

Registered No 02354269

AMGEN LIMITED

Annual Report and Financial Statements
31 December 2012

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COMPANIES HOUSE

Amgen Limited

Registered No 02354269

DIRECTORS

F Thiel
Dr J Haigh
J Kearney
C McKinlay

AUDITOR

Ernst & Young LLP
One Cambridge Business Park
Cambridge
CB4 0WZ

BANKERS

Citibank N A
Citigroup Centre
Canary Wharf
London
E14 5LB

REGISTERED OFFICE

Amgen Limited
240 Cambridge Science Park
Milton Road
Cambridge
CB4 0WD

COMPANY SECRETARY

K McIntosh

Amgen Limited

Registered No 02354269

DIRECTORS' REPORT

The directors present their annual report and financial statements for the year ended 31 December 2012

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £9,587,000 (2011 £11,502,000). The directors carried forward profit and loss reserves of £33,886,000 (2011 £20,491,000). No dividend was declared or paid in the year (2011 £10,000,000).

PRINCIPAL ACTIVITIES, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company's principal activities during the year were the marketing of Neupogen®, Aranesp®, Neulasta®, Mimpara®, Vectibix®, Nplate®, Prolia® and XGEVA® in the United Kingdom and the European-wide clinical development of new proteins and small molecules.

Turnover increased by 21% to £163,413,000 (2011 restated £134,880,000). Clinical development costs, which are recharged to Amgen, Inc. through a service fee arrangement, were the primary factor for the increase from the prior year, rising by 27% as the UK supports increased global clinical trial activity on AMG 145. Commissionaire income has remained flat year on year. Operating profit remains relatively flat with a small decrease of 2% to £10,517,000 (2011 £10,784,000).

Gross product sales on which the company earns commission income, a major key performance indicator for the company, increased by 9% to £86,663,000 (2011 £79,251,000). The market continues to mature for some products, for which there was greater competition from new competitor products resulting in increased price pressures. This has been offset by new products launched in 2010 and 2011, and will be further mitigated by our emerging late-stage pipeline.

In 2012 over 32,000 (2011 29,000) patients were active in clinical trials in 60 countries worldwide. The United Kingdom continues to be a key contributor to the group's largest ever international clinical trial programme. In 2013, Amgen expects an increased level of clinical activity compared with 2012 in terms of the number of active subjects. The United Kingdom is participating in approximately 1 in 5 of Amgen's global clinical trials.

The average number of employees decreased to 501 (2011 532) as a result of restructuring work completed at the beginning of the year.

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

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DIRECTORS' REPORT (continued)

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 both the recharge of development expenditure to, and commission made on 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 group as a whole
- the company operates in a competitive environment and other 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 on a global basis through the parent company

DIRECTORS

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

F Thiel (appointed 26 November 2012)

R Hoffmann (resigned 26 November 2012)

Dr J Haigh

J Kearney

M Kelly (resigned 31 May 2013)

C McKinlay (appointed 31 May 2013)

CHARITABLE DONATIONS

During the year the company made various charitable contributions totalling £21,000 (2011 £4,000)

RESEARCH AND DEVELOPMENT

The role of Amgen Limited in the development of therapeutics is to design and conduct clinical studies in human volunteers and patient populations to determine the safety and efficacy of novel product candidates

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

GOING CONCERN

The activities of the company together with factors likely to affect its future development and profitability are outlined in the sections above. The company's profitability is due to a global transfer pricing agreement, therefore as part of the global Amgen, Inc group, the directors have an expectation that the company has adequate resources to continue its operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Financial Statements

DIRECTORS' REPORT (continued)

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 UK company issues.

DIRECTORS INDEMNITY INSURANCE

The company has indemnified one or more 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.

STATEMENT AS TO 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 1. 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.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial period. 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). 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.

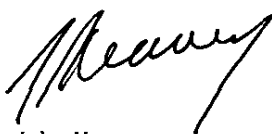
Amgen Limited

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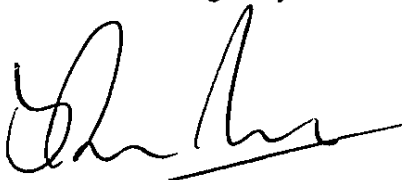
DIRECTORS' REPORT (continued)

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 irregularity.

