# UCB Ireland

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

Company registration number: 02929127

# UCB Ireland
## STRATEGIC REPORT
## FOR THE YEAR ENDED 31 DECEMBER 2015

**PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS**
The principal activity of the Company, registered number 02929127, is that of lending to various group companies.

Due to the legal formation of the Company, the Company name does not include the word limited.

The Company made a loss for the financial year of €18,712 (2014: €7,943), and has net assets of €245,798 (2014: €264,510) at the balance sheet date.

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

The Board of Directors is responsible for approving the UCB Group's strategy, goals and objectives and overseeing the establishment, implementation and review of the Group's risk management system. The Board of Directors is assisted by the Audit Committee in its responsibility for the appreciation of risk and risk management. The Audit Committee examines on a regular basis the areas where risk could significantly affect the Group's financial situation and reputation and monitors the overall risk management process of the Group.

The Corporate Risk Management Committee, consisting of Executive Committee members and senior management representatives of all business functions and reporting to the Executive Committee, provides strategic leadership that endorses the corporate risk assessment and prioritisation process that drives the establishment of risk mitigation plans within all business functions and operations, supported by a global risks management system to effective and efficiently asset report, mitigate and manage actual or potential risk or exposures.

UCB Ireland is part of the UK Group of UCB Companies and as such is included within the global risk management policy.

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

On behalf of the board:

Ken McCauley

K McCauley
**Director**

Date: 08/07 2016

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

## FINANCIAL RISK MANAGEMENT

The Company is exposed to various financial risks arising from its operations and Group corporate finance activities. The Group manages, on behalf of the subsidiaries, these financial risks. These financial risks are market risk and liquidity risk.

### Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's profit and loss. The objective of market risk management is to manage and control market risk exposures. The Group enters into derivative financial instruments and also incurs financial liabilities in order to manage market risk.

### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's liquidity risk is managed by the Group. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under normal circumstances without incurring unacceptable losses or risking damage to the Group reputation. The Group maintains sufficient reserves of cash and readily realisable marketable securities to meet its liquidity requirements at all times. In addition the Group has certain unutilised revolving committed facilities at its disposal.

## FUTURE DEVELOPMENTS

The Company will continue to provide lending services to other group companies.

## DIRECTORS

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

Bo Iversen (resigned 17 March 2016)
Kenneth McCauley
Yogesh Khatri

## DIVIDENDS

No dividends were paid during the year (2014: €nil). The directors do not recommend the payment of a dividend for the year (2014: €nil).

## DIRECTORS' INDEMNITIES

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

## POST BALANCE SHEET EVENTS

There are no significant post balance sheet events.

## STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

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

## INDEPENDENT AUDITORS

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

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

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**
The directors are responsible for preparing the Strategic Report and Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board:

K McCauley
**Director**

208 Bath Road
Slough
Berkshire
United Kingdom
SL1 3WE

Date: 08/07 2016

## Report on the financial statements

### Our opinion

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

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its 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.

### What we have audited

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

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

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

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

## Opinion on matter prescribed by the Companies Act 2006

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

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

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

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns

We have no exceptions to report arising from this responsibility.

### Directors' remuneration

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

## Responsibilities for the financial statements and the audit

### Our responsibilities and those of the directors

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

### What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK and Ireland) (ISAs (UK & Ireland)). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

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

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

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

### Other matter

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

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Uxbridge

Date: 8 JULY 2016

## UCB Ireland
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

| | Notes | 2015<br>€ | 2014<br>€ |
|---|---|---|---|
| Administrative expenses | | **(18,237)** | (7,943) |
| ***Operating loss*** | | **(18,237)** | (7,943) |
| Interest payable and similar charges | 3 | **(475)** | - |
| **Loss on ordinary activities before taxation** | 2 | **(18,712)** | (7,943) |
| Tax on loss on ordinary activities | 4 | **-** | - |
| **Loss for the financial year** | | **(18,712)** | (7,943) |
| Other comprehensive income for the year | | **-** | - |
| **Total comprehensive loss for the year** | | **(18,712)** | (7,943) |

The notes on pages 9 to 12 form an integral part of these financial statements.

