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UCB (Investments) Limited

Annual report and financial statements for the
financial year ended 31 December 2011

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UCB (INVESTMENTS) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2011

DIRECTORS' REPORT

The directors submit their annual report and audited financial statements of the Company for the 12 months ended 31 December 2011

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS

The principal activity of the Company (registered number 01106309) is that of a holding Company, providing management and financial services to its subsidiaries

The Company made a profit after taxation of £3,222,000 (2010 £1,345,000 loss) After allowing for actuarial losses on defined benefit pension schemes less deferred tax of £1,841,000 (2010 £6,634,000) the total recognised gains for the year was £1,381,000 (2010 £7,979,000 recognised losses)

The performance of the Company during and at the end of the year was considered to be satisfactory by the directors

PRINCIPAL RISKS AND UNCERTAINTIES

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

The 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 Board of Directors is assisted by the Audit Committee in its responsibility for the appreciation of risk and risk management The 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 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

FINANCIAL RISK MANAGEMENT

The company is exposed to various financial risks arising from its operations and Group corporate finance activities The Group manages, on behalf of the subsidiaries, these financial risks These financial risks are market risk (including currency risk, interest risk and price risk), credit risk and liquidity risk

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's profit and loss 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

Foreign exchange risk

The Company as part of the UCB Group operates across the world and is exposed to movements in foreign currencies affecting its net income and financial position, as expressed in sterling The Group actively monitors its currency exposures, and when appropriate enters into transactions with the aim of preserving the value of assets and anticipated transactions The Group uses forward contracts, foreign exchange options and cross currency swaps to hedge certain committed and anticipated foreign exchange flows and financing transactions

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

Credit risk

Credit risk arises from the possibility that the counterparty to a transaction may be unable or unwilling to meet its obligations causing a financial loss to the Company Trade receivables are subject to a policy of active risk management, which focuses on the assessment of country risk, credit availability, ongoing credit evaluation and account monitoring procedures

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

UCB (INVESTMENTS) LIMITED
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2011

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

DIVIDENDS

The directors do not recommend the payment of a dividend for the year (2010 £nil)

FUTURE DEVELOPMENTS

The Company will continue to act as a Group holding Company for fellow subsidiaries in the forthcoming future

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
S C Jones

DIRECTORS' INDEMNITIES

Qualifying third party indemnity provisions (as defined in section 234 of the Companies Act 2006) are in force for the benefit of the directors and former directors who held office during 2011

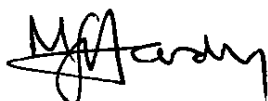
DISCLOSURE OF INFORMATION TO AUDITORS

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 auditors are 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 auditors are aware of that information

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution that they be reappointed will be put forward to the members

On behalf of the Board



M G Hardy
Director
16/07/2012

UCB (INVESTMENTS) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2011

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

We have audited the financial statements of UCB (Investments) Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2011 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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Other matters

The Company has passed a resolution in accordance with Section 506 of the Companies Act 2006 that the senior statutory auditor's name should not be stated.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading

17 July 2012.

UCB (INVESTMENTS) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	2011 £'000	2010 £'000
Administrative expenses		(802)	(743)
Operating loss	2	(802)	(743)
Income from shares in group undertakings	3	3,860	-
Interest receivable and similar income	4	286	1,274
Profit on ordinary activities before taxation		3,334	531
Tax on profit on ordinary activities	5	(112)	(1,876)
Profit/(loss) for the financial year	11	3,222	(1,345)

The notes on pages 8 to 15 form part of these financial statements

All results derive from continuing operations

There is no material difference between the profit on ordinary activities before taxation and the profit/(loss) for the years stated above and their historical cost equivalents

UCB (INVESTMENTS) LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2011


	Note	2011 £'000	2010 £'000
Profit/(loss) for the financial year		3,222	(1,345)
Actuarial losses on defined benefit pension schemes	16	(2,454)	(9,088)
Deferred tax	9	613	2,454
		(1,841)	(6,634)
Total recognised gains and losses for the financial year		1,381	(7,979)

