



**UCB (Investments) Limited**

Annual report and financial statements for the  
year ended 31 December 2015

Company registration number: 01106309

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**UCB (Investments) Limited**  
**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

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**PRINCIPAL ACTIVITIES 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 for the financial year of £34,862,000 (2014: profit £81,941,000).

After allowing for remeasurements of the defined benefit pension scheme net deficit less deferred tax of £10,503,000 (2014: £3,022,000) the total comprehensive income for the year was £24,359,000 (2014: £78,919,000).

The Company has net assets of £945,894,000 (2014: £953,535,000) at the balance sheet date.

The comparative balances for the year ended 31 December 2014 have been restated following a prior year adjustment, and the impact on the financial statements is shown in note 2.

**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 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 effectively and efficiently assess, 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.

On behalf of the Board:



Y Khatri  
Director

Date: 12 / 08 / 2016

**UCB (Investments) Limited**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

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The directors present their report and audited financial statements of the Company for the year ended 31 December 2015.

**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 foreign exchange risk and interest rate 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.

**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**

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  
Y Khatri

**DIVIDENDS**

During the year the Company paid a dividend of £32.0 million (2014: £82.5 million) in respect of the year ended 31 December 2015.

**DIRECTORS' 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 and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

**POST BALANCE SHEET EVENTS**

There are no significant post balance sheet events.

**STATEMENT OF 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.

**UCB (Investments) Limited**  
**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

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**INDEPENDENT AUDITORS**

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report and 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

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 United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; 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 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board:



Y Khatri  
Director

208 Bath Road  
Slough  
Berkshire  
United Kingdom  
SL1 3WE

Date: 12/08/ 2016

# **UCB (Investments) Limited**

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

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### **Report on the financial statements**

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#### **Our opinion**

In our opinion UCB (Investments) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 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.
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#### **What we have audited**

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the balance sheet as at 31 December 2015;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion 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.

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#### **Other matters on which we are required to report by exception**

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##### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

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##### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

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## **UCB (Investments) Limited**

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

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#### **Responsibilities for the financial statements and the audit**

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##### **Our responsibilities and those of the directors**

As explained more fully in the Statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & 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.

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##### **What an audit of financial statements involves**

We conducted our audit in accordance with ISAs (UK and Ireland) (ISAs (UK & Ireland)). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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##### **Other matter**

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  
Uxbridge

Date: 12 / 08 / 2016

**UCB (Investments) Limited**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

	Notes	2015 £'000	(Restated*) 2014 £'000
Administrative expenses		(1,395)	(997)
<b>Operating loss</b>	3	<b>(1,395)</b>	<b>(997)</b>
Income from shares in group undertakings	4	35,697	82,500
Interest receivable and similar income	5	192	86
Interest payable and similar charges	6	(5)	-
<b>Profit on ordinary activities before taxation</b>		<b>34,489</b>	<b>81,589</b>
Tax on profit on ordinary activities	7	373	352
<b>Profit for the financial year</b>		<b>34,862</b>	<b>81,941</b>
<b>Other comprehensive income</b>			
Remeasurements of defined benefit liability		(12,980)	(3,533)
Income tax on remeasurements of defined benefit liability		2,477	511
<b>Other comprehensive expense for the year, net of income tax</b>		<b>(10,503)</b>	<b>(3,022)</b>
<b>Total comprehensive income for the year</b>		<b>24,359</b>	<b>78,919</b>

The notes on pages 9 to 20 form part of these financial statements.

All results derive from continuing operations.

\*See note 2 for further details on the prior year restatement.

