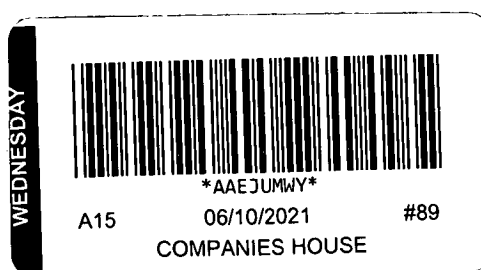


Registered No: 02354269

Amgen Limited

Annual Report and Financial Statements
31 December 2020



Amgen Limited

Registered No: 02354269

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Amgen Limited

Registered No: 02354269

Directors

C.P. Walker

R. Abberley

A.Elinoff

Auditor

Ernst & Young LLP

One Cambridge Business Park

Cowley Road

Cambridge

CB4 0WZ

United Kingdom

Bankers

Citibank N.A.

Citigroup Centre

Canary Wharf

E14 5LB

London

Registered Office

216 Cambridge Science Park

Milton Road

Cambridge

CB4 0WA

United Kingdom

COMPANY SECRETARY

S.J. Hodges

Amgen Limited

Registered No: 02354269
STRATEGIC REPORT

The directors of Amgen Limited ("the company") present their Annual Report containing a Strategic Report, Directors' Report and the Financial Statements for the year ended 31 December 2020.

SECTION 172(1) STATEMENT

The directors have acted in a way that we have considered, in good faith, to be most likely to promote the success of the company for the benefit of our members as a whole, considering the factors listed in section 172 of the Companies Act 2006.

The company's success is the driving factor behind all the decisions we make, and our decision-making processes are structured to enable us to evaluate the merit of proposed business activities and the likely consequences of our decisions across all our stakeholder groups. Considering the interests of all our stakeholders is an important part of the way in which we make decisions, however, in balancing those different perspectives, it won't always be possible to deliver everyone's desired outcome.

Our stakeholders

Customers

Our customers are central to our business. During the year we continued to engage with our customers amid the pressures and constraints of the pandemic and its resulting impact on the health system. We have continued to use informal and formal insight-gathering mechanisms to understand the dynamic and unprecedented challenges that our customers are facing. Our field staff continue to engage customers to inform them about our products and help them tackle challenges facing both the healthcare system and the patients we serve.

Our investment in multichannel marketing has enhanced our capability to engage customers digitally as well as face to face, meeting their needs through the channels that best suit them. This investment is increasingly relevant following the health system's adoption of remote consultations and the use of technology to enable patient care. We have also sought the views and counsel of external customers through all-staff presentations and other meetings which have been used to inform our customer engagement plans.

Employees

Our people are our greatest asset and our teams are inspired by our collective mission to serve patients. Our main internal engagement focus for 2020 has been ensuring the well being of our staff during the pandemic and the significant shift to home/remote working that our teams have adapted to. We have invested in education and support around mental health, resilience and mindfulness, as well as more information-based updates to keep our teams informed of internal Amgen decisions and policies in response to evolving government guidance.

We have continued to utilise our long term internal engagement programme, "Connect", to engage staff through four main work streams: 1) Our Focus: connecting staff with the patient-centred and philanthropic work of the company in the UK; 2) People & Sites: creating connectivity between our staff in the field and in the office, and across our office locations in Uxbridge and Cambridge, highlighting our use of technology and office facilities to collaborate effectively; 3) Recognition & Well-being: investing in initiatives to encourage work-life integration for staff as well as celebrate success and team achievements; 4) Personal Growth: investing in our employees' personal development and leadership competencies. Our regular staff listening activities, through informal surveys and other mechanisms, complement our ongoing employee engagement measures.

Shareholders

Our ultimate controlling party and 100% owner is Amgen Inc. The Amgen Ltd board comprises three directors, supported by additional senior members of staff on the Amgen Ltd Management Team. The company has regular contact with our ultimate controlling party to ensure that their interests are met.

Amgen Limited

Registered No: 02354269

STRATEGIC REPORT (continued)

SECTION 172(1) STATEMENT (continued)

Government and Regulators

We conduct business with honesty and integrity and in compliance with applicable laws and regulations. Maintaining ethical and respectful relationships with government agencies, policy makers and other public officials is an important element of how we do business. We are members of the Association of the British Pharmaceutical Industry (ABPI) and operate in accordance with the ABPI Code of Practice for the Pharmaceutical Industry.

Each department has their own highly skilled subject matter experts who work together with our compliance functions to ensure ongoing compliance with existing regulations and to ensure new regulations are enacted within the time frames required. As part of the Senior Accounting Officer regime we regularly report to HMRC on our compliance framework.

Suppliers

Our suppliers are also central to our business and we continually strive to streamline our processes and build good relationships with them. Our Supplier Code of Conduct sets forth high-level performance expectations for Amgen's suppliers worldwide on issues that support an ethical and compliant culture and we report our practices annually under our statement of compliance with the Modern Slavery Act 2015. We continue to be transparent with our suppliers by reporting our payment practices twice yearly to HMRC in line with the Late Payment Reporting regulations.

Community and Environment

We fully support our staff to give back to the communities in which we operate. Amgen directors encourage staff to engage in charitable initiatives within our local communities such as supporting local charities, hospices and patient organisations, and our formal philanthropic activity in 2020 has been in support of relevant non-profit organisations supporting communities during the pandemic. In addition, Amgen directors are committed to partnering with global senior leaders to advance our collective understanding of diversity, practising inclusion and ensuring a sense of belonging for all our staff.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The company's principal activities during the year was the sale of Neupogen®, Aranesp®, Neulasta®, Mimpara®, Vectibix®, Nplate®, Prolia®, XGEVA®, Repatha®, Kyprolis®, Blincyto®, Imlygic®, Parsabiv®, Kanjinti®, Amgevita® and Otezla® in the United Kingdom.

