

UCB (Investments) Limited

STATUTORY FINANCIAL STATEMENTS

for the year ended

31 December 2005

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COMPANIES HOUSE

UCB (Investments) Limited
DIRECTORS AND OFFICERS

DIRECTORS

M G Hardy
L Missorten
J P Pradier
S C Jones

SECRETARY

M G Hardy

REGISTERED OFFICE

208 Bath Road
Slough
Berkshire
SL1 3WE

AUDITORS

Baker Tilly
2 Bloomsbury Street
London
WC1B 3ST

UCB (Investments) Limited

DIRECTORS' REPORT

The directors submit their report and the financial statements of UCB (Investments) Limited for the year ended 31 December 2005.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The company acted as a holding company during the period, providing management and financial services to its subsidiaries. There was no change in this activity in the period.

UCB Services Limited continued to provide management services within the Group until 31st December 2005, when its trade ceased.

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 Pharma S.p.A. continued to carry on business as manufacturers and distributors of Group pharmaceutical products in Italy.

UCB Australia Pty. Limited continued to carry on business as a sales company for the products of the UCB S.A. Group in Australia.

The company is part of UCB S.A. Group and financial risk is managed at a Group level and the company achieves the Group objectives by depositing surplus funds with a fellow subsidiary. The main risks to which the company is exposed are foreign exchange rate risks on its balances with group companies, interest rate and actuarial risks on its pension scheme liabilities, and the volatility of returns on pension scheme assets.

FUTURE ACTIVITIES

The company will continue to act as a holding company.

RESULTS AND DIVIDENDS

As noted in the accounts, the costs of pensions have been accounted for in accordance with Financial Reporting Standard 17 'Retirement benefits' as compliance with this standard is now mandatory.

During the year the company made a profit after taxation of £22,004,000, including dividends received amounting to £24,500,000. After allowing for actuarial losses on defined benefit pension schemes less deferred tax of £1,457,000, total recognised gains and losses for the year were £20,457,000. On the 8th July, 2005 the company paid an interim dividend of £50,000,000. It is proposed that that no final dividend shall be paid.

On 15th June, 2006 the company paid an interim dividend in respect of 2006 of £26,000,000.

DIRECTORS

The following directors held office during the year and subsequently:

S C Jones
M G Hardy
J-P Pradier (Belgium)
L Missorten (Belgium)
H S Bains (resigned 28th February 2006)

None of the directors had interests in the share capital of the company.

UCB (Investments) Limited

DIRECTORS' REPORT

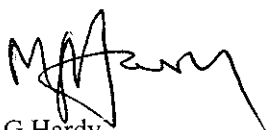
ULTIMATE PARENT UNDERTAKING

The ordinary shareholders of the company on the 31st December 2005 were UCB S.A. holding 75 shares, UCB Investments 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.

ANNUAL GENERAL MEETING

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.

By order of the board



M G Hardy
Secretary

21st December 2006

UCB (Investments) Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. Company law requires the directors to prepare financial statements for each financial year which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. They are responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

We have audited the financial statements on pages 6 to 18.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

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 other transactions 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

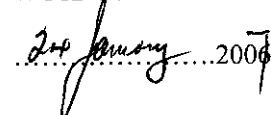
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs at 31 December 2005 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


BAKER TILLY
Registered Auditor
2 Bloomsbury Street
London
WC1B 3ST

 2006

UCB (Investments) Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2005

	Notes	2005 £'000	2004 (as restated) £'000
Operating income		-	457
Administrative expenses		(5,043)	218
OPERATING (LOSS) / PROFIT	1	(5,043)	675
Interest receivable	2	3,772	3,927
Interest payable	3	-	(1,326)
Income from interests in subsidiaries		24,500	13,474
		23,229	16,750
(Loss)/Profit on sale of subsidiaries	7	(1,747)	65,644
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		21,482	82,394
Taxation	5	522	(5,285)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		22,004	77,109

The profit for the year arises from the company's continuing operations.