On behalf of the Board



John Kearney
Director



Dr Jeremy Haigh
Director

Date 28 June 2013

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AMGEN LIMITED

We have audited the financial statements of Amgen Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account the Balance Sheet and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on pages 4 and 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

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Matters on which we are required to report by exception

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

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

Ernst & Young LLP

Rachel Wilden (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Cambridge, UK

Date *28 June 2013*

Amgen Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 December 2012

		2012	2011
	Notes	£'000	£'000 Restated*
TURNOVER	2	163,413	134,880
Research and development expenditure		(118,337)	(87,631)
Net operating expenses		(34,559)	(36,465)
OPERATING PROFIT	3	10,517	10,784
Interest receivable on intercompany receivables		185	66
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		10,702	10,850
Tax on profit on ordinary activities	5	(1,115)	652
PROFIT FOR THE YEAR	13	9,587	11,502

* see note 1

The above results are derived from continuing operations

There are no recognised gains or losses other than the results shown above, accordingly no statement of total recognised gains and losses is presented

Amgen Limited

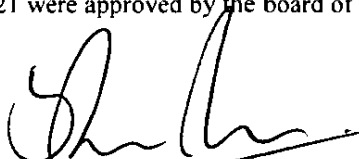
BALANCE SHEET at 31 December 2012

	Notes	2012 £'000	2011 £'000
FIXED ASSETS			
Tangible fixed assets	7	4,527	5,314
CURRENT ASSETS			
Debtors	8		
Amounts falling due after one year		974	1,082
Amounts falling due within one year		86,518	63,785
CREDITORS Amounts falling due within one year	9	(50,833)	(43,085)
NET CURRENT ASSETS		36,659	21,782
TOTAL ASSETS LESS CURRENT LIABILITIES		41,186	27,096
CREDITORS Amounts falling due after more than one year	10	(3,042)	(3,705)
PROVISION FOR LIABILITIES	11	(1,358)	-
NET ASSETS		36,786	23,391
CAPITAL AND RESERVES			
Called up share capital	12	2,900	2,900
Profit and loss account	13	33,886	20,491
SHAREHOLDERS' FUNDS	13	36,786	23,391

The financial statements on pages 9 to 21 were approved by the board of directors and authorised for issue and were signed on its behalf by



John Kearney
Director



Dr Jeremy Haigh
Director

Date 28 June 2013

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2012

1 ACCOUNTING POLICIES

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable UK accounting standards. Certain prior year amounts have been restated to conform with current year presentation.

- To ensure consistency with the presentation adopted in the year ended 31 December 2012, expenditure amounting to £2,810,000, which had previously been classified as cost of sales in the year ended 31 December 2011, has been restated within net operating expenses to more appropriately reflect the nature of the costs incurred and

- Included in turnover and research and development expenditure for the year ended 31 December 2011 were pass through costs amounting to £24,019,000. The directors have reassessed the nature of the costs and related revenue and in accordance with FRS 5 have determined that the company acts as an agent rather than a principal and therefore the costs and revenues should have been presented net. The turnover and research and development have been restated to reflect this accounting treatment resulting in a reduction in both service fee revenue and research and development costs.

Neither of these restatements have any effect on the profit for the year ended 31 December 2011 or 2012 nor on retained earnings at 1 January 2011.

Cash flow statement

The company has not prepared a cash flow statement due to the exemption conferred by FRS 1 Cash Flow Statements (Revised) for wholly owned subsidiaries whose results are consolidated into financial statements which include a cash flow statement and are available to the public.

Tangible fixed assets

All tangible fixed assets are recorded at cost less depreciation and provision for impairment.

Depreciation is provided on all tangible fixed assets 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	over 3 years
Computer software	over 3 years
Leasehold improvements, furniture, fittings and equipment	over 5-12 years (or lease term if shorter)

Depreciation is not charged until the assets are brought into use.

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

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 profit and loss account as they become payable in accordance with the rules of the scheme.

Lease rentals

Operating lease rentals are charged to profit and loss account on a straight line basis over the lease term.

Cash incentives received in relation to leases taken out on buildings are treated as deferred income and released to the profit and loss account over the lease term.

Amgen Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2012

1. ACCOUNTING POLICIES (continued)

Research and development expenditure

Expenditure on the development of therapeutics is expensed in the profit and loss account as incurred. The company does not incur expenditure on pure research activities.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange 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 profit and loss account. Transactions and balances with the holding company are translated at a contracted exchange rate.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exception:

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

Share based payments

Employees of the company are granted share options 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 pricing model.