The key performance indicator for the company is its revenue, which increased by £8,819,869 to £303,805,869 (2019: £294,986,000).

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties faced by the business include the following:

- The majority of the company's income is derived from the recharge of costs related to support activities and the sale of products developed and produced by, other group companies. The company's success, therefore, is partially dependent on the continuing success of the Amgen, Inc. group as a whole.
- The company operates in a competitive environment and additional competitors may enter the market.
- The company's success depends on its ability to attract and retain key staff.
- The company operates in a highly regulated environment; changes to these regulations may impact upon the business.
- The company's liquidity and cash flow risk is managed via monthly cash flow forecasting of income and expense streams and a group cash pooling arrangement.
- The Directors of the company are continuously monitoring the potential impact that the COVID-19 outbreak might have on the financial condition of the company and on future operations, and believe that an overall negative impact to the Company is unlikely given its role as a local limited risk distributor of pharmaceutical products is critical to servicing the current high demand of our global healthcare systems.

Amgen Limited

Registered No: 02354269
STRATEGIC REPORT (continued)

PRINCIPAL RISKS AND UNCERTAINTIES (continued)

- The Directors acknowledge that there are ongoing risks arising from the ongoing COVID-19 pandemic and our critical role in the global healthcare supply chain, including the possibility that continued deferrals and cancellations of elective medical procedures will result in a sustained reduction in demand for our products and the possibility of product shortages or supply disruptions from either new international regulations or forced shut downs of distribution or manufacturing facilities.

FINANCIAL RISK MANAGEMENT

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the company. The board of directors have a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The carrying amounts of financial assets best represent the maximum credit risk exposure at the balance sheet date.

Currency risk

There exists no foreign exchange risk at the company level for transactions not denominated in pounds sterling. Foreign exchange risk for the Amgen, Inc. group is managed at group level by reimbursement for foreign exchange losses of the company via the service fee arrangement.


Liquidity and interest rate risk

The company principally finances its operations through cash generated from sale of goods and service fee revenue. Informed management monitor the level of cash on a regular basis to ensure that enough cash is available to meet the company's liabilities as they fall due.

On behalf of the Board of Directors

DocuSigned by:

Russell Abberley

 Signer Name: Russell Abberley
Signing Reason: I approve this document
Signing Time: 10/1/2021 | 3:52:13 PM GMT
Date: 1 October 2021
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DIRECTORS' REPORT

The directors present their report and financial statements of the company for the year ended 31 December 2020.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £10,827,000 (2019: £11,976,000). The directors carried forward a retained earnings surplus of £45,842,000 (2019: £29,513,000). The company paid an interim dividend of £nil in the year (2019: £nil). The directors do not recommend the payment of a final dividend (2019: £nil).

FUTURE DEVELOPMENTS

The market continues to mature for some of the company's products, for which there was greater competition. This has been offset by new products launched in recent years, including Biosimilars.

The directors are satisfied with the results for the year and are confident that future developments will continue to generate further profits.

DIRECTORS

The directors who held office during the year and to the date of this report, except as stated otherwise, are given below:

C.P. Walker
J.G. Claeys (resigned 1 August 2020)
C.L. Fox (resigned 1 August 2020)
R. Abberley (appointed 1 August 2020)
A.Elinoff (appointed 1 August 2020)

DIRECTORS INDEMNITY INSURANCE

The company has indemnified all directors of the company against liability in respect of proceedings brought by third parties, subject to the conditions set out in Section 234 of the Companies Act 2006. Such qualifying third party indemnity provision was in force during the year and is in force as at the date of approving the directors' report.

GOING CONCERN

The activities of the company together with factors likely to affect its future development, performance and position are set out in the business review and principal risks and uncertainties in the Strategic Report on page 4.

In making their assessment of going concern, the Directors have assessed that no material impact to the financial condition of the company has been incurred as a result of COVID-19, for the year ended 31 December 2020. The Directors believe that any future negative impact to the company, as a result of COVID-19 is unlikely given its role as a local limited risk distributor of pharmaceutical products is critical to servicing the current high demand of our global healthcare systems.

The company has access to a group cash pooling facility which can be drawn upon to meet cash requirements and therefore the directors have concluded that there are sufficient resources to overcome the consequences of the ongoing COVID-19 outbreak and related restrictions on our operations. The company's profitability is due to profits generated on the sale of commercial products and the reimbursement of support activity costs with an agreed mark-up. Having reviewed the company's future forecast cash flows, the directors have an expectation that the company has adequate resources to continue its operational existence for the foreseeable future. Accordingly, the directors do not believe there is a material uncertainty over the Company's ability to continue as a going concern for a period of at least 12 months to 01 October 2022 as a result of the COVID-19 pandemic and continue to adopt the going concern basis in preparing their financial statements.

Amgen Limited

Registered No: 02354269

DIRECTORS' REPORT (continued)

CHARITABLE DONATIONS

During the year the company made various charitable contributions totalling £50,000 (2019: £20,000) to national charities.

