMILAR INCOME

	2022	2021
	£'000	£'000
Interest receivable from group undertakings	207	1

6 TAXATION ON PROFIT

	2022	2021
	£'000	£'000
UK corporation tax		
UK corporation tax on profit/(loss) for the year	39	(3)
Adjustments in respect of prior years	—	93
Total current tax	39	90
Deferred tax		
Origination and reversal of timing differences	—	—
Total deferred tax	—	—
Tax charge/(credit) profit/(loss)	39	90

Factors affecting the tax expense

The tax assessed for the year is higher (2021: lower) than the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below.

UCB (Investments) Limited
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

6 TAXATION ON PROFIT (CONTINUED)

Reconciliation of effective tax rate

	2022	2021
	£'000	£'000
Profit for the year	150	8,586
Total tax charge/(credit)	39	90
Profit before taxation	189	8,676
Tax using the UK corporation tax rate 19% (2021: 19%)	36	1,648
Effects of:		
Dividend income not taxable	—	(1,653)
Non deductible expense	3	2
Adjustment in respect of prior period	—	93
Total tax charge/(credit)	39	90

Factors that may affect future tax charges

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021.

7 INVESTMENTS

	Shares in subsidiary undertakings £'000
Cost	
Balance at 1 January 2022	938,153
Balance at 31 December 2022	938,153
Accumulated impairment	
Balance at 1 January 2022	(573,881)
Balance at 31 December 2022	(573,881)
Net book value	
At 31 December 2021	364,272
At 31 December 2022	364,272

The Directors believe that the carrying value of the investments is supported by their underlying net assets, and cash flows. There is no impairment charge for the current year (2021: £nil).

UCB (Investments) Limited
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

At 31 December 2022 the Company held direct or indirect shareholdings in the following subsidiary undertakings:

Subsidiary undertaking	Principal business activity	Country of Incorporation	Registered office address	Percent of shareholding held	Description of shares held
Celltech Group Limited (a)	Holding company	England and Wales	208 Bath Road, Slough, Berkshire, SL1 3WE	100%	Ordinary shares
Celltech R&D Limited	Provider of employees to UCB Pharma Ltd. and Celltech Group Ltd.	England and Wales	208 Bath Road, Slough, Berkshire, SL1 3WE	100%	Ordinary shares
Darwin Discovery Limited	Dormant	England and Wales	208 Bath Road, Slough, Berkshire, SL1 3WE	100%	Ordinary shares
Celltech Pension Trustees Limited	Pension scheme	England and Wales	208 Bath Road, Slough, Berkshire, SL1 3WE	100%	Ordinary shares
UCB Pharma Limited	Sale and marketing of a range of branded speciality and generic pharmaceutical products	England and Wales	208 Bath Road, Slough, Berkshire, SL1 3WE	100%	Ordinary shares

(a) Held directly.

8 DEBTORS

	2022 £'000	2021 £'000
Amounts owed by group undertakings	14,848	14,707
	14,848	14,707

Amounts owed by group undertakings are unsecured, repayable on demand and bear interest at SONIA minus 0.05% (2021: LIBOR GBP 1 month less 0.10%).

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £'000	2021 £'000
Corporate income tax payable	35	—
Accruals and deferred income	27	71
	62	71

10 CALLED UP SHARE CAPITAL AND RESERVES

	2022 £'000	2021 £'000
Called up share capital		
Allotted, called up and fully paid		
44,928,426 (2021: 44,928,426) redeemable cumulative preference shares of £1 each	44,928	44,928
1,000,000 (2021: 1,000,000) Ordinary shares of £1	1,000	1,000
Balance as at 31 December	45,928	45,928

UCB (Investments) Limited

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

10 CALLED UP SHARE CAPITAL AND RESERVES (CONTINUED)

The redeemable cumulative preference shares carry the right to receive the same dividend as the ordinary shares and shareholders are not entitled to vote at a general meeting unless dividends are in arrears or the business of the meeting affects the rights attaching to the shares or the borrowing powers of the Directors. These shares are repayable, including arrears of dividend, at the option of the Company on giving thirty days' notice. On a winding up the shareholders are entitled to be repaid in full, including arrears of dividend, in priority to ordinary shareholders.

The Directors have not proposed a dividend for the current financial year (2021: *£nil*). The dividend per share paid in the year is *£nil* (2021: *£nil*).

11 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with wholly-owned group companies. There are no other related party transactions.

12 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company is a subsidiary undertaking of UCB S.A.. The ultimate and immediate parent undertaking and controlling party is UCB S.A., a company registered in Belgium.

The smallest and largest group in which the Company's results are consolidated is that headed by UCB S.A., Allée de la Recherche, 60, Brussels, 1070, Belgium. The consolidated financial statements of UCB S.A. can be obtained from the Company secretary at the following address: Celltech Group Limited, 208 Bath Road, Slough, Berkshire, SL1 3WE.

13 SUBSEQUENT EVENTS

There have been no reportable post balance sheet events.