**UCB (Investments) Limited**  
**BALANCE SHEET**  
**AS AT 31 DECEMBER 2015**

	Notes	2015 £'000	(Restated) 2014 £'000
<b>Fixed assets</b>			
Investments	8	938,153	938,153
		<u>938,153</u>	<u>938,153</u>
<b>Current assets</b>			
Debtors (including £1,819,000 (2014: £nil) due after more than one year)	9	7,925	18,375
Cash at bank and in hand		2,307	3,709
		<u>10,232</u>	<u>22,084</u>
<b>Creditors: amounts falling due within one year</b>	10	(2,491)	(1,540)
		<u>7,741</u>	<u>20,544</u>
<b>Net current assets</b>			
		<u>945,894</u>	<u>958,697</u>
<b>Total assets less current liabilities</b>			
		<u>945,894</u>	<u>958,697</u>
<b>Net assets excluding pension scheme liability</b>			
		<u>945,894</u>	<u>958,697</u>
Defined benefit pension scheme net deficit	16	-	(5,162)
		<u>945,894</u>	<u>953,535</u>
<b>Net assets</b>			
		<u>945,894</u>	<u>953,535</u>
<b>Capital and reserves</b>			
Called up share capital	12	45,928	45,928
Share premium account		915,804	915,804
Profit and loss account		(15,838)	(8,197)
		<u>945,894</u>	<u>953,535</u>
<b>Total equity</b>		<u>945,894</u>	<u>953,535</u>

The notes on page 9 to 20 form part of these financial statements.

The financial statements on pages 6 to 20 were approved by the Board of Directors on 12/08/2016 and signed on its behalf by:



Y Khatri  
Director

**COMPANY REGISTERED NUMBER: 01106309**



**UCB (Investments) Limited**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£'000	£'000	£'000	£'000
Balance 1 January 2014	45,928	915,804	(4,616)	957,116
<b>Total comprehensive income for the year</b>				
Profit for the financial year (restated*)	-	-	81,941	81,941
Other comprehensive expense (restated*)	-	-	(3,022)	(3,022)
Total comprehensive income for the year	-	-	78,919	78,919
Transactions with owners, recorded directly in equity				
Dividends	-	-	(82,500)	(82,500)
Total contributions by and distributions to owners	-	-	(82,500)	(82,500)
<b>Balance at 31 December 2014 (restated*)</b>	<b>45,928</b>	<b>915,804</b>	<b>(8,197)</b>	<b>953,535</b>
<b>Total comprehensive income for the year</b>				
Profit for the financial year	-	-	34,862	34,862
Other comprehensive expense	-	-	(10,503)	(10,503)
Total comprehensive income for the year	-	-	24,359	24,359
Transactions with owners, recorded directly in equity				
Dividends	-	-	(32,000)	(32,000)
Total contributions by and distributions to owners	-	-	(32,000)	(32,000)
<b>Balance at 31 December 2015</b>	<b>45,928</b>	<b>915,804</b>	<b>(15,838)</b>	<b>945,894</b>

\*See note 2 for further details on the prior year restatement.

# **UCB (Investments) Limited**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 December 2015**

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#### **1 ACCOUNTING POLICIES**

UCB (Investments) Limited is a private limited company and incorporated and domiciled in the UK.

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.

These financial statements were prepared in accordance with the Companies Act 2006 as applicable to companies using Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2013/14 Cycle) issued in July 2014 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("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.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position and financial performance of the Company is provided in note 18

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.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- The requirement of IFRS1 to present an opening statement of financial position for qualifying entities adopting FRS 101 for the first time.
- Disclosures in respect of the compensation of Key Management Personnel;
- The requirements to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

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

- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods 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 17.

#### **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.

**UCB (Investments) Limited**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 December 2015**

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**1 ACCOUNTING POLICIES (CONTINUED)**

**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.

**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 in the period in which they arise.

**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.

**EMPLOYEE BENEFITS**

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets are deducted. The Company determines the net interest on the net defined benefit liability/(asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset).

Remeasurements arising from defined benefit plans comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Company recognises them immediately in other comprehensive income and all other expenses related to defined benefit plans in employee benefit expenses in profit or loss.

The calculation of the defined benefit obligations is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the present value of benefits available in the form of any future refunds from the plan or reductions in future contributions and takes into account the adverse effect of any minimum funding requirements.

The Company is the sponsoring employer of three group wide defined benefit pension plans. As there is no contractual agreement or stated group policy for charging the net defined benefit cost of the plan to participating entities, the net defined benefit cost of the pension plans is recognised fully by the sponsoring employer, which is the Company.

