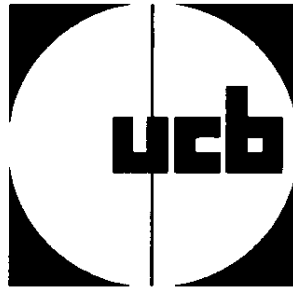


2649419



**CELLTECH PHARMA EUROPE LIMITED**

**Directors report and financial statements for the  
financial year ended 31 December 2009**

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# Celltech Pharma Europe Limited

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## DIRECTORS' REPORT

The directors submit their annual report and audited financial statements for the 12 months ended 31 December 2009

## PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The principal activities of the Company (registered number 2649419) are the holding of licences and registrations over certain pharmaceutical products to license other companies to manufacture and sell these products and the holding of certain Group investments in European subsidiaries. The performance of the Company was satisfactory.

## RISKS AND UNCERTAINTIES

The Company is a wholly owned subsidiary of the Group, UCB S A and is managed as part of the overall operations of the Group in the UK. The directors therefore manage risk as a whole across the UK operations, rather than as individual entities. This includes application of the Group's risk framework which requires all businesses and functions within the Group to establish processes for identifying, evaluating and managing key risks. For this reason, and given the limited risks and transactions related to this Company, the directors do not consider separate disclosure of key risks and uncertainties to be necessary.

## KEY PERFORMANCE INDICATORS

Given the straightforward nature of the business and the fact that the Company is not engaged in any trading activities, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development performance or position of the business.

## RESULTS AND DIVIDENDS

The Company made a loss after taxation of £5,245,000 (2008: £18,764,000 profit). The Directors paid an interim dividend of £19,000,000 during the year (2008: nil).

## DIRECTORS

The directors who held office during the year and up to the date of signing are listed below:

M G Hardy  
S C Jones  
A Bernard  
T Teil  
E Caeymaex  
F Thys  
L Uylenbroeck

No director held any interest in the share capital of the Company. No director had any material interest in any contract to which the Company was a party during the financial year.

## DISCLOSURE OF INFORMATION TO AUDITORS

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

## AUDITORS

KPMG Audit plc resigned as auditors of the Company on 25 November 2009 and confirmed in accordance with section 509 of the Companies Act 2006 that there were no circumstances which should be brought to the attention of the Company's shareholders or creditors. The Company accepted their resignation. PricewaterhouseCoopers LLP have been appointed auditors of the Company in accordance with section 485 of the Companies Act 2006. The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their appointment will be proposed at the annual general meeting.

On behalf of the Board



M G Hardy  
Director

07/09/10

## 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 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). Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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.

The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CELLTECH PHARMA EUROPE LIMITED**

We have audited the financial statements of Celltech Pharma Europe Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 2 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### **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 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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

### **Matters on which we are required to report by exception**

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

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

### **Other matters**

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



PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Uxbridge

9 September 2010

# Celltech Pharma Europe Limited

## PROFIT AND LOSS ACCOUNT FOR YEAR ENDED 31 DECEMBER 2009

	<i>Notes</i>	<b>2009</b> <b>£'000</b>	<b>2008</b> <b>£'000</b>
<b>OPERATING PROFIT</b>	<b>2</b>	<b>-</b>	<b>-</b>
Amounts written off investments	5	(7,680)	-
Interest receivable and similar income	4	2,107	4,088
Income from Group undertakings	3	714	20,587
Other operating income - exceptional	4	1,900	
<b>(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(2,959)</b>	<b>24,675</b>
Taxation on profit on ordinary activities	6	(2,851)	(5,911)
<b>(LOSS) / PROFIT FOR THE FINANCIAL YEAR</b>	<b>12</b>	<b>(5,810)</b>	<b>18,764</b>

The results above relate to continuing operations

The Company has no recognised gains and losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented

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

The notes on pages 6 to 9 form an integral part of these financial statements


# Celltech Pharma Europe Limited

## BALANCE SHEET AS AT 31 DECEMBER 2009

	Notes	2009 £'000	2008 £'000
<b>FIXED ASSETS</b>			
Investment in Group companies	8	41,669	49,349
<b>CURRENT ASSETS</b>			
Debtors	9	69,013	90,048
<b>CREDITORS AMOUNTS FALLING DUE IN ONE YEAR</b>	10	(6,247)	(10,152)
<b>NET CURRENT ASSETS</b>		62,776	79,896
<b>NET ASSETS</b>		104,435	129,245
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	33,656	33,656
Share premium account	12	74,914	74,914
Profit and loss account	12	(4,135)	20,675
<b>TOTAL SHAREHOLDERS' FUNDS</b>	12	104,435	129,245

The notes on pages 6 to 9 form an integral part of these financial statements

The financial statements were approved by the board of Directors on 07/09/2010 and signed on their behalf by



M G Hardy  
Director



S C Jones  
Director

## NOTES TO THE FINANCIAL STATEMENTS

### 1 ACCOUNTING POLICIES

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

#### ACCOUNTING CONVENTION

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom as prescribed by the Companies Act 2006 and under the historical cost accounting rules

The Company is exempt by virtue of part 15, section 400 of the Companies Act 2006 from the requirement to prepare Group financial statements. These financial statements present information about the Company as an individual undertaking and not about its Group

#### CASH FLOW STATEMENT

The Company is not required to prepare a cash flow statement as it is ultimately owned by UCB S.A., and the consolidated accounts of that Company include a consolidated cash flow statement that includes the Company