UCB (Investments) Limited

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 31 December 2005

	Notes	2005 £'000	2004 (as restated) £'000
Retained profit for the year		22,004	77,109
Actuarial gains and losses on defined benefit pension schemes	15	(2,081)	927
Deferred tax	5 / 10	624	(278)
		(1,457)	649
Total recognised gains and losses for the year		20,547	77,758

Financial reporting standard 17 'Retirement benefits' was adopted in the year and the total gains and losses recognised since the 2004 financial statements amount to £2,205,000.


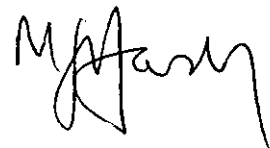
UCB (Investments) Limited

BALANCE SHEET

as at 31 December 2005

	Notes	2005 £'000	2004 (as restated) £'000
FIXED ASSETS			
Investments	7	22,806	22,806
CURRENT ASSETS			
Debtors	8	54,389	88,813
Cash at bank and in hand		3,042	1,699
		57,431	90,512
CREDITORS: Amounts falling due within one year	9	(8,410)	(12,526)
NET CURRENT ASSETS		49,021	77,986
NET ASSETS EXCLUDING PENSION SCHEME ASSETS AND LIABILITIES		71,827	100,792
Defined benefit pension scheme net assets	15	6,845	6,465
Defined pension schemes net deficit	15	(4,640)	(3,772)
		2,205	2,693
NET ASSETS		74,032	103,485
CAPITAL AND RESERVES			
Called up share capital	11	44,928	44,928
Profit and loss account	12	29,104	58,557
SHAREHOLDERS' FUNDS	13	74,032	103,485

The financial statements on pages 6 to 18 were approved and authorised for issue by the Board of Directors on 21st December 2006

} Director

UCB (Investments) Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with 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. Accordingly, these financial statements present information relating to the company as an individual undertaking.

Advantage has been taken of the exemptions granted by paragraph 3(c) of FRS8 and by FRS1 from reporting transactions with fellow group undertakings and presenting a cashflow statement on the basis that the consolidated financial statements on which the company is included are publicly available.

The accounting policies adopted are consistent with those of prior years, except that in the current year the costs of pensions have been accounted for in accordance with Financial Reporting Standard 17 'Retirement benefits' as compliance with this standard is now mandatory. The change of accounting policy results in an increase in net assets of £2,205,000 (2004 - £2,693,000) and an increase in the reported surplus for the year of £969,000 (2004 - £12,333,000).

INVESTMENTS

Long term investments are classified as fixed assets and are stated at cost in the balance sheet. Provision is made for any permanent impairment in the value of fixed asset investments.

DEFERRED TAXATION

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 Group'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.

Deferred tax is recognised in the Statement of Total Recognised Gains and Losses on revaluations where at the balance sheet date there is an agreement to sell the asset.

Deferred tax is recognised in respect of the retained earnings of overseas subsidiaries and associates only to the extent that, at the balance sheet date, dividends have been accrued as receivable or a binding agreement to distribute past earnings in future has been entered into by the subsidiary or associate.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

LEASED ASSETS AND OBLIGATIONS

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lesser.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are "operating leases" and the annual rentals are charged to the profit and loss account on a straight line basis over the lease term.

UCB (Investments) Limited

ACCOUNTING POLICIES

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.

RETIREMENT BENEFITS

For defined benefit schemes the amount charged to the profit and loss account in respect of pension costs and other post retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost. The interest cost and expected return on assets are included within other finance costs.

Actuarial gains and losses arising from new valuations and from updating valuations to the balance sheet date are recognised in the Statement of Total Recognised Gains and Losses.

Defined benefit schemes are funded, with the assets held separately from the group in separate trustee administered funds. Full actuarial valuations, by a professionally qualified actuary, are obtained at least every three years, and updated to reflect current conditions at each balance sheet date. The pension scheme assets are measured at fair value. The pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency. A pension scheme asset is recognised on the balance sheet only to the extent that the surplus may be recovered by reduced future contributions or to the extent that the trustees have agreed a refund from the scheme at the balance sheet date. A pension scheme liability is recognised to the extent that the group has a legal or constructive obligation to settle the liability.