**NON-DERIVATIVE FINANCIAL INSTRUMENTS**

Non-derivative financial instruments comprise trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. 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.

**UCB (Investments) Limited**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

**1 ACCOUNTING POLICIES (CONTINUED)**

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

**2 PRIOR YEAR ADJUSTMENT**

Following approval of the directors' report and audited financial statements for the year ended 31 December 2014, a number of prior year errors were identified that led to incorrect balances being recorded in the statement of comprehensive income, and balance sheet for the year ended 31 December 2014.

These errors related to the incorrect calculation of defined benefit costs and income recognised in the statement of comprehensive income, as well as the associated deferred tax balances.

The errors have been corrected and the impact of the change on the financial statements was a decrease in total equity at 1 January 2015 of £521,000 as outlined below.

Adjustments made as a result of the transition from UK GAAP to FRS 101 are explained in more detail in note 18.

	<b>31 December 2014</b>			
	As previously stated £'000	Effect of transition to FRS 101 £'000	Effect of prior year adjustment £'000	Restated £'000
<b>Fixed assets</b>				
Investments	938,153	-	-	938,153
	<u>938,153</u>	<u>-</u>	<u>-</u>	<u>938,153</u>
<b>Current assets</b>				
Debtors	17,120	1,776	(521)	18,375
Cash at bank and in hand	3,709	-	-	3,709
	<u>20,829</u>	<u>1,776</u>	<u>(521)</u>	<u>22,084</u>
<b>Current liabilities</b>				
Creditors: amounts falling due with in one year	(1,540)	-	-	(1,540)
	<u>19,289</u>	<u>1,776</u>	<u>(521)</u>	<u>20,544</u>
<b>Net current assets</b>				
	<u>957,442</u>	<u>1,776</u>	<u>(521)</u>	<u>958,697</u>
<b>Total assets less current liabilities</b>				
	<u>957,442</u>	<u>1,776</u>	<u>(521)</u>	<u>958,697</u>
<b>Net assets excluding pension scheme liability</b>				
Defined benefit scheme net deficit	(3,386)	(1,776)	-	(5,162)
	<u>954,056</u>	<u>-</u>	<u>(521)</u>	<u>953,535</u>
<b>Net assets</b>				
	<u>954,056</u>	<u>-</u>	<u>(521)</u>	<u>953,535</u>
<b>Capital and reserves</b>				
Called up share capital	45,928	-	-	45,928
Share premium account	915,804	-	-	915,804
Profit and loss account	(7,676)	-	(521)	(8,197)
	<u>954,056</u>	<u>-</u>	<u>(521)</u>	<u>953,535</u>
<b>Total equity</b>				
	<u>954,056</u>	<u>-</u>	<u>(521)</u>	<u>953,535</u>

**UCB (Investments) Limited**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

**2 PRIOR YEAR ADJUSTMENT (CONTINUED)**

The restatement of the statement of comprehensive income comprises the following adjustments:

	31 December 2014		
	As previously stated	Effect of prior year adjustment	Restated
	£'000	£'000	£'000
Administrative expenses	(981)	(16)	(997)
<b>Operating loss</b>	(981)	(16)	(997)
Income from shares in group undertakings	82,500	-	82,500
Other interest receivable and similar income	129	(43)	86
<b>Profit on ordinary activities before taxation</b>	81,648	(59)	81,589
Tax on profit on ordinary activities	352	-	352
<b>Profit for the financial year</b>	82,000	(59)	81,941
<b>Other comprehensive income</b>			
Remeasurements of defined benefit liability	(3,592)	59	(3,533)
Income tax on items that will not be reclassified to profit or loss	1,032	(521)	511
<b>Other comprehensive expense for the year, net of income tax</b>	(2,560)	(462)	(3,022)
<b>Total comprehensive income for the year</b>	79,440	(521)	78,919

**3 OPERATING LOSS**

	2015	2014
	£'000	£'000
Operating loss is stated after charging:		
Auditors' remuneration – audit related assurance services	11	11

The company has no employees (2014: nil) and no staff costs (2014: £nil).