UCB (INVESTMENTS) LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 2011

	Note	2011 £'000	2010 £'000
Fixed Assets			
Investments	6	23,397	23,397
		<u>23,397</u>	<u>23,397</u>
Current Assets			
Debtors	7	23,066	22,870
Cash at bank and in hand		<u>7,009</u>	<u>5,036</u>
		30,075	27,906
Creditors amounts falling due within one year	8	<u>(3,685)</u>	<u>(3,668)</u>
Net current assets		<u>26,390</u>	<u>24,238</u>
Total assets less current liabilities		<u>49,787</u>	<u>47,635</u>
Net assets excluding pension scheme liability		<u>49,787</u>	<u>47,635</u>
Defined benefit pension scheme net (deficit) / assets	16	<u>(4,127)</u>	<u>(3,356)</u>
Net assets including pension scheme liability		<u>45,660</u>	<u>44,279</u>
Capital and reserves			
Called up share capital	10	44,928	44,928
Profit and loss account	11	<u>732</u>	<u>(649)</u>
Total shareholders' funds	12	<u>45,660</u>	<u>44,279</u>

The notes on page 8 to 15 form part of these financial statements

The financial statements were approved by the Board of Directors on 16th July 2012 and signed on their behalf by


M G Hardy
Director


S C Jones
Director

UCB (Investments) Limited Registered Number 01106309

UCB (INVESTMENTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

1 ACCOUNTING POLICIES

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

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. The principal accounting policies, which have been applied consistently throughout the year, are set out below

The Company is exempt by virtue of part 15, section 400 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

CASH FLOW STATEMENT

The Company is a wholly owned subsidiary Company of a group headed by UCB S A, and is included in the consolidated financial statements of that Company, which are publicly available. Consequently, the Company has taken advantage of the exemption within FRS 1 (revised 1996) 'Cash flow statements' from preparing a cash flow statement

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 period when they are paid or become an irrevocable committed obligation

RELATED PARTY TRANSACTIONS

The Company is exempt, under FRS 8, from the requirement to disclose related party transactions on the grounds that it is a wholly owned subsidiary undertaking. This exemption covers transactions with other Group undertakings

FOREIGN CURRENCIES

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

DEFERRED TAXATION

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 to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted

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

INVESTMENTS

Investments are carried at the lower of cost and recoverable amount. Investments are tested for impairment by comparing the carrying value of the investment with its recoverable amount on an annual basis at the balance sheet date

RETIREMENT BENEFITS

FRS17 has been followed for 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 Company 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 only to the extent of the expected net present value of future current service costs 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 Company has a legal or constructive obligation to settle the liability

UCB (INVESTMENTS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2011

1 ACCOUNTING POLICIES (CONTINUED)

TRADE AND OTHER DEBTORS

Trade and other debtors are carried at the lower of their original invoiced value and recoverable amount. Provision is made when there is objective evidence that the Company will not be able to recover balances in full, with the charge being recognised in the profit and loss account. Balances are written off when the probability of recovery is assessed as being remote.

TRADE AND OTHER CREDITORS

Trade and other creditors are stated at cost.

2 OPERATING LOSS

	2011 £'000	2010 £'000
Operating loss is stated after charging		
Auditors' remuneration – audit fees	4	5
Defined benefit pension scheme charges / (credits) to operating loss		
Current service cost	1,086	1,052
Costs recharged to Group undertakings	(381)	(471)
	<u>705</u>	<u>581</u>

The Company has no employees (2010: nil) and no staff costs (2010: £nil).

None of the directors received nor were due remuneration from the Company during the year (2010: £nil).

The directors are paid by other group undertakings. It is not possible to make an accurate apportionment of their emoluments and accordingly the Profit and Loss Account includes no amounts for these individuals.