RESEARCH AND DEVELOPMENT

The company provides support for clinical trial and related activities to Amgen, Inc., the ultimate parent company. All research and development expenditure is recharged to Amgen, Inc. under the group's transfer pricing policy and therefore expensed in the Statement of Comprehensive Income.

DISABLED EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

EMPLOYEE CONSULTATION

The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the company. This is achieved through formal meetings and the Staff Consultation Forum which provides staff and management representatives with a regular, structured opportunity to meet, share information and consult over appropriate company issues.

Amgen Limited

Registered No: 02354269

DIRECTORS' REPORT (continued)

ENERGY AND CARBON REPORTING (SECR)

In line with the government's streamlined energy and carbon reporting requirements we are required to report our organisation's carbon emissions for the period 1st January 2020 to 31st December 2020.

We have set this year as our baseline year and reported our total emissions using the financial control boundary, for a like for like comparison these figures have been compared against 2019 figures. Our methodology aligns with Defra's Environmental reporting guidelines (2019) and uses the government's greenhouse gas reporting conversion factors (2020) to quantify emissions.

<i>Emissions source</i>	2020	2019	Change	% Change
Direct Emissions From Company Car	74	372	-298	-80.0%
Direct Emissions From Natural Gas	170	112	59	52.6%
Total Scope 1 (tCO₂e)	244	484	-239	-49.4%
Purchased Electricity Consumed within	391	532	-141	-26.5%
Total Scope 2 (tCO₂e)	391	532	-141	-26.5%
Personal Vehicles Used for Business Activities - Grey Fleet	39	67	-28	-41.1%
Total Scope 3 (tCO₂e)	39	67	-28	-41.1%
Total Scope 1,2 & 3 (tCO₂e)	675	1,083	-408	-37.7%
Intensity Metrics				
Revenue (£)	£303,806,000	£294,986,000		
Scope 1,2&3 emissions per £ Revenue (kgCO₂e/£)	0.0021	0.0037	-0.002	-41.8%
Energy Consumption by source (Kilowatt Hours)	2020	2019	Change	% Change
Electricity	1,678,217	2,083,124	-404,907	-19.4%
Gas	925,728	606,756	318,973	52.6%
Company Car	294,058	1,429,170	-1,135,111	-79.4%
Personal Car	151,290	238,934	-87,645	-36.7%
Total	3,049,294	4,357,984	-1,308,690	-30.0%

Amgen follow the reporting approach set out in the UK Government's Environmental Reporting Guidance (2019 version) to ensure that reporting standards are robust and transparent.

For most of its major emissions sources Amgen uses primary data from half hourly meter data and fuel expenses claims which are compiled on an annual basis. Emissions data is collated centrally by Mitie Energy's Sustainability team who have overall responsibility for ensuring the calculations and methodology are correct.

Our emissions this year have dropped significantly, this is a direct a result of Covid 19's impact on our business activities, in particular employee travel. In a bid to further reduce our built estate emissions we also made the decision to relocate the Cambridge office to a smaller, more efficient building which is rated BREEAM very good.

Amgen Limited

Registered No: 02354269

DIRECTORS' REPORT (continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". 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 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; 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 proper 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.

Disclosure of information to auditor

The directors who were members of the board at the time of approving the Directors' Report are listed on page 2. Having made enquiries of fellow directors and of the company's auditor, each of these directors confirms that:

- to the best of each director's knowledge and belief, there is no information relevant to the preparation of their report of which the company's auditor is unaware; and
- each director has taken all the steps a director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

In accordance with Section 485 of the Companies Act 2006, a resolution to dispense with the obligation to appoint auditor annually was passed on 24 August 1990. Accordingly Ernst & Young LLP shall be deemed to be reappointed as auditor.

On behalf of the Board of Directors

DocuSigned by:

Russell Abberley

Signer Name: Russell Abberley
Signing Reason: I approve this document
Signing Time: 10/1/2021 | 3:52:48 PM GMT
Date: 31 October 2021
DocuSign ID: 310100A14BDDBEFCB5850432E624

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMGEN LIMITED

Opinion

We have audited the financial statements of Amgen Limited for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 20 including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period to 01 October 2022, being a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMGEN LIMITED (continued)

Other information (continued)

themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMGEN LIMITED (continued)***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are the financial reporting framework (UK GAAP and the Companies act 2006), the relevant tax regulations in the United Kingdom.
- We understood how Amgen Limited is complying with those frameworks by through enquiry with management and by identifying the company's policies and procedures regarding compliance with laws and regulations. We also identified those members of management who have the primary responsibility for ensuring compliance with laws and regulations, and for the reporting of any known instances of non-compliance to those charged with governance.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by enquiry during the planning and execution phases of our audit.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved
 - Inquiry of senior management, and when appropriate, those charged with governance regarding their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements.
 - Enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations, including communications with regulators and tax authorities.
 - Reading board minutes for matters that indicated non-compliance.
 - Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Adrian Bennett
Senior Statutory Auditor
for and on behalf of Ernst & Young LLP, Statutory Auditor
Cambridge

Ernst & Young LLP

Date: 4/10/2021

Amgen Limited

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2020

	Notes	2020 £'000	2019 £'000
Turnover	3	303,806	294,986
Cost of sales		(147,049)	(138,641)
GROSS PROFIT		156,757	156,345
Research and development expenditure	4	(99,609)	(99,977)
Other operating expenses		(42,729)	(40,766)
OPERATING PROFIT	4	14,419	15,602
Net Finance Costs	9	(716)	(287)
Interest receivable on amounts due from fellow group undertakings		109	126
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX		13,812	15,441
Tax on profit on ordinary activities	6	(2,985)	(3,465)
PROFIT FOR THE FINANCIAL YEAR, BEING TOTAL COMPREHENSIVE INCOME		10,827	11,976

All of the activities of the company are classified as continuing.