#### FOREIGN CURRENCIES

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date

#### INTEREST RECEIVABLE AND PAYABLE

Interest receivable and payable are recognised on an accruals basis

#### DIVIDENDS

Dividends receivable are recognised at the date on which their payment becomes irrevocable. Dividend distributions to the company shareholders are recognised in the period when they are paid

#### DEFERRED TAXATION

Deferred taxation is provided on timing differences that have originated but not reversed by the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted

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

#### RELATED PARTY TRANSACTIONS

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

#### INVESTMENTS

Investments are carried at cost less impairment

#### TRADE AND OTHER DEBTORS

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

#### TRADE AND OTHER CREDITORS

Trade and other creditors are stated at cost

#### GOING CONCERN

The directors consider that the company has adequate resources to continue in business in the foreseeable future and that it is therefore appropriate to adopt the going concern basis in preparing the accounts

# Celltech Pharma Europe Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 2 OPERATING RESULT

- (a) In 2009 and 2008 Auditors' remuneration has been borne by fellow subsidiary companies  
 (b) No director received any remuneration for the year in respect of their duties (2008 nil)  
 (c) The average number of staff employed by the Company, including directors during the year was nil (2008 nil)

### 3 INCOME FROM GROUP UNDERTAKINGS

	2009 £'000	2008 £'000
Dividends received from Group undertakings	714	20,587

### 4 INTEREST RECEIVABLE AND SIMILAR INCOME

	2009 £'000	2008 £'000
Interest and similar income received from Group companies	2,107	4,088
Other operating income – exceptional	1,900	
	4,007	4,088

The exceptional item relates to the sale of Rainbow products. The Company disposed of a portfolio of old products ("Rainbow products") in November 2009.

### 5 AMOUNTS WRITTEN OFF INVESTMENTS

	2009 £'000	2008 £'000
Impairment in investment	(7,680)	-

### 6 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	2009 £'000	2008 £'000
UK Corporation tax on profits of the year	3,614	7,032
Adjustment in respect of prior years	(724)	-
Foreign tax credit	(39)	(1,121)
Total tax on profit on ordinary activities	2,851	5,911

The tax charge for the period is lower (2008 lower) than the standard rate of corporation tax in the UK (28%, 2008 28.5%). The differences are explained below.

	2009 £'000	2008 £'000
(Loss) / Profit on ordinary activities before tax	(2,959)	24,675
(Loss) / Profit on ordinary activities multiplied by the standard rate of tax in the United Kingdom 28% (2008 28.5%)	(829)	7,032
Effects of:		
Expenses not deductible	2,150	-
Adjustment in respect of prior years	(724)	-
Foreign tax credit	(39)	(1,121)
Utilisation of group tax losses	(532)	-
UK tax in relation to overseas subsidiaries	2,863	-
Other tax adjustments	(38)	-
Total current tax charge	2,851	5,911



# Celltech Pharma Europe Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 7 DIVIDENDS

	2009 £'000	2008 £'000
Equity dividends on ordinary shares		
Interim dividend paid £0.56p per share (2008: nil)	19,000	-

### 8 INVESTMENTS

	Shares in Group undertakings £'000
Cost and net book value at 1 January 2009	49,349
Impairment in investment	(7,680)
<b>As at 31 December 2009</b>	<b>41,669</b>

At 31 December 2009 the Company held 100% shareholdings in the following subsidiary undertakings

Name	Principal business activity	Country of incorporation	Description of shares held
Medeva Holdings BV	Finance and holding company	Netherlands	Ordinary
UCB Nordic ApS	Sales company	Denmark	Ordinary

### 9 DEBTORS

	2009 £'000	2008 £'000
Amounts due from third parties	1,263	-
Amounts due from Group undertakings	67,750	90,048
	<b>69,013</b>	<b>90,048</b>

The amounts owed by Group undertakings are repayable on demand, bear interest at an annual rate of 2.79% (2008: 5.47%)

### 10 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £'000	2008 £'000
Amounts owed to Group undertakings	6,247	10,152

The amounts payable to Group undertakings are repayable on demand and bear no interest (2008: nil%). No securities are secured to the inter group balances

# Celltech Pharma Europe Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 11 CALLED UP SHARE CAPITAL

	2009 Number '000	2009 £'000	2008 Number '000	2008 £'000
<b>Authorised</b>				
Ordinary shares of £1 each	50,000	50,000	50,000	50,000
<b>Allotted and fully paid</b>				
Ordinary shares of £1 each	33,656	33,656	33,656	33,656

### 12 SHAREHOLDERS' FUNDS

	Share Capital £'000	Share Premium Account £'000	Profit and Loss Account £'000	Total £'000
At 1 January 2009	33,656	74,914	20,675	129,245
Loss for the financial year	-	-	(5,810)	(5,810)
Dividend paid	-	-	(19,000)	(19,000)
<b>At 31 December 2009</b>	<b>33,656</b>	<b>74,914</b>	<b>(4,135)</b>	<b>104,435</b>

### 13 RELATED PARTY TRANSACTIONS

There were no related party transactions in the year

### 14 PARENT UNDERTAKING

The immediate parent Company is Medeva Limited, a Company incorporated in Great Britain. The ultimate parent Company and controlling party at 31 December 2009 and smallest and largest Group in which the Company's results are consolidated was UCB S A, a Company incorporated in Belgium.

Copies of the respective financial statements of each of these companies can be obtained from Celltech Group Limited, 208 Bath Road, Slough, Berkshire, SL1 3WE.