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 profit and loss account with a corresponding entry in equity.

The company has taken advantage of the transitional provisions of FRS 20 in respect of equity-settled awards so as to apply FRS 20 only to those equity-settled awards granted after 7 November 2002 that had not vested before 1 January 2006.

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 as 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.

Amgen Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2012

1. ACCOUNTING POLICIES (continued)

Revenue recognition

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance across the following activities

- *Commissionaire income* A commissionaire agreement is in force whereby the company acts as an undisclosed agent on behalf of the Swiss principal company, Amgen (Europe) GmbH. The commissionaire income is calculated to provide an arms length return to the company commensurate with the commercial risk associated with the marketing and sale of the products.
- *Service fee* The company is contracted by Amgen, Inc. to provide clinical development services. The costs associated with the provision of these services are recharged to Amgen, Inc. under the terms of a service agreement between the two companies.

2. TURNOVER

Turnover is derived from the company's principal activities which, during the year, were the marketing of Neupogen®, Aranesp®, Neulasta®, Mimpara®, Vectibix®, Nplate®, Prolia® and XGEVA® in the United Kingdom and the European-wide clinical development of new proteins and small molecules.

Turnover analysed by geographical area of destination is shown below

	<i>United States</i>		<i>Europe</i>		<i>Total</i>	
	<i>2012</i>	<i>2011</i>	<i>2012</i>	<i>2011</i>	<i>2012</i>	<i>2011</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
	<i>Restated*</i>				<i>Restated*</i>	
Turnover	134,223	105,495	29,190	29,385	163,413	134,880

Turnover analysed by activity type is shown below

	<i>Service Fee</i>		<i>Commissionaire</i>		<i>Total</i>	
	<i>2012</i>	<i>2011</i>	<i>2012</i>	<i>2011</i>	<i>2012</i>	<i>2011</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
	<i>Restated*</i>				<i>Restated*</i>	
Turnover	135,467	106,825	27,946	28,055	163,413	134,880

* see note 1

Amgen Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2012

3 OPERATING PROFIT

a) Operating profit is stated after charging/(crediting)

	2012 £'000	2011 £'000 <i>Restated</i>
Auditor s remuneration - audit of financial statements	24	24
- PPRS reporting and iXBRL	9	10
Depreciation of owned tangible fixed assets	1,312	1,778
Operating lease rentals - land and buildings	3,930	3,930
- plant and machinery	715	1,007
Research and development costs	118,337	87,631
Restructuring costs	525	1,171
Net foreign exchange gains	(5)	(43)

b) Directors' remuneration

	2012 £'000	2011 £'000
Emoluments	784	659
Company contributions paid to money purchase pension schemes	51	56
	<i>No</i>	<i>No</i>
Members of money purchase pension schemes	2	2
Number of directors who exercised share options	2	1
Number of directors who received shares in respect of qualifying services	2	2
	2012 £'000	2011 £'000
The amounts in respect of the highest paid director		
Emoluments	397	340
Company contributions paid to money purchase pension schemes	34	29

Amgen Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2012

3 OPERATING PROFIT (continued)

The highest paid director exercised share options during the year and also received shares in respect of qualifying services

Three of the directors of the company are also directors of fellow group undertakings. These directors received total remuneration for the year of £1,563,000 (2011 £1,661,000), all of which was paid by fellow group undertakings. The directors do not believe that it is practicable to apportion this amount between their services as directors of the company and their services as directors of fellow group undertakings.

4 STAFF COSTS

	2012 £'000	2011 £'000
Wages and salaries	42,934	47,250
Social security costs	4,570	4,546
Other pension costs	2,866	2,861
	<u>50,370</u>	<u>54,657</u>

Included in wages and salaries is a total expense of share-based payments of £3,808,000 (2011 £4,355,000), all of which arises from transactions accounted for as an equity-settled share based payments.

