

ABBOTT CAPITAL INDIA LIMITED

Report & Accounts

30 November 2002



Registered Number 4166322 England and Wales

ABBOTT CAPITAL INDIA LIMITED

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DIRECTORS' REPORT

For the period ended 30 November 2002

The directors present their annual report on the affairs of the company, together with the accounts and auditors' report, for the year ended 30 November 2002.

BOARD OF DIRECTORS:

The directors who served throughout the year, except as noted, were as follows:

M. Haywood (Chairman)
P Beattie (Resigned 01/04/2003)
K. Branigan (Resigned 31/05/02)
L. Iglesias-Fernandez (Appointed 31/05/02)
D. Mark (Appointed 01/04/2003)

None of the above have any interests in the shares or debentures of group companies required to be disclosed under Schedule 7 of the Companies Act 1985.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW:

The company's principal activity is that of a holding company.
The broad direction of the company's business will continue for 2003.

RESULTS:

The audited accounts for the period ended 30 November 2002 are set out on pages 4 to 9.
The profit after tax for the period was £1,212,000 (2001 : £2,775,000).
Interim dividends of £2,800,000 (2001 : £nil) were paid during the year.
The directors recommend that no further dividend be paid and that the retained loss of £1,588,000 at 30 November 2002 be transferred to reserves.

DIRECTORS' RESPONSIBILITIES:

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period.

In preparing those 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 accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting. Deloitte & Touche has informed the directors that they have transferred their business to a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000, to be known as Deloitte & Touche LLP. The directors have used the company's statutory power to give consent to the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP.



BY ORDER OF THE BOARD,
D. MARK
Company Secretary.

Date: *17 December 2003.*

Queenborough,
Kent, ME11 5EL

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ABBOTT CAPITAL INDIA LIMITED

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We have audited the financial statements of Abbott Capital India Limited for the year ended 30 November 2002 which comprise profit and loss account, the balance sheet and the related notes 1 to 13. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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's members as a body, for our audit work, for this report, or for the opinions that we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company and other members of the group is not disclosed.

We read the directors' report and other information contained in the annual report for the above year and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the circumstances of the company, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 30 November 2002 and of the profit of the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

DELOITTE & TOUCHE LLP
Chartered Accountants and Registered Auditors
London

Date: 18 December 2003

ABBOTT CAPITAL INDIA LIMITED

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Profit and Loss Account for the period ended 30 November 2002

	Notes	<u>2002</u>	<u>2001</u>
		<u>£000's</u>	<u>£000's</u>
Other operating expenses (net)	(2)	(72)	17
Income from shares in subsidiary undertakings		1,318	3,045
Operating profit and profit on ordinary activities before finance charges		<u>1,246</u>	<u>3,062</u>
Interest receivable	(3)	<u>86</u>	<u>17</u>
Profit on ordinary activities before taxation		1,332	3,079
Tax on profit on ordinary activities	(5)	<u>(120)</u>	<u>(304)</u>
Profit on ordinary activities after tax		1,212	2,775
Dividends paid	(6)	(2,800)	-
Retained (Loss) / Profit for the financial year	(11)	<u><u>(1,588)</u></u>	<u><u>2,775</u></u>

All income is derived from continuing operations.

The accompanying notes are an integral part of this profit and loss account.

There were no recognised gains or losses in either 2002 or 2001 other than the profit for the financial year .