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.

3 INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2011 £'000	2010 £'000
Dividend received from Group undertakings	3,850	-
	<u>3,850</u>	<u>-</u>

4 INTEREST RECEIVABLE AND SIMILAR INCOME

	2011 £'000	2010 £'000
Bank interest receivable	9	6
Interest receivable from Group undertakings	215	186
Expected return on pension scheme assets	6,836	7,896
Interest cost on pension scheme liabilities	(6,774)	(6,814)
	<u>286</u>	<u>1,274</u>

5 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2011 £'000	2010 £'000
<i>Current tax</i>		
UK Corporation tax on profit of the year	(564)	(448)
Adjustment in respect of prior year	134	1,817
<i>Deferred taxation</i>		
Origination and reversal of timing differences	542	507
Total current tax for the year	<u>112</u>	<u>1,876</u>

The tax assessed for the year is lower (2010: higher) than the standard rate of corporation tax in the UK 26.5% (2010: 28%). The differences are explained below.

UCB (INVESTMENTS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2011

5 TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

	2011	2010
	£'000	£'000
Profit on ordinary activities before taxation	3,334	531
Profit on ordinary activities multiplied by the standard rate of corporation tax in the United Kingdom 26.5% (2010: 28%)	884	149
Effects of		
Net movement in pension scheme liability not liable to tax	(428)	(597)
Dividend income not taxable	(1,020)	-
Adjustment in respect of prior year	134	1,817
Current tax charge for the year	(430)	1,369

A number of changes to the UK Corporation tax system were announced in the March 2011 UK Budget Statement. A resolution passed by Parliament on 29 March 2011 reduced the main rate of corporation tax to 26% from 1 April 2011. Further reductions to the UK corporation tax rate were announced in the June 2010 Budget. Legislation to reduce the main rate of corporation tax from 26% to 25% from 1 April 2012 is expected to be included in the Finance Act 2011. Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 23% by 1 April 2014. These further changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements. The proposed reductions of the main rate of corporation tax by 1% per year to 23% by 1 April 2014 are expected to be enacted separately each year.

	2011	2010
	£'000	£'000
Amounts charged to the statement of total recognised gains and losses	613	2,454
Deferred taxation, origination and reversal of timing difference		

UCB (INVESTMENTS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2011

6 FIXED ASSET INVESTMENTS

	Shares in subsidiary undertakings £'000
Cost	
At 1 January 2011	23,397
Additions	-
At 31 December 2011	23,397
Provisions	
At 1 January 2011	-
At 31 December 2011	-
Net book value	
At 31 December 2011	23,397
At 31 December 2010	23,397

The directors believe that the carrying value of the investments is supported by their underlying net assets

At 31 December 2011 the Company held 100% shareholdings in the following subsidiary undertakings

Subsidiary Undertaking	Principal business activity	Country of Incorporation	Description of shares held
Viking Trading Company Limited	Holding company	England and Wales	Redeemable preference shares and Ordinary share
Vedim Limited	Holding of licenses and registrations	England and Wales	Ordinary 'A' shares and Ordinary 'B' shares
UCB T&R Graham Limited	Dormant	Scotland	Ordinary shares
UCB Watford	Dormant	England and Wales	Redeemable preference shares and Ordinary share
UCB Australia Pty Limited	Sale and distribution of pharmaceutical products	Australia	Ordinary shares
UCB Pharma S p A	Manufacture and distribution of pharmaceutical products	Italy	Ordinary shares

All interests are direct except the interest in UCB Australia Pty Limited and UCB Pharma S p A which are by virtue of the Company's interest in Viking Trading Company Limited

Uni-Mediflex Private Limited was sold by Vedim Limited on 21 December 2011

UCB (INVESTMENTS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2011

7 DEBTORS

	2011 £'000	2010 £'000
Amounts owed by Group undertakings	23,048	22,847
Other debtors	4	13
Prepayments and accrued income	14	10
	23,066	22,870

