

UCB (INVESTMENTS) LIMITED

FINANCIAL STATEMENTS

31st December 2001

Registered Number: 1106309



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COMPANIES HOUSE

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UCB (INVESTMENTS) LIMITED

DIRECTORS' REPORT

31st December 2001

The Directors present their annual report and the audited financial statements for the year ended 31st December, 2001. As the accounts of the ultimate parent company, UCB S.A., are filed with the Registrar of Companies, it has been decided not to consolidate the company and its subsidiaries. The financial statements are, therefore, for the company only.

During the year UCB Films PLC continued to manufacture cellulose film and bioriented polypropylene film. UCB Cellophane Limited continued to manufacture cellulose films. UCB Films PLC continued the marketing activities for these films. UCB (Chem) Limited continued to carry on business as a sales company for the chemical products of the UCB S.A. Group in the United Kingdom. UCB Pharma Limited continued to carry on business as a sales company for the pharmaceutical products of the UCB S.A. Group in the United Kingdom. UCB Services Limited continued to provide management services within the Group. UCB T & R Graham Limited continued to convert flexible packaging materials at Wigton, Cumbria until 30th September 2001 when it ceased to trade.

UCB Films (Asia-Pacific) Pty. Limited continued to carry on business as manufacturers of bioriented polypropylene film and as a sales company for the film products of the UCB S.A. Group in Australia. UCB (S.A.) (Pty.) Limited continued to carry on business as a sales company for the products of the UCB S.A. Group in South Africa. UCB Films Italia S.r.l. continued to carry on business as a sales company for the film products of the UCB S.A. Group in Italy. UCB Pharma S.p.A. continued to carry on business as manufacturers and distributors of Group pharmaceutical products in Italy. UCB Chemicals Italia S.p.A. continued to carry on business as a sales company for Group chemical products in Italy.

The company acted as a holding company and provided management and financial services to its subsidiaries. During the year the company received dividends amounting to £12,351,000. After allowing for interest receivable and payable and a tax credit on the ordinary activities of the company, there was a profit on ordinary activities, of £11,863,000. On the 18th December, 2001, the company proposed an interim dividend of £14,272,000, resulting in a decrease in distributable reserves of £2,409,000 to £15,399,000. It is proposed that no final ordinary dividend shall be paid.

There were no charitable donations or political contributions.

Elective resolutions exempting the Directors from the need to lay accounts and reports before the company in General Meetings, exempting the company from holding Annual General Meetings and exempting the company from annually re-appointing its auditors remain in force.

UCB (INVESTMENTS) LIMITED

DIRECTORS' REPORT

31st December 2001

(continued)

On 30th April, 2001, Baron D. Janssen (Belgian) resigned as a Director and Deputy Chairman.

The Directors of the company on the 31st December, 2001, were Baron G. Jacobs (Belgian), Chairman, E. Croufer (Belgian), B. Van Assche (Belgian) and M. Wiers (Belgian).

The ordinary shareholders of the company on the 31st December, 2001 were UCB S.A. holding 75 shares, UCB Investissements S.A. holding 24 shares and UCB Fipar S.A., holding one share, of £1 each. The ultimate parent company is UCB S.A., incorporated in Belgium.

By Order of the Board



D. Horton
Secretary

The Coach House
West Street
Wigton
Cumbria
CA7 9PD

5th March 2002

UCB (INVESTMENTS) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

We are required under company law to prepare financial statements for each financial year which 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.

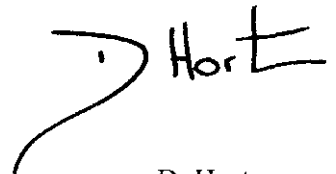
In preparing these financial statements we are required to:

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- state whether applicable accounting standards have been followed, and give details of any departures;
- prepare the financial statements on a going concern basis unless in our view the company will be unable to continue in business.

We are also responsible for:

- keeping proper accounting records;
- safeguarding the company's assets;
- taking reasonable steps for the prevention and detection of fraud.

By order of the Board



D. Horton

Secretary

5th March 2002

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF UCB (INVESTMENTS) LIMITED

We have audited the financial statements of UCB (Investments) Limited for the year ended 31st December, 2001, which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December, 2001, and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



HLB Kidsons
Registered Auditors
Chartered Accountants

Leeds

6th March 2002

UCB (INVESTMENTS) LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31st December 2001

	Note	2001 £'000	2000 £'000
Operating income		114	221
Administrative expenses		(114)	(221)
Operating profit	2	-	-
Interest receivable	4	1,130	742
Interest payable	5	(1,680)	(1,778)
Income from interests in subsidiaries		12,351	13,024
Profit on ordinary activities before taxation		11,801	11,988
Taxation credit on ordinary activities	6	62	1,458
Profit on ordinary activities after taxation		11,863	13,446
Equity dividends paid		(14,272)	(10,716)
Retained profit for the year	13	(2,409)	2,730

The company has no recognised gains or losses other than those included above and therefore no separate statement of total recognised gains or losses or historical statement has been prepared. All of the company's activities are continuing.