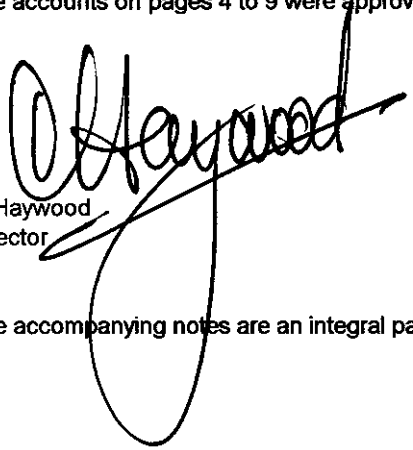
ABBOTT CAPITAL INDIA LIMITED

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Balance Sheet as at 30 November 2002

	Notes	<u>2002</u>	<u>2001</u>
		<u>£000's</u>	<u>£000's</u>
FIXED ASSETS			
Investments	(7)	40,145	40145
CURRENT ASSETS			
Debtors	(8)	1,413	3,059
Cash at bank and in hand		<u>26</u>	<u>20</u>
		1,439	3,079
CREDITORS: amounts falling due within one year	(9)	<u>(155)</u>	<u>(304)</u>
NET CURRENT ASSETS		<u>1,284</u>	<u>2,775</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		41,429	42,920
PROVISIONS FOR LIABILITIES AND CHARGES	(10)	(97)	-
NET ASSETS		<u><u>41,332</u></u>	<u><u>42,920</u></u>
CAPITAL AND RESERVES			
Called-up share capital	(12)	-	-
Other Capital reserve	(11)	40,145	40,145
Profit and loss account	(11)	1,187	2,775
EQUITY SHAREHOLDERS' FUNDS		<u><u>41,332</u></u>	<u><u>42,920</u></u>

The accounts on pages 4 to 9 were approved by the board of directors on 17 December 2003 and signed on its behalf by:


M. Haywood
Director

The accompanying notes are an integral part of this balance sheet.

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES:

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, is set out below:

a) Basis of Accounting

The accounts have been prepared on the historical cost basis and have been prepared in accordance with applicable United Kingdom accounting standards.

The company has taken advantage of the exemption from the requirement of FRS 1(revised) "Cash Flow Statements" to present a cash flow statement because it is a wholly owned subsidiary of Abbott Laboratories, incorporated in the state of Illinois, USA, which prepares consolidated accounts that are publicly available (see note 13).

b) Taxation

Current tax is provided on taxable profits at the effective current rates.

Deferred tax is provided in full on timing differences that result in a future obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

c) Foreign Currency

Foreign currency transactions are translated into sterling at the rates ruling at the transaction date.

Amounts payable or receivable in foreign currency are translated into sterling at the rate ruling at the balance sheet date, or where appropriate, at the rate of exchange in a related forward exchange contract.

Any gains or losses are reported as exchange differences in the profit and loss account.

d) Fixed Asset Investments

Fixed asset investments are shown at cost less provision for impairment.

2. OTHER OPERATING EXPENSES (NET)

	<u>2002</u> <u>£000's</u>	<u>2001</u> <u>£000's</u>
Other operating income from continuing operations	-	(17)
Other operating expenses from continuing operations	<u>72</u>	<u>-</u>
	<u>72</u>	<u>(17)</u>

3. INTEREST RECEIVABLE AND SIMILAR INCOME:

	<u>2002</u> <u>£000's</u>	<u>2001</u> <u>£000's</u>
Loans to other affiliated undertakings	<u>86</u>	<u>17</u>
	<u>86</u>	<u>17</u>

4. PROFIT BEFORE TAX

All audit fees are borne by the immediate parent company, Abbott Equity Holdings Limited.

The company had no employees in either the current or prior year.

All the directors are paid by other companies within the Abbott Laboratories group of companies

5. TAX ON PROFIT ON ORDINARY ACTIVITIES:

	<u>2002</u> <u>£000's</u>	<u>2001</u> <u>£000's</u>
The tax charge is based on the profit for the year and comprises:		
UK Corporation tax at 30% (2001 - 30%)	4	304
Prior year adjustment	(153)	-
Foreign withholding tax	172	-
Deferred taxation (credit) / charge	97	-
	<u>120</u>	<u>304</u>

The difference between the current tax amount shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:-