Amgen Limited

STATEMENT OF FINANCIAL POSITION

at 31 December 2020

Registered No: 02354269

	Notes	2020 £'000	2019 £'000
FIXED ASSETS			
Tangible fixed assets	8	3,674	1,226
Right-of-use assets	9	13,134	7,260
Intangible assets	10	1	2
		<u>16,809</u>	<u>8,488</u>
NON-CURRENT ASSETS			
Deferred tax asset	6	1,309	975
		<u>1,309</u>	<u>975</u>
CURRENT ASSETS			
Inventories	11	56,354	52,284
Trade and other receivables	12	165,549	140,826
		<u>221,903</u>	<u>193,110</u>
CREDITORS: Amounts falling due within one year			
Trade and other payables	13	(175,763)	(160,978)
Lease liabilities	9	(3,551)	(4,160)
		<u>(179,314)</u>	<u>(165,139)</u>
NET CURRENT ASSETS		<u>42,589</u>	<u>27,971</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		60,707	37,434
CREDITORS: Amounts falling due after more than one year			
Lease liabilities	9	(9,594)	(3,181)
		<u>(9,594)</u>	<u>(3,181)</u>
PROVISION FOR LIABILITIES	14	(2,371)	(1,840)
NET ASSETS		<u>48,742</u>	<u>32,413</u>
CAPITAL AND RESERVES			
Called up share capital	15	2,900	2,900
Retained earnings		45,842	29,513
SHAREHOLDERS' FUNDS		<u>48,742</u>	<u>32,413</u>

The Annual Report and Financial Statements were approved by the Board of Directors and authorised for issue on 1 October 2021 and were signed on behalf of the Board of Directors by:

DocuSigned by:

Russell Abberley

Signature: Russell Abberley
 Signing Reason: I approve this document
 Signing Time: 10/1/2021 | 3:53:08 PM GMT

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Amgen Limited**STATEMENT OF CHANGES IN EQUITY**

for the year ended 31 December 2020

	Called up share capital £'000	Retained earnings £'000	Total £'000
Balance at 1 January 2019	2,900	12,429	15,329
Profit for the financial year, being total comprehensive income	—	11,976	11,976
<i>Transactions with shareholders</i>			
Equity dividend paid (see note 16)	—	—	—
Credit to equity for share based payments (see note 7)	—	4,849	4,849
Deferred tax charged directly to equity on share based payments (see note 6)	—	259	259
Balance at 31 December 2019	2,900	29,513	32,413
Profit for the financial year, being total comprehensive income	—	10,827	10,827
<i>Transactions with shareholders</i>			
Credit to equity for share based payments (see note 7)	—	5,519	5,519
Deferred tax credited directly to equity on share based payments (see note 6)		(17)	(17)
At 31 December 2020	2,900	45,842	48,742

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

1. STATEMENT OF COMPLIANCE WITH FRS 101

Amgen Limited is a private limited company incorporated and domiciled in England and Wales and the company's registered office is 216 Cambridge Science Park, Milton Road, Cambridge, CB4 0WA.

These financial statements were prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" ("FRS 101") and in accordance with applicable law.

The company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except where otherwise stated.

The principal accounting policies adopted by the company are set out in note 2 below.

2. ACCOUNTING POLICIES

The following are the significant accounting policies applied by the company in preparing its financial statements.

Basis of preparation

The financial statements have been prepared on a historical cost basis except as indicated otherwise below.

Exemptions for qualifying entities under FRS 101

FRS 101 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the company's shareholders.

The company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) the requirements of paragraphs 45(b) and 46-52 of IFRS 2 *Share based Payment*;
- (b) the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 *Business Combinations*;
- (c) the requirements of paragraph 33(c) of IFRS 5 *Non current Assets Held for Sale and Discontinued Operations*
- (d) the requirements of IFRS 7 *Financial Instruments: Disclosures*;
- (e) the requirements of paragraphs 91-99 of IFRS 13 *Fair Value Measurement*;
- (f) the requirement in paragraph 38 of IAS 1 *Presentation of Financial Statements* to present comparative information in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1;
 - (ii) paragraph 73(e) of IAS 16 *Property, Plant and Equipment*; and
 - (iii) paragraph 118(e) of IAS 38 *Intangible Assets*.
- (g) the requirements of paragraphs 10(d), 10(f), 16, 38 (a-d), 39(c), 111 and 134-136 of IAS 1 *Presentation of Financial Statements*;
- (h) the requirements of IAS 7 *Statement of Cash Flows*;
- (i) the requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*;

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

2. ACCOUNTING POLICIES (continued)

Exemptions for qualifying entities under FRS 101 (continued)

(j) the requirements of paragraph 17 of IAS 24 *Related Party Disclosures*;

(k) the requirements in IAS 24 *Related Party Disclosures* 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;

(l) the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 *Impairment of Assets*.

Going concern

The activities of the company together with factors likely to affect its future development, performance and position are set out in the business review and principal risks and uncertainties in the Strategic Report on page 4.

In making their assessment of going concern, the Directors have assessed that no material impact to the financial condition of the company has been incurred as a result of COVID-19, for the year ended 31 December 2020. The Directors believe that any future negative impact to the company, as a result of COVID-19 is unlikely given its role as a local limited risk distributor of pharmaceutical products is critical to servicing the current high demand of our global healthcare systems.