All results derive from continuing operations.

**UCB Ireland**
BALANCE SHEET
AS AT 31 DECEMBER 2015

| | Notes | 2015 € | € | 2014 € | € |
|---|---|---|---|---|---|
| **Current assets** | | | | | |
| Debtors | 5 | 226,963 | | 277,536 | |
| Cash at bank and in hand | | 39,349 | | 2,678 | |
| | | 266,312 | | 280,214 | |
| **Creditors: amounts falling due within one year** | 6 | (20,514) | | (15,704) | |
| **Net current assets** | | | 245,798 | | 264,510 |
| **Net assets** | | | 245,798 | | 264,510 |
| **Capital and reserves** | | | | | |
| Called up share capital | 7 | | 314,100 | | 314,100 |
| Profit and loss account | 8 | | (68,302) | | (49,590) |
| **Total equity** | 9 | | 245,798 | | 264,510 |

The notes on pages 9 to 12 form part of these financial statements.

The financial statements on pages 6 to 12 were approved by the Board of Directors on 8/7 2016 and signed on its behalf by:

K McCauley
**Director**

**Company registered number: 02929127**

**UCB Ireland**
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

| | Called up share capital | Profit and loss account | Total equity |
|---|---|---|---|
| | € | € | € |
| Balance at 1 January 2014 | 314,100 | (41,647) | 272,453 |
| **Total comprehensive loss for the year** | | | |
| Loss for the financial year | - | (7,943) | (7,943) |
| Total comprehensive loss for the year | - | (7,943) | (7,943) |
| **Balance at 31 December 2014** | **314,100** | **(49,590)** | **264,510** |
| **Total comprehensive loss for the year** | | | |
| Loss for the financial year | - | (18,712) | (18,712) |
| Total comprehensive loss for the year | - | (18,712) | (18,712) |
| **Balance at 31 December 2015** | **314,100** | **(68,302)** | **245,798** |

## 1 ACCOUNTING POLICIES

UCB Ireland is a private unlimited company incorporated in the UK and domiciled in Ireland.

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

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position and financial performance of the Company is provided in note 11.

The Company's ultimate parent undertaking, UCB S.A. includes the Company in its consolidated financial statements. The consolidated financial statements of UCB S.A. are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Celltech Group Limited, 208 Bath Road, Slough, Berkshire, SL1 3WE.

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

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

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

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

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 10.

### ACCOUNTING CONVENTION

The financial statements are prepared on the going concern basis, under the historical cost accounting rules, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

### 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 financial statements.

## 1 ACCOUNTING POLICIES (CONTINUED)

**FUNCTIONAL CURRENCY**
A functional currency is determined for each of the reporting companies in the Group. The functional currency is that used in the primary economic environment in which the reporting company operates. The functional currency for this is euro (€).

**INTEREST RECEIVABLE AND PAYABLE**
Interest receivable and payable are recognised on an accruals basis.

**DIVIDENDS**
Dividends receivable are recognised at the date on which their payment becomes irrevocable. Dividend distributions to the Company shareholders are recognised in the period when they are paid or become an irrevocable committed obligation.

**FOREIGN CURRENCY TRANSLATION**
Transactions denominated in foreign currencies are translated at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling on the balance sheet date and the gains or losses arising on translation are dealt with through the profit and loss account in the period in which they arise.

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

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

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

**NON-DERIVATIVE FINANCIAL INSTRUMENTS**
Non-derivative financial instruments comprise trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

<u>Trade and other debtors</u>
Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. Provision is made when there is objective evidence that the Company will not be able to recover balances in full, with the charge being recognised in the profit and loss account. Balances are written off when the probability of recovery is assessed as being remote.