None of the directors received nor were due remuneration from the Company during the year (2014: £nil).

The emoluments of the directors were paid by the parent company. The directors' services to this company and to the parent company are of a non-executive nature and their emoluments are deemed to be wholly attributable to their services to the parent company. Accordingly, the Profit and Loss account includes no emoluments in respect of the directors.

**4 INCOME FROM SHARES IN GROUP UNDERTAKINGS**

	2015	2014
	£'000	£'000
Dividend received from group undertakings	35,697	82,500

**UCB (Investments) Limited**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

**5 INTEREST RECEIVABLE AND SIMILAR INCOME**

	2015 £'000	(Restated) 2014 £'000
Bank interest receivable	4	4
Interest receivable from group undertakings	18	35
Net interest on net defined benefit pension liability	170	47
	<u>192</u>	<u>86</u>

**6 INTEREST PAYABLE AND SIMILAR CHARGES**

	2015 £'000	2014 £'000
Interest payable to group undertakings	5	-
	<u>5</u>	<u>-</u>

**7 TAX ON PROFIT ON ORDINARY ACTIVITIES**

	2015 £'000	2014 £'000
<b>Current tax</b>		
UK Corporation tax on profit of the year	(1,673)	(798)
Adjustment in respect of prior year	5	(2)
	<u>(1,668)</u>	<u>(800)</u>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	1,295	448
	<u>(373)</u>	<u>(352)</u>

The tax assessed for the year is lower (2014: lower) than the standard rate of corporation tax in the UK 20.25% (2014: 21.5%). The differences are explained below:

	2015 £'000	2014 £'000
<b>Profit on ordinary activities before taxation</b>	<b>34,489</b>	<b>81,589</b>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the United Kingdom 20.25% (2014: 21.5%)	6,984	17,542
<b>Effects of:</b>		
Net movement in pension scheme net deficit not liable to tax	(1,428)	(603)
Dividend income not taxable	(7,229)	(17,737)
Adjustment in respect of prior year	5	(2)
Deferred tax charge for the year	1,295	448
	<u>(373)</u>	<u>(352)</u>

Reductions to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2014 on 2 July 2014. These reduce the main rate to 21% from 1 April 2014 and to 20% from 1 April 2015. The deferred tax balance at 31 December 2015 has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantially enacted on 26 October 2015. This will reduce the company's future tax charge accordingly.

**UCB (Investments) Limited**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

**8 INVESTMENTS**

	Shares in subsidiary undertakings £'000
<b>Cost</b>	
At 1 January 2015	938,153
<b>At 31 December 2015</b>	<b>938,153</b>
<b>Provisions</b>	
At 1 January 2015	-
<b>At 31 December 2015</b>	-
<b>Net book value</b>	
<b>At 31 December 2015</b>	<b>938,153</b>
At 31 December 2014	938,153

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

At 31 December 2015 the Company held direct or indirect shareholdings in the following subsidiary undertakings:

Subsidiary undertaking	Principal business activity	Country of incorporation	Percentage of shareholding held	Description of shares held
Celltech Group Limited*	Holding company	England and Wales	100%	Ordinary shares
Celltech R&D Limited	Lending to group companies	England and Wales	100%	Ordinary shares
Darwin Discovery Limited	Lending to group companies	England and Wales	100%	Ordinary shares
Celltech Pension Trustees Limited	Pension Scheme	England and Wales	100%	Ordinary shares
Celltech Limited	Dormant	England and Wales	100%	Ordinary shares
UCB Pharma Limited	Sale and marketing of a range of branded specialty and generic pharmaceutical products	England and Wales	100%	Ordinary shares
UCB Australia Pty. Limited	Holding company	Australia	100%	Ordinary shares
UCB Pharma S.p.A	Distributor of pharmaceutical products	Italy	99.9%	Ordinary shares
Celltech US LLC	Dormant	USA	100%	Ordinary shares

\*Held directly

**9 DEBTORS**

	2015 £'000	(Restated) 2014 £'000
Amounts owed by group undertakings	3,665	17,034
Other debtors	1,823	86
Deferred tax assets (see note 11)	2,437	1,255
	<b>7,925</b>	<b>18,375</b>

Debtors include other debtors of £1,819,000 (2014: £nil) due after more than one year.