The company has access to a group cash pooling facility which can be drawn upon to meet cash requirements and therefore the directors have concluded that there are sufficient resources to overcome the consequences of the COVID-19 outbreak and related restrictions on our operations. The company's profitability is due to profits generated on the sale of commercial products and the reimbursement of support activity costs with an agreed mark-up. Having reviewed the company's future forecast cash flows, the directors have an expectation that the company has adequate resources to continue its operational existence for the foreseeable future. Accordingly, the directors do not believe there is a material uncertainty over the Company's ability to continue as a going concern for a period of at least 12 months to 01 October 2022 as a result of the COVID-19 pandemic and continue to adopt the going concern basis in preparing their financial statements.

Foreign currency transactions and balances

The company's financial statements are presented in Sterling, which is also the company's functional currency.

Transactions in foreign currencies are initially recorded in the company's functional currency by applying the spot exchange rate ruling at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date and all differences taken to the Statement of Comprehensive Income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair values were determined.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

2. ACCOUNTING POLICIES (continued)***Tangible fixed assets***

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the aggregate amount paid and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all property, plant and equipment at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Computer hardware:	3 years
Leasehold improvements, furniture, fittings & equipment:	5-12 years (or lease term if shorter)

Depreciation is not charged until the assets are available for use.

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable, and are written down immediately to their recoverable amount. Useful lives and their residual values are reviewed annually and where adjustment are required these are made accordingly.

Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged so as to write off the cost of the asset over its estimated useful economic life, assessed by the directors on a case-by-case basis, as follows:

Computer software:	3 years
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The amortisation charge is included within other operating expenses in the Statement of Comprehensive Income.

Provision is made against the carrying value of such assets when an impairment in value is deemed to have occurred.

Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Cost is determined using the first-in, first-out (FIFO) method. Cost includes expenditure which is incurred in the normal course of business.

Income taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

2. ACCOUNTING POLICIES (continued)***Income taxes (continued)***

The carrying amount of deferred income taxes is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset, only if legally enforceable right exists to set off current tax assets against current tax liabilities, the deferred income taxes relate to the same taxation authority and that authority permits the company to make a single net payment.

Deferred tax is charged or credited directly to equity if the tax relates to items that are credited or charged, the same or different period, directly to equity.

Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions are charged to the Statement of Comprehensive Income in the year in which they become payable in accordance with the rules of the scheme.

Share based payments

Employees of the company are granted share options, performance units and restricted stock units in the ultimate parent undertaking, Amgen, Inc. The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined by means of an appropriate option pricing model for share options or the closing market share price of Amgen, Inc. common stock on the grant date for restricted stock units. No expense is recognised for awards that do not ultimately vest.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired. The movement in cumulative expense since the previous balance sheet date is recognised in the Statement of Comprehensive Income with a corresponding entry in equity.

Where the terms of an equity-settled award are modified or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period. In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both are measured on the date of the modification. No reduction is recognised if this difference is negative.

Clinical trial accruals

Clinical trial costs are reviewed for changes in study activity and the resulting residual value is accrued over the duration of the treatment on a straight-line basis.

Cash at bank and in hand

Cash and short term deposits in the Statement of Financial Position comprise cash at banks and in hand and short term deposits with an original maturity of three months or less.

Revenue recognition***Recognition***

The company earns revenue from the sale of pharmaceutical products to customers. This revenue is recognised in the accounting period when control of the product has been transferred, at an amount that reflects the consideration to which the entity expects to be entitled in exchange for fulfilling its performance obligations to customers.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

2. ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

The principles in IFRS 15 are applied to revenue recognition criteria using the following 5 step model:

1. Identify the contracts with the customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise revenue when or as the entity satisfies its performance obligations

Fee arrangements

Below are details of fee arrangements and how these are measured and recognised, for revenue from the sale of products:

Revenue is recognised when we transfer control and performance obligations are met, usually on delivery of product to customer. Terms of the fee arrangement are detailed in the terms and conditions attached to the invoice.

Performance obligations

Revenue from the sale of goods is recognised when control of the products has transferred, being when the products are delivered to the customer. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the trade customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the company has objective evidence that all criteria for acceptance have been satisfied.

Transaction price

The transaction price is the fair value of the consideration received for the product less discounts / rebates and value added taxes.

Contract assets and receivables

Where goods or services are transferred to the customer before the customer pays consideration, or before payment is due, Contract assets are recognised. Contract assets are included in the Balance Sheet and represent the right to consideration for products delivered.

Contract receivables (loans and advances) are recognised in the Balance Sheet when the company's right to consideration becomes unconditional.

Contract assets & receivables (loans and advances) are classified as current or non-current based on the company's normal operating cycle and are assessed for impairment at each reporting date.

Contract liabilities

Contract liabilities and customer deposits are recognised in the Balance Sheet when the company has received consideration but still has an obligation to deliver products and meet performance obligations for that consideration.

Net basis of measurement of contract balances

Contract asset and contract liability positions are determined for each contract on a net basis. This is because the rights and obligations within each contract are considered inter-dependent. Where two contracts are with the same or related entities, an assessment is made of whether contract assets and liabilities are inter-dependent and if so, contract balances are reported net.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

2. ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Impairment of contract related balances

At each reporting date, the company determines whether or not such assets are impaired by comparing the carrying amount of the asset to the remaining amount of consideration that the company expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the company uses the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price will be removed for the impairment test.