UCB (Investments) Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2005

1	OTHER OPERATING EXPENSES (NET)	2005 £'000	2004 (as restated) £'000
	Operating (loss) / profit is stated after (crediting)/charging		
	Auditors' remuneration	10	10
	Losses/(profits) on foreign exchange	4,155	(409)
		<u> </u>	<u> </u>
	Defined benefit pension scheme charges/(credits) to operating profit		
	Current service cost	1,239	4,288
	Past service credit	-	(1,231)
		<u> </u>	<u> </u>
		1,239	3,057
	Costs recharged to fellow group companies	(398)	(3,324)
		<u> </u>	<u> </u>
		841	(267)

The variance in the losses / profits on foreign exchange reflect relative movements in the Euro / Sterling exchange rate over the two reporting periods.

All costs / credits arose from the company's activity as a holding company.

2	INTEREST RECEIVABLE	2005 £'000	2004 £'000
	Interest receivable from group companies	1,565	1,438
	Bank interest receivable	56	12
		<u> </u>	<u> </u>
		1,621	1,450
		<u> </u>	<u> </u>
	Expected return on pension scheme assets	9,558	11,141
	Interest on pension scheme liabilities	(7,075)	(8,664)
	Unrecognised surplus	(332)	-
		<u> </u>	<u> </u>
		2,151	2,477
		<u> </u>	<u> </u>
		3,772	3,927
		<u> </u>	<u> </u>
3	INTEREST PAYABLE	2005 £'000	2004 £'000
	Interest charged by group companies	-	1,326
	Bank interest payable	-	-
		<u> </u>	<u> </u>
		-	1,326
		<u> </u>	<u> </u>

UCB (Investments) Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2005

4	EMPLOYEES	2005 No.	2004 No.
	The average monthly number of persons (including directors) employed by the company during the year was:	4	3
		<u>4</u>	<u>3</u>
		2005 £'000	2004 £'000
	Staff costs:		
	Wages and salaries	-	25
	Social security costs	-	9
	Pension costs / credit	841	(267)
		<u>841</u>	<u>(233)</u>
	The company acts as sponsoring employer for three defined benefit pension schemes and the pension costs reflect the pension costs not borne by other group companies. The pension cost in respect of the company's own employees was nil (2005: nil).		
	DIRECTORS' EMOLUMENTS	2005 £'000	2004 £'000
	Directors' emoluments	-	25
		<u>-</u>	<u>25</u>
	One (2004: one) of the directors was a member of the company's pension schemes.		
5	TAXATION	2005 £'000	2004 (as restated) £'000
	AMOUNTS CHARGED / (CREDITED) TO THE PROFIT AND LOSS ACCOUNT:		
	UK corporation tax:		
	Group relief credit	(937)	-
		<u>(937)</u>	<u>-</u>
	Deferred taxation:		
	Origination and reversal of timing differences	415	5,285
		<u>415</u>	<u>5,285</u>
	Total taxation (credit)/charge	<u>(522)</u>	<u>5,285</u>

UCB (Investments) Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2005

5 TAXATION (continued)

Factors affecting the tax charge for the period:		
The tax charge assessed for the period is lower than the standard rate of corporation tax in the UK (30%). The differences are explained below:	2005 £'000	2004 (as restated) £'000
Profit on ordinary activities before tax	21,482	82,394
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2004 30%)	6,445	24,718
Effects of:		
Dividend income not taxable	(7,350)	(4,042)
Net movement in pension scheme liability not subject to tax	(415)	(5,285)
(Loss)/profit on disposal of subsidiaries not subject to tax	383	(15,231)
Current tax (credit)/charge for the period	(937)	-
AMOUNTS CHARGED / (CREDITED) TO THE STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES		
Deferred taxation:		
Origination and reversal of timing differences	(624)	278

6 DIVIDENDS

	2005 £'000	2004 (as restated) £'000
Preference dividends	50,000	27,783
Ordinary dividends	-	-
	50,000	27,783

7 SUBSIDIARY UNDERTAKINGS

	£'000
Shares at cost - as at 31 December 2005 and 31 December 2004	22,806

At 31 December 2005 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 (Investments) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2005