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

## 2 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

| | 2015 € | 2014 € |
|---|---|---|
| Loss on ordinary activities before taxation is stated after charging : | | |
| Auditors' remuneration for audit-related assurance services | **8,572** | 7,600 |

The Company has no employees (2014: nil) and no staff costs (2014: €nil).

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

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

## 3 INTEREST PAYABLE AND SIMILAR CHARGES

| | 2015 € | 2014 € |
|---|---|---|
| Interest payable to group undertakings | 475 | - |

## 4 TAX ON LOSS ON ORDINARY ACTIVITIES

| | 2015 € | 2014 € |
|---|---|---|
| ***Current tax*** | | |
| Irish corporation tax on loss of the year | - | - |
| Taxation on loss on ordinary activities | - | - |

The tax assessed for the year is higher (2014: higher) than the standard effective rate of corporation tax in Ireland at 25% (2014: 25%). The differences are explained below:

| | 2015 € | 2014 € |
|---|---|---|
| **Loss on ordinary activities before taxation** | **(18,712)** | (7,943) |
| Loss on ordinary activities multiplied by the standard rate in Ireland at 25% (2014: 25%) | **(4,678)** | (1,986) |
| Effects of; | | |
| Tax losses carried forward | **4,678** | 1,986 |
| Tax charge for the year | - | - |

The Company UCB Ireland is incorporated in the U.K and pays Irish Corporation Tax at the rate of 25% due to the main trading activities of the Company being undertaken in Ireland.

## 5 DEBTORS

| | 2015 € | 2014 € |
|---|---|---|
| Amounts owed by group undertakings | **226,963** | 277,536 |

Amounts owed by group undertakings are unsecured, interest free and are repayable on demand.

## 6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2015 € | 2014 € |
|---|---|---|
| Amounts owed to group undertakings | **1,814** | 1,814 |
| Accruals and deferred income | **18,700** | 13,890 |
| | **20,514** | 15,704 |

Amounts owed to group undertakings are unsecured, bears interest at EURIBOR 1M + 0.644% (2014: nil) and are repayable on demand.

## 7 CALLED UP SHARE CAPITAL

| | 2015 | 2014 |
|---|---|---|
| | € | € |
| **Allotted, called up and fully paid** | | |
| 1,000 (2014: 1,000) Ordinary shares of €1 | **1,000** | 1,000 |
| **Allotted, called up and partly paid** | | |
| 31,310,000 (2014: 31,310,000) 'A' Redeemable shares of €100. | **313,100** | 313,100 |
| At 1 January and 31 December | **314,100** | 314,100 |

'A' redeemable shares rank pari passu as regards a return of capital in the event of winding up of the Company. These shares are repayable at the option of the Company on giving thirty days' notice.

'A' redeemable shares of €100 have been partly paid at the rate of €0.01 per share. The Company has not requested full payment of the outstanding nominal amounts for the shares.

## 8 RELATED PARTY TRANSACTIONS

The Company is exempt, under paragraph 8(k) of FRS 101, from the requirement to disclose related party transactions on the grounds that it is a wholly owned subsidiary undertaking. This exemption covers transactions with other group undertakings.

There were no other related party transactions in the year.

## 9 ULTIMATE PARENT COMPANY

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

The ultimate parent company and controlling party at 31 December 2015 and the 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 for each of these companies can be obtained from the Group Central Office at Allee de la Recherche, 60 B-1070 Brussels, Belgium.

## 10 ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing these financial statements, the directors don't consider that they have made any accounting estimates or judgements which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

## 11 EXPLANATION OF TRANSITION TO FRS101

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

Following transition from UK GAAP to FRS 101 no comparative figures were identified to be restated. As a result, it was not deemed necessary to present tables reconciling the transition within these financial statements. The last financial statements under the old basis of accounting (UK GAAP) were for the year ended 31 December 2014 and the date of transition to FRS 101 was therefore 1 January 2014.