Amounts owed by group undertakings are unsecured and are repayable on demand. £3,665,000 (2014: £4,087,000) is interest free and £nil (2014: £12,947,000) bears interest at an average rate of 0.25%.

**UCB (Investments) Limited**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

**10 CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2015 £'000	2014 £'000
Amounts owed to group undertakings	2,427	1,517
Accruals and deferred income	64	23
	<u>2,491</u>	<u>1,540</u>

Amounts owed to group undertakings are unsecured, interest free and are repayable on demand. £1,500,000 (2014: £1,517,000) is interest free and £927,000 (2014: £nil) bears interest at an average rate of 0.25%.

**11 DEFERRED TAX ASSETS**

Recognised deferred tax assets are attributable to the following:

	2015 £'000	2014 £'000
Defined benefit pension scheme net deficit	<u>2,437</u>	<u>1,255</u>

Movement in deferred tax during the year:

	1 January 2015 £'000	Recognised in income £'000	Recognised in other comprehensive income £'000	31 December 2015 £'000
Defined benefit pension scheme net deficit	<u>1,255</u>	<u>(1,295)</u>	<u>2,477</u>	<u>2,437</u>

Movement in deferred tax during the prior year:

	1 January 2014 £'000	Recognised in income £'000	Recognised in other comprehensive income £'000	31 December 2014 £'000
Defined benefit pension scheme net deficit (restated)	<u>1,192</u>	<u>(448)</u>	<u>511</u>	<u>1,255</u>



**UCB (Investments) Limited**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

**12 CAPITAL AND RESERVES**

<b>Share capital</b>	<b>2015 £'000</b>	<b>2014 £'000</b>
<b>Allotted, called up and fully paid</b>		
44,928,426 (2014: 44,928,426) redeemable cumulative preference shares of £1 each	<b>44,928</b>	44,928
1,000,100 (2014: 1,000,100) Ordinary shares of £1	<b>1,000</b>	1,000
	<b>45,928</b>	45,928
Balance as at 1 January and 31 December		

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.

**Dividends**

The following dividends were recognised during the year	<b>2015 £'000</b>	<b>2014 £'000</b>
<b>Equity – Ordinary</b>		
Final dividend paid of £0.70 per share (2014 : £1.80 per share) in respect of prior year but not recognised as liabilities in that year	<b>32,000</b>	82,500

**13 RELATED PARTY TRANSACTIONS**

The Company is exempt, under paragraph 8(k) of FRS 101, 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 ULTIMATE PARENT COMPANY**

The immediate parent company is UCB Lux S.A., a company incorporated in Luxembourg.

The ultimate parent company and controlling party at 31 December 2015 is UCB S.A., a company incorporated in Belgium. UCB S.A is also 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**

**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 agreed to pay the pension contributions into this account which could have been used to fund any future deficit in the UCB British Pension Scheme.

Following the wind up of the UCB British Pension Scheme on 1 October 2015, the charge between the Company and the UCB British Pension Trust Limited has been removed in full.

**UCB (Investments) Limited**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

**16 EMPLOYEE BENEFITS**

**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 2015 (2014: none), the scheme members being employees of other UCB Group companies in the United Kingdom.

On 1 October 2015, the Trustee of one of the schemes, the UCB British Pension Scheme, completed the wind up of the scheme.

The last full actuarial valuations of the three schemes were carried out on 1 January 2015 and were updated in accordance with Financial Reporting Standard 101 (FRS101) to 31 December 2015 by a qualified independent actuary. The information disclosed below is in respect of the whole of the schemes for which the Company is either the sponsoring employer or has been allocated a share of cost under agreed group policy throughout the years shown.