7 SUBSIDIARY UNDERTAKINGS – continued

UCB T & R Graham Limited	(dormant) - registered in Scotland
UCB Services Limited	(non- trading management services company from 1 st January 2006)
UCB Watford Limited	dormant
Overseas companies (subsidiaries of Viking Trading Co. Limited)	
UCB Australia Pty. Limited	(sales company for the group products in Australia) - incorporated in Australia
UCB (S.A.) Pty. Limited	(sales company for group products in South Africa) - incorporated in the Republic of South Africa
UCB Pharma S.p.A	(manufacturers and distributors of pharmaceutical products) incorporated in Italy - 99.9 %
*Uni-Mediflex Private Limited	(dormant) - incorporated in the state of Maharashtra, India
*Subsidiary of Vedim Limited	

(Loss)/Profit on sale of subsidiaries

During 2004 the company sold Surface Specialities plc and UCB Chem Limited. The sales generated a profit on disposal of £65.6 million, including a FRS17 curtailment gain of £14.9 million. Following a final agreement relating to the sale of Surface Specialities in 2005, a loss of £1.7 million, including a FRS17 settlement loss of £0.5 million, has been recorded.

8	DEBTORS	2005 £'000	2004 £'000
	Amounts owed by group undertakings	53,370	85,832
	Other debtors	2	-
	Corporation tax	937	-
	Prepayments and accrued income	80	2,981
		<u>54,389</u>	<u>88,813</u>
9	CREDITORS: Amounts falling due within one year	2005 £'000	2004 £'000
	Amounts owed to group undertakings	7,653	5,361
	Other creditors	-	23
	Accruals and deferred income	757	7,142
		<u>8,410</u>	<u>12,526</u>

UCB (Investments) Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2005

10	DEFERRED TAXATION	2005 £'000	2004 £'000
	(Asset) / liability as at 1 January 2005	(1,154)	4,409
	(Credit) to the profit and loss account	(415)	(5,285)
	Charge / (credit) to the statement of total recognised gains and losses	624	(278)
	(Asset) as at 31 December 2005	<u>(945)</u>	<u>(1,154)</u>

The deferred taxation relates to the pension scheme assets / liabilities.

11	SHARE CAPITAL	2005 £'000	2004 £'000
	Authorised:		
	44,928,426 redeemable cumulative preference shares of £1 each	44,928	44,928
	100 ordinary shares of £1 each	-	-
		<u>44,928</u>	<u>44,928</u>
	Allotted, issued and fully paid:		
	44,928,426 redeemable cumulative preference shares of £1 each	44,928	44,928
	100 ordinary shares of £1 each	-	-
		<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	PROFIT AND LOSS ACCOUNT	2005 £'000	2004 £'000
	Balance at 31 December 2004		
	- as originally stated	55,864	18,871
	- prior year adjustment	2,693	(10,289)
		<u>58,557</u>	<u>8,582</u>
	- as restated	58,557	8,582
	Total recognised gains and losses	20,547	77,758
	Dividends	(50,000)	(27,783)
		<u>29,104</u>	<u>58,557</u>
	Balance at 31 December 2005	<u>29,104</u>	<u>58,557</u>
	Distributable	22,259	52,092
	Non-distributable	6,845	6,465
		<u>29,104</u>	<u>58,557</u>
	Balance at 31 December 2005	<u>29,104</u>	<u>58,557</u>

UCB (Investments) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2005

13	RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS	2005 £'000	2004 £'000
	Opening shareholders' funds		
	- as originally stated	100,792	63,799
	- prior year adjustment	2,693	(10,289)
	- as restated	103,485	53,510
	Total recognised gains and losses	20,547	77,758
	Dividends	(50,000)	(27,783)
	Closing shareholders' funds	74,032	103,485

14 ULTIMATE PARENT UNDERTAKING

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

15 PENSION

NATURE OF SCHEMES

UCB (Investments) Ltd is the sponsoring employer for three pension schemes which are constituted through separate independent trusts. The schemes are contributory, funded, defined benefit schemes, the benefits of which are based on final pensionable pay. The company had no active members in the schemes during 2005, the scheme members being employees of the company's subsidiaries.