	<u>2002</u> <u>£000's</u>	<u>2001</u> <u>£000's</u>
Profit on ordinary activities before tax	<u>1,332</u>	<u>3,079</u>
Tax on profit on ordinary activities at standard UK corporation tax rate of 30% (2001 : 30%)	400	924
Foreign income receivable accrued in prior years @ 30%	365	-
Relief for foreign tax	(664)	-
Overseas income taxable in future periods	(97)	(620)
Foreign withholding tax	172	-
Adjustments in respect of prior periods	(153)	-
	<u>23</u>	<u>304</u>

6. DIVIDENDS PAID:

	<u>2002</u> <u>£000's</u>	<u>2001</u> <u>£000's</u>
Interim paid - £2,800,000 per ordinary share (2001 - £nil)	2,800	-
Final proposed - £ nil per ordinary share (2000 - £ nil)	-	-
Ordinary dividends on equity shares	<u>2,800</u>	<u>-</u>

7. FIXED ASSET INVESTMENTS

The following are included in the company net book value of fixed asset investments:

	<u>2002</u> <u>£000's</u>
Subsidiary undertakings :	
Cost at the beginning of the period	40,145
Additions	-
Net book value at the end of the period	<u>40,145</u>

The company has investments in the following subsidiary :

	<u>Country of</u> <u>Incorporation</u>	<u>Principal</u> <u>Activity</u>	<u>Holding</u>
Abbott India Ltd.	India	Healthcare	51%

NOTES TO THE ACCOUNTS (Continued)

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8. DEBTORS:

<u>2002</u>	<u>2001</u>
<u>£000's</u>	<u>£000's</u>

Due from other group undertakings falling due within one year	<u>1,413</u>	<u>3,059</u>
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9. CREDITORS: amounts falling due within one year

<u>2002</u>	<u>2001</u>
<u>£000's</u>	<u>£000's</u>

U.K. corporation tax payable	<u>155</u>	<u>304</u>
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10. PROVISION FOR LIABILITIES AND CHARGES

a) The provision for liabilities and charges comprises:

<u>2002</u>	<u>2001</u>
<u>£000's</u>	<u>£000's</u>

Deferred tax on foreign income taxable in future periods	<u>97</u>	<u>-</u>
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b) Movement of deferred taxation provision for period:

<u>2002</u>	<u>2001</u>
<u>£000's</u>	<u>£000's</u>

Deferred taxation balance at the beginning of period	-	-
Amounts arising in the year on dividends taxable in future periods	<u>97</u>	<u>-</u>
Deferred taxation balance at the end of the period	<u>97</u>	<u>-</u>

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS:

<u>2002</u>	<u>2001</u>
<u>£000's</u>	<u>£000's</u>

Profit for the financial year	1,212	2,775
Capital contribution	-	40,145
Dividends paid	<u>(2,800)</u>	<u>-</u>
Net addition to shareholders' funds	(1,588)	42,920
Opening shareholders' funds	42,920	-
Closing shareholders' funds	<u>41,332</u>	<u>42,920</u>

12. CALLED UP SHARE CAPITAL .

<u>2002</u>	<u>2001</u>
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<i>Authorised</i>	<u>£</u>	<u>£</u>
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
<i>Called up, allotted and fully paid</i>		
1 ordinary shares of £1 each	<u>1</u>	<u>1</u>

13. ULTIMATE HOLDING COMPANY AND GROUP STRUCTURE:

- a) The smallest group into which the results of Abbott Capital India Limited are consolidated is the immediate parent company Abbott Equity Holdings Ltd., incorporated in the UK, and the largest group into which the results are consolidated is the ultimate parent company Abbott Laboratories, incorporated in the State of Illinois, USA. The consolidated accounts of both companies are available to the public and may be obtained from Abbott Laboratories, Queenborough, Kent, ME11 5EL .
- b) A material element of the company's transactions are transacted with companies in the Abbott Laboratories Group. As permitted by Financial Reporting Standard 8, details of such transactions are not provided in these accounts as the company is a wholly-owned subsidiary undertaking and the consolidated accounts of the group are available to the public (see (a) above).