	2015 £'000	2014 £'000
Defined benefit asset	(44,031)	(153,125)
Impact of asset ceiling	-	3,435
Total defined benefit asset	(44,031)	(149,690)
Total defined benefit liability	44,031	154,852
<b>Net assets for defined benefit obligations</b>	<b>-</b>	<b>5,162</b>

*Movements in net defined benefit liability*

	Defined benefit obligation		Fair value of plan assets		Impact of asset ceiling		Net defined benefit assets	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Balance at 1 January	154,852	141,066	(153,125)	(141,223)	3,435	3,049	5,162	2,892
<b>Included in profit or loss</b>								
Current service cost	1,191	884	-	-	-	-	1,191	884
Interest cost/(income)	4,371	5,917	(4,620)	(5,964)	79	-	(170)	(47)
	5,562	6,801	(4,620)	(5,964)	79	-	1,021	837
<b>Included in OCI</b>								
Remeasurements loss/(gain):								
Actuarial loss (gain) arising from								
- Change in financial assumptions	(3,569)	13,464	-	-	-	-	(3,569)	13,464
- Experience adjustment	2,155	1,833	-	-	-	-	2,155	1,833
Return on scheme assets greater/(less) interest income on assets	-	-	17,908	(12,150)	-	-	17,908	(12,150)
Change in irrecoverable surplus other than interest	-	-	-	-	(3,514)	386	(3,514)	386
	(1,414)	15,297	17,908	(12,150)	(3,514)	386	12,980	3,533
<b>Other</b>								
Contributions paid by the employer	-	-	(19,163)	(2,100)	-	-	(19,163)	(2,100)
Benefits and expenses paid (Liabilities extinguished)/assets distributed on settlements	(7,230)	(8,312)	7,230	8,312	-	-	-	-
	(107,739)	-	107,739	-	-	-	-	-
<b>Balance at 31 December</b>	<b>44,031</b>	<b>154,852</b>	<b>(44,031)</b>	<b>(153,125)</b>	<b>-</b>	<b>3,435</b>	<b>-</b>	<b>5,162</b>

**UCB (Investments) Limited**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

**16 EMPLOYEE BENEFITS (CONTINUED)**

<b>Scheme assets</b>	<b>2015 £'000</b>	<b>2014 £'000</b>
Growth funds	-	10,019
Liability matching funds	-	12,799
Annuities	<b>44,031</b>	129,085
Cash	-	1,222
<b>Total</b>	<b>44,031</b>	<b>153,125</b>

Scheme assets do not include any of UCB (Investments) Limited's own financial instruments, or any property occupied by UCB (Investments) Limited.

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the balance sheet date. Expected returns on equity investments reflect long-term real rates on return experiences in the respective markets.

**Actuarial assumptions**

The following are the principal actuarial assumptions at the reporting date:

	<b>2015</b>	<b>2014</b>
Discount rate at 31 December	<b>3.75%</b>	3.50%
Price inflations - RPI	<b>3.20%</b>	3.20%
Price inflations - CPI	<b>2.50%</b>	2.20%

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows:

- Current pensioner aged 65: 22.2 years (male), 24.5 years (female)
- Future retiree upon reaching 65: 23.9 years (male), 26.4 years (female)

**Sensitivity analysis**

The calculation of the defined benefit obligation is sensitive to the assumptions set out above.

The following sensitivity analysis on the discount rate is based on a change in assumption while holding all other assumptions constant. The change in RPI inflation assumption impacts on the CPI (Consumer Prices Inflation) and pension increase assumptions. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

**Impact on defined benefit obligation (overall)**

	<b>Change in assumption</b>	<b>Increase in assumption</b>	<b>Decrease in assumption</b>
<b>Discount rate</b>	0.25%	Decreases defined benefit obligation by 4%	Increases defined benefit obligation by 4%
<b>RPI price inflation</b>	0.25%	Increases defined benefit obligation by 4%	Decreases defined benefit obligation by 4%

**UCB (Investments) Limited**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

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**17 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.

**Employee benefits**

The Company currently has defined benefit plans, which are disclosed in note 16. The calculation of the assets or liabilities related to these plans is based upon statistical and actuarial assumptions. This is in particular the case for the present value of the defined benefit obligation which is impacted by assumptions on discount rates used to arrive at the present value of future pension liabilities, and assumptions on future increases in salaries and benefits. Furthermore, the Company uses statistically-based assumptions covering areas such as future withdrawals of participants from the plans and estimates of life expectancy. The actuarial assumptions used might differ materially from actual results due to changes in market and economic conditions, higher or lower employee turnover, longer or shorter life spans of participants, and other changes in the factors being assessed. These differences could impact the assets or liabilities recognized in the balance sheet in future periods.