The last full actuarial valuations of the three schemes were carried out on 1 January 2005 and were updated in accordance with Financial Reporting Standard 17 (FRS17) to 31 December 2005 by a *qualified independent actuary*. The information below relates to the three schemes combined.

The major assumptions used by the actuary were:

	At 31/12/2005 %	At 31/12/2004 %	At 31/12/2003 %
Rate of increase in salaries	4.00	4.15	3.90
Rate of increase of pensions in payment	3.00	2.75	2.50
Discount rate	4.70	5.25	5.25
Inflation assumption	3.00	2.75	2.50

The above assumptions related to all three schemes.

UCB (Investments) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2005

15 PENSION (continued)

The assets in the schemes and the expected rate of return were:

	Long-term rate of return expected at 31/12/2005 %	Value at 31/12/2005 £'000	Long-term rate of return expected at 31/12/2004 %	Value at 31/12/2004 £'000	Long-term rate of return expected at 31/12/2003 %	Value at 31/12/2003 £'000
Equities	7.5	86,288	7.75	129,513	7.75	127,431
Bonds	5.00	39,267	5.00	28,411	5.25	23,136
Property	7.5	1,077	6.75	1,024	-	-
Cash	3.00	4,973	3.00	11,386	3.00	3,428
		<u>131,605</u>		<u>170,334</u>		<u>153,995</u>
Total market value of assets		131,605		170,334		153,995
Present value of scheme liabilities		(127,874)		(166,487)		(168,693)
		<u>3,731</u>		<u>3,847</u>		<u>(14,698)</u>
Net surplus/deficit in the schemes		3,731		3,847		(14,698)
Assets not recognised		(581)		-		-
		<u>3,150</u>		<u>-</u>		<u>-</u>
Deferred tax		(945)		(1,154)		4,409
		<u>2,205</u>		<u>2,693</u>		<u>(10,289)</u>
		<u>2,205</u>		<u>2,693</u>		<u>(10,289)</u>
Analysed as:						
Scheme with surplus assets		6,845		6,465		-
Schemes with a deficiency of assets		(4,640)		(3,772)		(10,289)
		<u>2,205</u>		<u>2,693</u>		<u>(10,289)</u>

UCB (Investments) Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2005

15 PENSION (*continued*)

Movements in surplus/deficit during the year	At 31/12/2005 £000	At 31/12/2004 £000
(Deficit) in schemes at beginning of the year	3,847	(14,698)
Movement in year:		
Current service cost	(1,239)	(4,288)
Contributions	942	3,324
Past service credit	-	1,231
Other finance income	2,151	2,477
Curtailment gains	-	14,874
Settlement loss	(470)	-
Actuarial gain/(loss)	(2,081)	927
Recognisable surplus/(deficit) in schemes at the end of the year	<u>3,150</u>	<u>3,847</u>

The curtailment gain and settlement loss arose from the 2004 sale of a subsidiary company, the employees of which became deferred members of the scheme. In 2005, transfers in respect of the former members have resulted in the settlement loss.

Analysis of amounts recognised in the statement of total recognised gains and losses ("STRGL").	2005 £'000	2004 £'000
Actual return less expected return on pension scheme assets	18,277	5,710
Experience gains and losses arising on the scheme liabilities	(1,348)	2,449
Changes in financial assumptions underlying the scheme liabilities	(18,761)	(7,232)
Unrecognised surplus	<u>(249)</u>	<u>0</u>
Actuarial gain/(loss) recognised in STRGL	(2,081)	927

History of experience gains and losses

	2005	2004	2003	2002
Difference between the expected and actual return on scheme assets:				
Amount (£000)	18,277	5,710	13,511	(35,559)
Percentage of scheme assets	14%	3%	9%	27%
Experience gains and losses on scheme liabilities:				
Amount (£000)	(1,348)	2,449	118	(2,780)
Percentage of the present value of the scheme liabilities	(1%)	2%	0%	2%
Total amount recognised in the statement of recognised gains and losses				
Amount (£000)	(2,081)	927	4,481	(32,758)
Percentage of the present value of the scheme liabilities	(2%)	1%	3%	19%