The amounts owed by Group undertakings are unsecured, £1,338,000 (2010 £846,000) are interest free, £21,710,000 (2010 £22,001,000) bear interest at an annual rate of 1.22% (2010 0.92%) have no fixed date of repayment and are repayable on demand

8 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £'000	2010 £'000
Amounts owed to Group undertakings	3,643	3,551
Accruals and deferred income	42	117
	3,685	3,668

Amounts owed to group undertakings are unsecured, are interest free, have no fixed date of repayment and are repayable on demand

9 DEFERRED TAXATION

	2011 £'000	2010 £'000
Balance as at 1 January	1,305	(642)
Profit and loss account charge	(542)	(507)
Charge to the Statement of Total Recognised Gains and Losses	613	2,454
Liability as at 31 December (note 16)	1,376	1,305

The deferred taxation liability relates to the pension scheme assets and liabilities. A rate of 25% (2010 27%) has been used to calculate the final balances

10 CALLED UP SHARE CAPITAL

	2011 £'000	2010 £'000
Authorised		
44,928,426 (2010 44,928,426) redeemable cumulative preference shares of £1 each	44,928	44,928
100 (2010 100) ordinary shares of £1 each	-	-
Allotted and fully paid		
44,928,426 (2010 44,928,426) redeemable cumulative preference shares of £1 each	44,928	44,928
100 (2010 100) ordinary shares of £1 each	-	-

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.

UCB (INVESTMENTS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2011

11 PROFIT AND LOSS ACCOUNT

	Profit and loss account £'000
At 1 January 2011	(649)
Profit for the financial year	3,222
Other recognised gains and losses	(1,841)
At 31 December 2011	732

12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011 £'000	2010 £'000
Profit / (loss) for the financial year	3,222	(1,345)
Recognised gains and losses	(1,841)	(6,634)
Net addition/(deduction) to shareholders' funds	1,381	(7,979)
Opening shareholders' funds	44,279	52,258
Closing shareholders' funds	45,660	44,279

13 RELATED PARTY TRANSACTIONS

The Company is exempt, under FRS 8, from the requirement to disclose related party transactions on the grounds that it is a wholly owned subsidiary undertaking. This exemption covers transactions with other Group undertakings. There were no other related party transactions in the year.

14 PARENT UNDERTAKING

The immediate and ultimate parent company and controlling party of the Company is UCB S A, a company incorporated in Belgium, which is the parent undertaking of the smallest and largest group in which the Company's results are consolidated. Copies of the respective financial statements of each of these companies can be obtained from Celltech Group Limited, 208 Bath Road, Slough, Berkshire, SL1 3WE.

15 CONTINGENT LIABILITIES

ENVIRONMENTAL MATTERS

Following the disinvestment of the Surface Specialties businesses in July 2004, UCB (Investments) Limited together with its parent UCB SA retained certain commitments in respect of Environmental Matters. There is an overall time limit for the making of claims of seven years together with other financial limitations. No security has been provided by the Company in connection with the liability. As the time limit has now expired without any claims forthcoming, this contingent liability has now ceased.

PENSION FUND

On 26 June 2007 an account charge was registered between the Company and the UCB British Pension Trust Limited, being the present corporate trustee of the UCB British Pension Scheme, on a newly created deposit escrow account. The Company has agreed to pay the pension contributions into this account which can be used to fund any future deficit in the UCB British Pension Scheme. As at 31 December 2011 the balance on this escrow account was £6,751,000 (2010 £5,090,000).

16 PENSION COMMITMENTS

Nature of schemes

UCB (Investments) Limited 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 2011 (2010: none), the scheme members being employees of other UCB Group companies in the United Kingdom.

The last full actuarial valuations of the three schemes were carried out on 1 January 2010 and were updated in accordance with Financial Reporting Standard 17 (FRS17) to 31 December 2011 by a qualified independent actuary. The information below relates to the three schemes combined.