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

	No	No
General and Administration	38	43
Research and Development	387	416
Sales and Marketing	76	73
	<u>501</u>	<u>532</u>

Amgen Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2012

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

a) Analysis of tax charge/(credit) for the year

	2012 £'000	2011 £'000
Current tax		
Corporation tax at 24.5% (2011: 26.5%)	1,078	420
Adjustments in respect of previous years	(71)	10
Total current tax (see note 5(b))	1,007	430
Deferred tax		
Origination and reversal of timing differences	16	(1,082)
Adjustment in respect of previous years	7	-
Effect of changes in tax rates	85	-
Total deferred tax (see note 5(c))	108	(1,082)
Total tax on profit on ordinary activities	1,115	(652)

b) Factors affecting tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 24.5% (2011: 26.5%). The differences are explained below:

	2012 £'000	2011 £'000
Profit on ordinary activities before tax	10,702	10,850
Profit on ordinary activities multiplied by standard rate	2,622	2,874
Effects of:		
Expenses not deductible for tax purposes	1,816	925
Research and Development tax credit	(3,033)	(2,865)
Depreciation in excess of capital allowances	184	305
Other short term timing differences	(511)	(819)
Adjustments in respect of previous years	(71)	10
Total current tax (see note 5(a))	1,007	430

Amgen Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2012

5. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

c) Deferred taxation

	2012 £'000	2011 £'000
Opening balance	1,082	-
(Charge)/credit to profit and loss	(108)	1,082
Closing balance	974	1,082

The deferred tax asset recognised is as follows

	2012 £'000	2011 £'000
Short term timing differences	1,899	2,227
Decelerated capital allowances	(925)	(1,145)
	974	1,082

A deferred tax asset has been recognised on the grounds that it is more likely than not that the asset will be recoverable in the foreseeable future

d) Factors affecting future tax charge

Finance Act 2012 enacted a reduction in the main rate of corporation tax in the UK from 24% to 23% with effect from 1 April 2013. This reduction is in addition to the decrease to 24% from 1 April 2012 which was also enacted in Finance Act 2012. Further changes to the UK Corporation tax rates were announced in the 2012 Autumn Statement and the March 2013 Budget. These include further reductions to the main rate to reduce the rate to 21% from 1 April 2014 and to 20% from 1 April 2015. These changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

The proposed reductions to the main rate of corporation tax are both expected to be enacted as part of Finance Act 2013. The overall effect of these further changes, if applied to the deferred tax balance at the balance sheet date, would be to reduce the deferred tax asset by £126,992.

Finance Act 2011 also enacted a reduction from 1 April 2012 in the rate of capital allowances applicable to plant and machinery and to integral features from 20% to 18% and from 10% to 8% respectively.

6. SHARE BASED PAYMENTS

Employees are granted share options and / or Restricted Stock Units (RSUs) in the ultimate parent company, Amgen, Inc. These options 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 £3,808,000 (2011: £4,355,000). The total share based payment charge is split between research and development expenditure of £3,170,000 (2011: £3,762,000) and net operating expenses of £638,000 (2011: £593,000).

Amgen Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2012

6 SHARE BASED PAYMENTS (continued)

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in share options in the year

	2012 No	2012 WAEP	2011 No	2011 WAEP
Outstanding as at 1 January	725,000	\$60.30	966,000	\$59.29
Granted during the year	-	-	30,000	\$54.69
Forfeited/expired/transferred during the year	(34,000)	\$68.68	(181,000)	\$59.39
Exercised during the year	(455,000)	\$60.77	(90,000)	\$49.49
Outstanding at 31 December	236,000	\$58.08	725,000	\$60.30
Exercisable at 31 December	123,000	\$60.39	511,000	\$63.12

The range of exercise prices for options outstanding at the year end was \$42.13 - \$78.22 (2011: \$42.13 - \$83.58). For the share options outstanding as at 31 December 2012, the weighted average remaining contractual life is 4.28 years (2011: 3.53 years).

The fair value of share options is calculated using an option valuation model. The weighted average assumptions used to estimate the fair value of stock options were as follows:

	2012	2011
Fair value of common stock	\$74.56	\$54.66
Fair value of stock options granted	\$14.65	\$11.39
Risk-free interest rate	1.60%	2.50%
Expected life (in years)	8.1	5.9
Expected volatility	22.20%	23.50%
Expected dividend yield	2.10%	2.00%

The expected volatility reflects the consideration of the implied volatility in publicly traded instruments associated with Amgen, Inc.'s common stock during the period the option is granted. The directors believe implied volatility in these instruments is more indicative of expected future volatility than a historical basis.