UCB (INVESTMENTS) LIMITED

BALANCE SHEET

31st December 2001

	Note	2001 £'000	2000 £'000
Fixed assets			
Investments	7	60,022	60,022
Current assets			
Debtors	8	36,195	24,498
Bank and cash balances		5,988	96
		<u>42,183</u>	<u>24,594</u>
Creditors: amounts falling due within one year	9	<u>(16,878)</u>	<u>(2,220)</u>
Net current assets		<u>25,305</u>	<u>22,374</u>
Total assets less current liabilities		85,327	82,396
Creditors: amounts falling due after more than one year	10	<u>(25,000)</u>	<u>(19,660)</u>
Net assets		<u>60,327</u>	<u>62,736</u>
Capital and reserves			
Called up share capital	11	44,928	44,928
Profit and loss account	13	15,399	17,808
Total shareholders' funds	12	<u>60,327</u>	<u>62,736</u>
Attributable to:			
Equity shareholders		15,399	17,808
Non-equity shareholders		44,928	44,928
		<u>60,327</u>	<u>62,736</u>

The financial statements on pages 5 to 15 were approved by the Board of Directors on 5th March 2002, and signed on their behalf by:

Directors

Ben W. White

UCB (INVESTMENTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st December 2001

1. Accounting policies

(a) Basis of accounting

The financial statements are prepared on the historical cost basis, and in accordance with the applicable accounting standards. No group accounts have been prepared because the company's accounts have been consolidated in the accounts of its ultimate parent company. These accounts present information relating to the individual company only and not for the group.

Advantage has been taken of the exemption, granted by paragraph 3(c) of FRS8, from reporting transactions with fellow group undertakings on the basis that the consolidated financial statements on which the company is included are publicly available.

(b) Deferred taxation

Deferred taxation is provided, where applicable, on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

(c) Foreign currencies

Transactions expressed in foreign currencies have been translated into sterling at the rates of exchange approximating to those ruling at the time of the transaction and differences have been included in operating profit. Monetary assets and liabilities have been translated at rates ruling at the Balance Sheet date.

(d) Operating leases

Rentals applicable to operating leases are charged to income as incurred.

UCB (INVESTMENTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st December 2001

(continued)

	2001 £'000	2000 £'000
2. Operating profit		
Operating profit is stated after charging/(crediting)		
Audit fees	-	-
Losses on foreign exchange	8	1
Operating lease rentals	-	5
3. Staff costs (including directors' emoluments)		
a) Wages and salaries	82	183
Social Security costs	21	32
Other pension costs	-	6
	<hr/>	<hr/>
	103	221
	<hr/>	<hr/>
b) Average numbers employed, including directors	5	6
	<hr/>	<hr/>
c) Directors' emoluments	82	198
	<hr/>	<hr/>
4. Interest receivable		
Interest receivable from group companies	1,130	727
Bank interest receivable	-	15
	<hr/>	<hr/>
	1,130	742
	<hr/>	<hr/>
5. Interest payable		
Interest charged by group companies	1,095	1,104
Bank interest payable	585	674
	<hr/>	<hr/>
	1,680	1,778
	<hr/>	<hr/>
6. Taxation credit		
Advance corporation tax	-	1,245
Group relief	62	213
	<hr/>	<hr/>
	62	1,458
	<hr/>	<hr/>

UCB (INVESTMENTS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

31st December 2001
(continued)

7. Subsidiary undertakings

£'000

Shares at cost - as at 31st December, 2000
and 31st December, 2001

60,022

At 31st December, 2001, the company had the following subsidiary undertakings, all of which were wholly owned, incorporated and operated in England, unless otherwise stated:

Viking Trading Co. Limited	(holding company)
Vedim Limited	(holding company) 40% (by virtue of the rights attaching to the "A" shares, the company is treated as a subsidiary undertaking)
UCB Films PLC	(manufactures and markets transparent cellulose and polypropylene films)
* UCB Sidac Limited	(dormant)
* UCB Dumfries Limited	(in liquidation)
* UCB Sidex Limited	(dormant)
* UCB Cellophane Limited	(manufacturers of transparent cellulose films)
UCB T & R Graham Limited	(dormant) - registered in Scotland
UCB Services Limited	(management services company)
UCB (Chem) Limited	(sales company for group chemical products)
UCB Pharma Limited	(sales company for group pharmaceutical products)

Overseas companies (subsidiaries of Viking Trading Co. Limited)

UCB Australia Pty. Limited	(holding company) - incorporated in Australia
** UCB Films (Asia - Pacific) Pty. Limited	(manufacturers of polypropylene films. Sales company for transparent cellulose films) - incorporated in Australia