Service fee revenue

Expenditure on the development of therapeutics, which is carried out on behalf of its ultimate parent undertaking, is expensed in the Statement of Comprehensive Income. It is then recharged to the company's ultimate parent undertaking over the period of service, at a mark-up, which is recognised as Service Fee Revenue. The company does not incur expenditure on pure research activities.

Leases

The right-of-use assets are to be presented separately from other assets, and lease liabilities separately from other liabilities. At the commencement of a new lease, IFRS 16 requires the company to recognise a liability for future lease payments, and a tangible asset representing the right to use that asset during the lease term.

Under IFRS 16, the company separately recognises the interest expense on the lease liability, and the depreciation expense on the right of use asset in the Statement of Comprehensive Income. The depreciation expense is recognised in Operating Expenses, whereas the interest expense is recognised separately as a Finance Cost.

Research and development expenditure credit

Where research and development expenditure meets the required criteria specified by the local taxation authority to qualify as "qualifying research and development" expenditure and therefore entitles the company to a credit then this amount is credited against research and development expenditure in the Statement of Comprehensive Income and debited against corporation tax payable in the Statement of Financial Position.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets – recognition and measurement

Financial assets are recognised when the entity becomes a party to the contract and, as a consequence, has a legal right to receive cash.

All financial assets are initially measured at fair value plus, in the case of financial assets not recorded at fair value through the Statement of Comprehensive Income, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the asset.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The company classifies its financial assets in the following categories: at fair value through the Statement of Comprehensive Income; and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

2. ACCOUNTING POLICIES (continued)***Financial assets – recognition and measurement (continued)******(a) Financial assets at fair value through profit or loss or at fair value through other comprehensive income***

There are no instruments which have been classified under this category.

(b) Financial assets at amortised cost

The company classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

This category is the most relevant to the company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Impairment of financial assets

In accordance with IFRS 9, the company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of IFRS 15.

For trade and other receivables, the company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses and trade receivables have been grouped based on shared credit risk characteristics and the days past due. The company's exposure to credit risk is low due to the limited risk distributor agreement, of which

AEGmbH shall indemnify Amgen Limited from and against any financial loss arising from non-payment of customers.

Financial liabilities - recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The company's financial liabilities comprise of trade creditors, amounts owed to group undertakings, accruals and deferred income and VAT payable.

Subsequent measurement of financial liabilities

The measurement of financial liabilities depends on their classification, as described below:

- (a) *Financial liabilities at fair value through profit or loss*
- (b) *Loans and borrowings*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

2. ACCOUNTING POLICIES (continued)

Subsequent measurement of financial liabilities (continued)

The company does not have any financial liabilities which are subsequently re-measured at fair value through profit or loss.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Comprehensive Income.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements:

Share based payment charges

The estimated charges with respect to the various equity-based awards that are granted are calculated based upon the assumption that all outstanding options at the balance sheet date will ultimately vest and the Amgen, Inc. closing stock price is used to estimate the value of outstanding options as at the balance sheet date.

Deferred taxation on share based payments

The calculation of deferred taxation arising on share based payments is calculated by a third party consultancy and relies on the same option vesting and valuation estimates as the share based payment charges themselves as noted above.

The Research and Development Expenditure Credit ("RDEC")

RDEC is estimated for each year based on provisional calculations of the amount of qualifying research and development spend in the year; these calculations are finalised subsequent to the signing of the financial statements.

Clinical trial accruals

In order to estimate the value of accrued clinical trial spend attributable to the company as at the balance sheet date, management rely on clinical trial cost trackers that record the number and value of purchase orders still open as at the balance sheet date, with adjustments made for known amounts of spend made against purchase orders and/or where the ultimate cost of the purchase order will be less than the recorded amount.

Amgen Limited**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2020

3. TURNOVER

Turnover is derived from the company's principal activities during the year. All turnover originates in the United Kingdom.

Turnover analysed by geographical area of destination is shown below:

	2020 £'000	2019 £'000
United States	102,399	105,309
United Kingdom	198,053	186,469
Europe	3,354	3,208
Total	<u>303,806</u>	<u>294,986</u>

Turnover analysed by activity type is shown below:

	2020 £'000	2019 £'000
Sale of goods	198,282	186,469
Service fee	105,524	108,517
Total	<u>303,806</u>	<u>294,986</u>

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2020 £'000	2019 £'000
Auditor's remuneration - audit of financial statements of the company	66	57
VPAS reporting	12	12
- IMI (Innovative Medicines Initiative) audit	—	7
Inventory recognised as an expense	143,084	138,641
Depreciation of owned property, plant and equipment	4,308	5,159
Research and development costs	99,609	99,977
Research and development expenditure credit (RDEC)	(1,600)	(1,831)
	<u>98,009</u>	<u>98,146</u>
Net foreign exchange gains on trading activities	—	(19)

Amgen Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

5. STAFF COSTS

	2020	2019
	£'000	£'000
Wages and salaries	54,897	50,249
Social security costs	6,653	5,881
Other pension costs (see note 18)	4,267	3,903
	<u>65,817</u>	<u>60,033</u>

Included in wages and salaries is a total expense of share based payments of £5,519,000 (2019: £4,850,000), all of which arises from transactions accounted for as equity-settled share based payments. Also included in wages and salaries are redundancy costs of £898,000 (2019: £374,011).