	2012 No	2011 No
Outstanding as at 1 January	312,000	285,000
Granted during the year	171,000	163,000
Forfeited/expired/transferred during the year	(30,000)	(39,000)
Vested during the year	(82,000)	(97,000)
Outstanding at 31 December	371,000	312,000

Fair value of a restricted stock unit is equal to the closing price of Amgen, Inc. common stock on the grant date.

Amgen Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2012

7 TANGIBLE FIXED ASSETS

	<i>Computer hardware £'000</i>	<i>Construction in Progress £'000</i>	<i>Computer software £'000</i>	<i>Leasehold Improvements, furniture, fittings & equipment £'000</i>	<i>Total £'000</i>
Cost					
At 1 January 2012	2,356	–	1,008	16,182	19,546
Additions	113	246	–	166	525
Transfers	207	–	–	(207)	–
Disposals	(45)	–	(590)	(13)	(648)
At 31 December 2012	2,631	246	418	16,128	19,423
Depreciation					
At 1 January 2012	2,110	–	1,008	11,114	14,232
Provided during the year	256	–	–	1,056	1,312
Disposals	(45)	–	(590)	(13)	(648)
At 31 December 2012	2,321	–	418	12,157	14,895
Net book value					
At 31 December 2012	310	246	–	3,971	4,527
At 31 December 2011	246	–	–	5,068	5,314

8. DEBTORS

	<i>2012 £'000</i>	<i>2011 £'000</i>
Amounts due within one year		
Amounts owed by group undertakings	71,938	52,169
Other debtors	4,347	2,422
Prepayments and accrued income	10,233	9,194
	<u>86,518</u>	<u>63,785</u>
Amounts due after one year		
Deferred tax asset (note 5c)	974	1,082

Amgen Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2012

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £'000	2011 £'000
Trade creditors	1,182	1,241
Amounts owed to group undertakings	2,319	3,119
Corporation tax payable	639	397
Accruals and deferred income	46,693	38,328
	<u>50,833</u>	<u>43,085</u>

10 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2012 £'000	2011 £'000
Deferred income	<u>3,042</u>	<u>3,705</u>

11. PROVISION FOR LIABILITIES

	2012 £'000
At 1 January 2012	-
Provided during the year	1,358
At 31 December 2012	<u>1,358</u>

The provision is in respect of potential terminal dilapidations liability and is based on a third party valuation report. The costs are expected to reverse over the remaining period of the associated leases which end in 2016. The provision has not been discounted as the directors consider the effect to be immaterial.

Amgen Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2012

12. SHARE CAPITAL

	2012 £'000	2011 £'000
Allotted, called up and fully paid 2,900 000 ordinary shares of £1 each	2 900	2,900

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share capital £'000	Profit and loss account £'000	Total £'000
At 1 January 2011	2,900	14,634	17,534
Profit for the year	–	11,502	11,502
Credit to equity for share based payments	–	4,355	4,355
Dividend	–	(10,000)	(10,000)
At 1 January 2012	2,900	20,491	23,391
Profit for the year	–	9,587	9,587
Credit to equity for share based payments	–	3,808	3,808
At 31 December 2012	2,900	33,886	36,786

14. OPERATING LEASE COMMITMENTS

Annual commitments under non-cancellable operating leases are as follows

	Land and buildings 2012 £'000	Other 2012 £'000	Land and buildings 2011 £'000	Other 2011 £'000
Operating leases which expire				
Within one year	–	121	–	160
In the second to fifth years inclusive	1,460	580	1,460	638
In over five years	2,470	–	2,470	–
	3,930	701	3,930	798

Amgen Limited

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2012

15. PENSION COMMITMENTS

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. The pension cost charge represents contributions payable by the company to the fund and is disclosed in Note 4. There are no amounts outstanding at the balance sheet date in relation to pension costs (2011: £nil).

16. ULTIMATE PARENT UNDERTAKING

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

The controlling party and ultimate parent undertaking of the group of undertakings for which group financial statements are drawn up and of which the company is a member is Amgen, Inc., a company incorporated in the United States of America. Copies of Amgen Inc. consolidated financial statements can be obtained from Amgen Limited, 240 Cambridge Science Park, Milton Road, Cambridge CB4 0WD.

17. RELATED PARTY TRANSACTIONS

Amgen Limited has taken advantage of the exemption available under FRS 8 not to disclose any related party transaction occurring with wholly owned group undertakings. There were no other disclosable related party transactions.