**Tax positions**

The Company operates in complex legal and tax regulatory environments. The income tax positions taken are considered by the Company to be supportable and are intended to withstand challenge from tax authorities. However, it is accepted that some of the positions are uncertain and include interpretations of complex tax laws as well as transfer pricing considerations which could be disputed by tax authorities. A liability is recorded for each item that is not probable of being sustained on examination by the tax authorities based on all relevant information. The liability is calculated by the entity as the single best estimate of the current tax it expects to pay. These estimates are based on facts and circumstances existing at the end of the reporting period. The tax liability and income tax expense include penalties and late payment interests arising from tax disputes.

The recognition of deferred tax assets is based upon whether it is probable that sufficient taxable profits will be available in the future against which the reversal of temporary differences can be used.

**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.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs. 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 asset or the CGU, using the same methods as those used in the initial measurement of the asset or the CGU on the basis of the medium-term plans of each business activity. 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 asset or the CGU.

An impairment loss is recognised directly in the statement of comprehensive income under the "impairment of fixed asset investment" caption. Fixed asset investments that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. The reversal of the impairment is recognised in the statement of comprehensive income. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, if no impairment loss had been recognised.

**UCB (Investments) Limited**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

**18 EXPLANATION OF TRANSITION TO FRS101**

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS101.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 December 2015, the comparative information presented in the financial statements for the year ended 31 December 2014 and in the preparation of an opening FRS 101 balance sheet at 1 January 2014, which is the Company's date of transition.

In preparing its FRS 101 balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP). An explanation of how the transition from UK GAAP to FRS 101 has affected the Company's financial position and financial performance is set out in the following tables and the notes that accompany the tables.

**Reconciliation of the balance sheet**

	Note	1 January 2014			31 December 2014			FRS 101
		UK GAAP	Effect of transition to FRS 101	FRS 101	UK GAAP	Effect of transition to FRS 101	Effect of prior year adjustment	
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Fixed assets</b>								
Investments		938,153	-	938,153	938,153	-	-	938,153
		938,153	-	938,153	938,153	-	-	938,153
<b>Current assets</b>								
Debtors	a, b	19,189	1,192	20,381	17,120	1,776	(521)	18,375
Cash at bank and in hand		2,987	-	2,987	3,709	-	-	3,709
		22,176	1,192	23,368	20,829	1,776	(521)	22,084
<b>Current liabilities</b>								
Creditors: amounts falling due with in one year		(1,513)	-	(1,513)	(1,540)	-	-	(1,540)
<b>Net current assets</b>		20,663	1,192	21,855	19,289	1,776	(521)	20,544
<b>Total assets less current liabilities</b>		958,816	1,192	960,008	957,442	1,776	(521)	958,697
<b>Net assets excluding pension scheme liability</b>		958,816	1,192	960,008	957,442	1,776	(521)	958,697
Defined benefit scheme net deficit	a	(1,700)	(1,192)	(2,892)	(3,386)	(1,776)	-	(5,162)
<b>Net assets</b>		957,116	-	957,116	954,056	-	(521)	953,535
<b>Capital and reserves</b>								
Called up share capital		45,928	-	45,928	45,928	-	-	45,928
Share premium account		915,804	-	915,804	915,804	-	-	915,804
Profit and loss account	b	(4,616)	-	(4,616)	(7,676)	-	(521)	(8,197)
<b>Total equity</b>		957,116	-	954,056	954,056	-	(521)	953,535

**Notes to the reconciliation of the balance sheet**

a) Following transition to FRS 101, the Company has reclassified the deferred tax asset in relation to its pension scheme, so as to be recognised within debtors (see note 7) as opposed to being included in the defined benefit scheme net deficit.

b) See note 2 for further details on the prior year adjustment.