The average monthly number of employees (including executive directors) during the year was as follows:

	2020	2019
General and administration	75	70
Research and development	357	336
Sales and marketing	135	112
	<u>567</u>	<u>518</u>

Amgen Limited**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2020

5. STAFF COSTS (continued)**Directors' remuneration:**

	2020 £'000	2019 £'000
Emoluments	<u>1,873</u>	<u>1,735</u>
Gains made by directors on the exercise of share options	<u>1,033</u>	<u>936</u>
Company contributions paid to money purchase pension schemes	<u>63</u>	<u>35</u>
	No.	No.
Members of money purchase pension schemes	<u>5</u>	<u>1</u>
Number of directors who exercised share options	<u>4</u>	<u>3</u>
Number of directors who received shares (RSUs) in respect of qualifying services	<u>5</u>	<u>3</u>
The amounts in respect of the highest paid director:		
Emoluments	<u>755</u>	<u>740</u>

The highest paid director exercised share options during the current and prior year and also received shares (RSUs and performance units) in respect of qualifying services in both years.

Four (2019: Three) of the directors of the company, including the highest paid director, are also directors of fellow group undertakings. These directors received total remuneration for the year of £2,969,000 (2019: £2,671,000), of which three of these directors were paid by fellow group undertakings. The directors do not believe that it is practicable to apportion this amount between their qualifying services as directors of the company and their services as directors of fellow group undertakings.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

a) Analysis of tax charge for the year:

	2020 £'000	2019 £'000
Current tax:		
Corporation tax	3,799	3,600
Adjustments in respect of previous years	(272)	(20)
Total current tax	<u>3,527</u>	<u>3,580</u>
Deferred tax:		
Current year	(198)	36
Adjustment in respect of previous years	(57)	(147)
Effect of changes in tax rates	(79)	(4)
Total deferred tax	<u>(334)</u>	<u>(115)</u>
Total tax charge on profit on ordinary activities recorded in the Statement of Comprehensive Income	<u><u>3,193</u></u>	<u><u>3,465</u></u>

b) Factors affecting tax charge for the year:

The tax assessed for the year is higher (2019: higher) than the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £'000	2019 £'000
Profit on ordinary activities before tax	<u>13,812</u>	<u>15,441</u>
Tax on profit at standard rate of 19% (2019:19%)	2,624	2,934
Effects of:		
Expenses not deductible for tax purposes	96	89
Tax rate changes	(79)	(4)
Research and development expenditure credit	—	(82)
Adjustments in respect of previous years	(329)	(167)
Impact of share options	673	695
Total tax charge	<u><u>2,985</u></u>	<u><u>3,465</u></u>

c) Deferred tax asset:

	2020 £'000	2019 £'000
At 1 January	975	601
Adjustment in respect of prior years	57	230
Deferred tax charged to the Statement of Comprehensive Income	277	(32)
Deferred tax credited to equity	17	176
At 31 December	<u><u>1,326</u></u>	<u><u>975</u></u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

6. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

The deferred tax asset recognised comprises as follows:

	2020	2019
	£'000	£'000
Short term timing differences	1,362	1,065
Decelerated capital allowances	(36)	(90)
	<u>1,326</u>	<u>975</u>

The company has recognised a deferred tax asset as the directors consider that it is more likely than not that the asset will be recoverable in the foreseeable future against future taxable profits.

d) Factors affecting future tax charge:

On 22 March 2020 the chancellor announced that from 1 April 2020 the corporation tax rate would remain at 19% rather than reducing to 17%, as previously enacted. This new law was substantively enacted on 17 March 2020. Consequently, deferred tax is provided at 19% for the year to 31 December 2020 (2019: 17%).

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. This change was substantively enacted on 24 May 2021. As the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. The increase in rate will not affect deferred tax that is expected to reverse before 1 April 2023, but will affect later reversals. The impact on deferred tax assets at the year end date is not expected to be material.

7. SHARE-BASED PAYMENTS

Employees are granted share options, performance units and/or Restricted Stock Units (RSUs) in the ultimate parent company, Amgen, Inc. These options, performance units and RSUs vest over a maximum period of 4 years from the date of grant. The expense recognised for share based payments, all equity settled, for the year amounted to £5,519,000 (2019: £4,850,000). The total share based payment charge is split between research and development expenditure of £4,167,307 (2019: £3,836,658) and other operating expenses of £1,351,656 (2019: £1,012,549).

During the year 50,233 (2019: 51,358) options were exercised with a weighted average exercise price range of \$58.43 - \$162.60 (2019: Average \$142.14). The range of exercise prices for options outstanding at the year end was \$27.54 - \$244.67 (2019: \$140.76 - \$217.95). For the share options outstanding as at 31 December 2020, the weighted average remaining contractual life is 4.95 years (2019: 7.34 years).

Amgen Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

8. TANGIBLE FIXED ASSETS

	Computer hardware £'000	Assets in construction £'000	Leasehold improvements, furniture, fittings & equipment £'000	Total £'000
Cost:				
At 1 January 2020	1,796	99	17,950	19,845
Additions	—	2,852	(20)	2,832
Disposals	—	(24)	—	(24)
Transfers	—	(137)	137	—
At 31 December 2020	1,796	2,790	18,067	22,653
Depreciation:				
At 1 January 2020	1,752	—	16,867	18,619
Charged during the year	42	—	318	360
At 31 December 2020	1,794	—	17,185	18,979
Net book value:				
At 31 December 2019	44	99	1,083	1,226
At 31 December 2020	2	2,790	882	3,674