UCB (INVESTMENTS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2011

16 PENSION COMMITMENTS (CONTINUED)

The major assumptions used by the actuary were	At 31/12/2011 %	At 31/12/2010 %	At 31/12/2009 %
Rate of increase in salaries	4.00	4.50	4.50
Rate of increase of pensions in payment	3.00	3.50	3.50
Discount rate	4.75	5.50	5.50
Inflation assumption - RPI	3.00	3.50	3.50
Inflation assumption - CPI	2.50	3.00	N/A

The above assumptions related to all three schemes

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

	Long term rate of return expected at 31/12/11 %	Value at 31/12/2011 £'000	Long term rate of return expected at 31/12/10 %	Value at 31/12/2010 £'000	Long term rate of return expected at 31/12/09 %	Value at 31/12/2009 £'000
Equities	n/a	-	8.00	10,728	8.00	33,364
Bonds	n/a	-	5.50	2,578	5.50	12,325
Growth funds	6.25	13,084	n/a	-	n/a	-
Liability matching funds	0.75	2,082	n/a	-	n/a	-
Annuities	4.75	112,158	5.50	105,479	5.50	83,306
Property	n/a	-	8.00	1,086	8.00	994
Cash	3.25	2,305	3.75	1,704	3.75	1,306
Total market value of assets		129,629		121,575		131,295
Present value of scheme liabilities		(135,132)		(126,236)		(126,652)
Net (deficit)/ surplus in the schemes		(5,503)		(4,661)		4,643
Assets not recognised		-		-		(1,570)
Deferred tax (note 9)		1,376		1,305		(642)
		<u>(4,127)</u>		<u>(3,356)</u>		<u>2,431</u>
Analysed as						
Scheme with surplus assets		-		-		5,115
Scheme with a deficiency of assets		<u>(4,127)</u>		<u>(3,356)</u>		<u>(2,684)</u>
		<u>(4,127)</u>		<u>(3,356)</u>		<u>2,431</u>

The assets in any of the three pension funds were not recognised as a result of the surpluses being restricted in accordance with paragraph 41 of FRS 17 (2010 not recognised)

UCB (INVESTMENTS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
AT YEAR ENDED THE YEAR ENDED 31 DECEMBER 2011

16 PENSION COMMITMENTS (CONTINUED)

	2011	2010
	£'000	£'000
Movements in deficit during the year		
Surplus in schemes at beginning of the year	(4,661)	3,073
Movement in year		
Current service cost	(1,086)	(1,052)
Contributions	2,636	1,324
Other finance income	62	1,082
Actuarial loss	(2,454)	(9,088)
Recognisable deficit in schemes at the end of the year	(5,503)	(4,661)

	2011	2010
	£'000	£'000
Analysis of amounts recognised in the statement of total recognised gains and losses ("STRGL")		
Actual return less expected return on pension scheme assets	5,453	(12,345)
Experience gains and losses arising on the scheme liabilities	39	814
Changes in financial assumptions underlying the scheme liabilities	(7,946)	873
Unrecognised surplus	-	1,570
Actuarial loss recognised in STRGL	(2,454)	(9,088)

	2011	2010	2009	2008	2007
History of experience gains and losses					
Difference between the expected and actual return on scheme assets					
Amount - £'000	5,453	(12,345)	1,813	(16,918)	(40)
Percentage of scheme assets	4%	(10%)	1%	(13%)	(0%)
Experience gains and losses on scheme liabilities					
Amount - £'000	39	814	205	(1974)	1,090
Percentage of present value of scheme liabilities	0%	1%	0%	(2%)	1%
Total amount recognised in the statement of recognised gains and losses					
Amount - £'000	(2,454)	(9,088)	(3,814)	(3,461)	(1,300)
Percentage of present value of scheme liabilities	(2%)	(7%)	(3%)	(3%)	(1%)