UCB (INVESTMENTS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

31st December 2001
(continued)

7. Subsidiary undertakings (continued)

- | | | |
|-----|--|--|
| ** | Securency Pty. Limited | (joint venture with the Reserve Bank of Australia. Sales company for plastic substrates for security printing) - incorporated in Australia - 50% + 1 share |
| | UCB (S.A.) Pty. Limited | (sales company for group products in South Africa) - incorporated in the Republic of South Africa |
| | UCB Films Italia S.r.l | (sales company for group film products in Italy) - incorporated in Italy |
| | UCB Chemicals Italia S.p.A | (sales company for group chemical products in Italy) - incorporated in Italy - 99.9 % |
| | UCB Pharma S.p.A | (manufacturers and distributors of pharmaceutical products) incorporated in Italy - 99.9 % |
| *** | Uni-Mediflex Private Limited | (holding company for certain group interests in India) - incorporated in the state of Maharashtra, India |
| * | Subsidiaries of UCB Films PLC | |
| ** | Subsidiary of UCB Australia Pty. Limited | |
| *** | Subsidiary of Vedim Limited | |

UCB (INVESTMENTS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

31st December 2001
(continued)

8. **Debtors:** amounts falling due within one year

	2001	2000
	£'000	£'000
Amounts owed by group undertakings	34,427	21,609
Other debtors	-	471
Prepayments and accrued income	1,768	2,418
	<hr/>	<hr/>
	36,195	24,498
	<hr/>	<hr/>

9. **Creditors:** amounts falling due within one year

Amounts owed to group undertakings	2,397	2,031
Taxation and social security costs	2	2
Dividend payable	14,272	-
Other creditors	54	53
Accruals and deferred income	153	134
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	16,878	2,220
	<hr/>	<hr/>

10. **Creditors:** amounts falling due after more than one year

Bank loans	5,000	5,000
Amounts owed to group undertakings	20,000	14,660
	<hr/>	<hr/>
	25,000	19,660
	<hr/>	<hr/>

All creditors are repayable within five years.

UCB (INVESTMENTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st December 2001

(continued)

11. Share capital

	Authorised		Allotted, called up and fully paid	
	Number of shares	£'000	Number of shares	£'000
At 31st December 2001 and 31st December 2000				
£1 redeemable cumulative preference shares	44,928,426	44,928	44,928,426	44,928
£1 ordinary shares	100	-	100	-
		<u>44,928</u>		<u>44,928</u>

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.

12. Reconciliation of shareholders' funds

	2001 £'000	2000 £'000
Retained profit	(2,409)	2,730
Opening shareholders' funds	62,736	60,006
Closing shareholders' funds	<u>60,327</u>	<u>62,736</u>

UCB (INVESTMENTS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS

31st December 2001
(continued)

13. Reserves

Profit and loss account:

	£'000
Balance at 31st December, 2000	17,808
Retained profit	(2,409)
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Balance at 31st December, 2001	15,399
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14. Deferred tax

There was no actual or potential deferred tax at 31 December, 2001, or 31 December, 2000.

15. Ultimate holding undertaking

The ultimate holding undertaking of UCB (Investments) Limited is UCB S.A., which is incorporated in Belgium.

16. Borrowings by fellow subsidiary undertakings

The company has guaranteed certain borrowings of its UK subsidiary undertakings.

UCB (INVESTMENTS) LIMITED

CASH FLOW STATEMENT

for the year ended 31st December 2001

	Note	2001 £'000	2000 £'000
Net cash outflow from operating activities	1	(11,961)	(2,533)
Returns on investment and servicing of finance			
Interest received		1,130	742
Interest paid		(1,680)	(1,778)
Dividends received		12,351	13,024
Dividends paid		0	(10,716)
Net cash outflow from returns on investments and servicing of finance		11,801	1,272
Taxation			
UK Corporation tax received		712	365
Net cash (outflow) from investing activities		712	365
Net cash (outflow)/inflow from financing		552	(896)
Financing			
Loans advanced		5,340	-
(Decrease)/increase in cash and cash equivalents	2	5,892	(896)

Notes to the cashflow statement are on page 15

UCB (INVESTMENTS) LIMITED

NOTES TO THE GROUP CASH FLOW STATEMENT

31st December 2001

	2001	2000
	£'000	£'000
1. Reconciliation of operating profit to net cash flow from operating activities		
Operating profit	-	-
Increase in debtors	(12,347)	(4,157)
Increase/(decrease) in creditors	386	1,624
	<hr/>	<hr/>
Net cash outflow from continuing operating activities	(11,961)	(2,533)
	<hr/>	<hr/>

2. Analysis of balances of cash and cash equivalents as shown in the balance sheet

	1st January	Cashflow	31st December
	2001	£000	2001
	£000		£000
Bank and cash balances	96	5,892	5,988
	<hr/>	<hr/>	<hr/>