9. LEASES

The Company has entered into non-cancellable leases relating to buildings and motor vehicles. The carrying amount of lease assets at 31 December 2020, and additions and depreciation expense for the year ended 31 December 2020, is as follows:

Right-of-use assets as recognised in the Statement of Financial Position:

	Buildings 2020 £'000	Vehicles 2020 £'000	Total 2020 £'000
Opening amount at 1 January 2020	6,291	969	7,260
Additions	10,334	86	10,420
Disposals	(280)	(319)	(599)
Depreciation expense	(3,728)	(219)	(3,947)
Carrying amount at 31 December 2020	12,617	517	13,134

Amgen Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

9. LEASES (continued)

Other information about lease amounts recognised in the company's financial statements is summarised as follows:

	2020	2019
	£'000	£'000
Depreciation of right-of-use assets	3,947	4,226
Interest payable on lease liabilities	716	287
Total amount recognised	4,663	4,513

As of 31 December 2020, lease liabilities by maturity were as follows:

	Buildings	Vehicles	Total
	2020	2020	2020
	£'000	£'000	£'000
Less than one year	(3,210)	(341)	(3,551)
Between two and five years	(4,186)	(175)	(4,361)
More than five years	(5,233)	—	(5,233)
Total Finance Liabilities	(12,629)	(516)	(13,145)

10. INTANGIBLE ASSETS

	Computer software £'000
Cost:	
At 1 January 2020	61
Additions	—
At 31 December 2020	61
Depreciation:	
At 1 January 2020	(59)
Charged during the year	(1)
At 31 December 2020	(60)
Net book value:	
At 31 December 2019	2
At 31 December 2020	1

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

11. INVENTORIES

	2020	2019
	£'000	£'000
Finished goods and goods for resale	<u>56,354</u>	<u>52,284</u>

There are no material differences between the balance sheet value and the replacement cost.

Inventories are stated after write off for impairment of £3,951,362. (2019: £2,967,070).

12. TRADE AND OTHER RECEIVABLES

	2020	2019
	£'000	£'000
Trade receivables	79,434	69,210
Amounts owed by parent undertakings	14,802	19,126
Amounts owed by fellow group undertakings	46,283	32,898
Corporation tax debtor	19,887	16,537
Other debtors	105	—
Prepayments and accrued income	<u>5,038</u>	<u>3,056</u>
	<u>165,549</u>	<u>140,826</u>

The amounts owed by Amgen affiliated entities are transactions from normal trade and business, unsecured and non-interest bearing.

13. TRADE AND OTHER PAYABLES

	2020	2019
	£'000	£'000
Trade creditors	4,582	4,468
Amounts owed to parent undertakings	—	364
Amounts owed to fellow group undertakings	83,033	82,356
Accruals and deferred income	80,229	65,456
Other taxes and social securities	388	653
VAT payable	<u>7,531</u>	<u>7,682</u>
	<u>175,763</u>	<u>160,978</u>

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

Amgen Limited**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 December 2020

14. PROVISION FOR LIABILITIES

	2020 £'000	2019 £'000
Opening balance	1,840	2,092
Charged to Statement of Comprehensive Income	531	(252)
Utilised in the year	—	—
Closing Balance	2,371	1,840
Payable within one year	1,840	—
Payable in more than one year	531	1,840
	2,371	1,840

Dilapidation provision

The provision held at 1 January 2019, in respect of the terminal dilapidations liability, is based on third party valuation reports undertaken in June 2012 plus the cost incurred in 2016 upon exiting one of the buildings in Cambridge. During late 2019, there were discussions with the landlord regarding the exit of the Cambridge and Uxbridge sites and £252,000 total was released accordingly. The provision is expected to be fully utilised during 2021. As the Cambridge sites come to an end, a new lease has been agreed, with estimated dilapidation provision of £531,000.

15. CALLED UP SHARE CAPITAL

	2020 £'000	2019 £'000
Authorised, allotted, called up and fully paid: 2,900,000 Ordinary shares of £1 each	2,900	2,900

16. DIVIDEND PAID

	2020 £'000	2019 £'000
Interim dividend paid of £nil (2019: £—) per share	—	—

17. CAPITAL COMMITMENTS

There were capital commitments as at 31 December 2020 of £Nil (2019: £Nil).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2020

18. PENSION COMMITMENTS

The company operates a defined contribution pension scheme on behalf of certain of its employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and are disclosed in note 5. At 31 December 2020 outstanding pension contributions included in trade and other payables amounted to £nil (2019: £nil).

19. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent undertaking is Amgen Worldwide Holdings B.V., a company incorporated in the Netherlands.

The ultimate controlling party, ultimate parent undertaking and the parent undertaking of the smallest and largest group of undertakings for which consolidated financial statements are prepared which the company is a member is headed by Amgen, Inc., a company incorporated in the United States of America. Copies of Amgen, Inc. consolidated financial statements can be obtained from Amgen Limited, 216 Cambridge Science Park, Milton Road, Cambridge, CB4 0WA.

20. RELATED PARTY TRANSACTIONS

In accordance with paragraph 8(k) of FRS 101, transactions with other wholly owned group undertakings of the Amgen, Inc. group have not been disclosed in these financial statements.

During 2020, Chris Fox, was also a Board member of the ABPI (the Association of the British Pharmaceutical Industry) up to August 2020; Russell Abberley then became a member of ABPI. The company paid subscription fees of £335,287 (2019: £246,000) to the ABPI in the year, which was calculated on an arm's length basis. There was an outstanding balance of £17,280 as at 31 December 2020, which was cleared within 7 days.