

Abbott Capital India Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2018



Registration number: 04166322

Abbott Capital India Limited

Strategic Report for the Year Ended 31 December 2018

The Directors present their strategic report for the year ended 31 December 2018.

Principal activity

The principal activity of the company is that of a holding company. There have not been any significant changes in the Company's principal activities in the year under review.

Fair review of the business

The Company recorded an operating profit of £6,504,000 (2017: £5,100,000) for the year. During the year dividend income of £6,513,000 (2017: £5,106,000) was recorded relating to the Company's investment in its subsidiary holding. Further to this the company recorded interest payable on balances owed to other group entities of £123,000 (2017: £199,000).

The balance sheet position on page 9 shows the Company's financial position at the end of the period. It is in line with expectations and the Directors consider it adequate to support continuing activities.

Principal risks and uncertainties

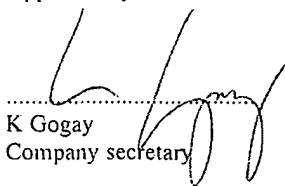
The process of risk assessment and risk management is addressed through a framework of policies, procedures and internal controls. All policies are subject to management approval at an appropriate level and a regular review cycle is in place. Compliance with regulatory, legal and ethical standards is a high priority for the Company and the compliance team and finance teams take on an important oversight role in this regard. The Company is also subject to an internal audit on a regular cycle.

The principal risks to which the business is exposed are described below.

Interest rate risk: The Company pays interest on amounts owing to other group entities. It is therefore exposed to the risk that interest rates may increase. The Company holds a letter of ongoing financial support should it not be able to settle the interest payable when it becomes due.

Investment risk: The Company holds an investment in a subsidiary company. It is therefore exposed to the risk that this entity does not perform as expected and an impairment of the investment will become necessary. The Directors monitor this risk and regularly assess the need for an impairment. No impairment has been necessary during 2018 (2017: £Nil).

Approved by the Board on 24 September 2019 and signed on its behalf by:


K Gogay

Company secretary

Abbott Capital India Limited

Directors' Report for the Year Ended 31 December 2018

The Directors present their report and the financial statements for the year ended 31 December 2018.

Directors of the Company

The directors who held office during the year and up to the of approval of the financial statements were as follows:

S Hudson (resigned 31 August 2018)

G Hall (resigned 27 September 2018)

B Yoor

N Harris (appointed 31 August 2018)

G Mountrichas (appointed 27 September 2018)

Principal activity

The company's principal activity is that of a holding company. There have not been any significant changes in the company's principal activities in the year under review.

Dividends

There were no dividends declared or paid (2017: £Nil).

Going concern

The Directors have received a letter of ongoing financial support from the ultimate parent company. The directors, having assessed the responses of the directors of the ultimate parent company, Abbott Laboratories, to their enquiries have no reason to believe that a material uncertainty exists that may cast doubt about the ability of Abbott Laboratories to honour the letter of ongoing financial support.

After making enquiries, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual report and accounts.

Disclosure of information to the auditors

Each Director has taken steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. The Directors confirm that there is no other relevant information that they know of and of which they know the auditors are unaware.

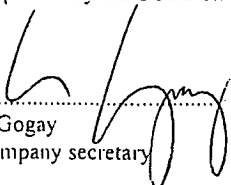
Auditors

The auditor, Ernst & Young, Chartered Accountants and Statutory Audit Firm, was appointed as auditor on 13 August 2018 and will continue in office in accordance with section 485 of the Companies Act 2006.

Events after the reporting period

There are no material events post the reporting period to be disclosed.

Approved by the Board on 24 September 2019 and signed on its behalf by:


K Gogay
Company secretary

Abbott Capital India Limited

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 FRS102 ('The Financial Reporting standard applicable in the UK and Republic of Ireland') 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards has 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABBOTT CAPITAL INDIA LIMITED

Opinion

We have audited the financial statements of Abbott Capital India Limited (the 'company') for the year ended 31 December 2018 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Comprehensive Income, the Statement of Changes in Equity and the related notes 1 to 14, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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



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Use of our report

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

A handwritten signature in black ink, appearing to read 'Feargal De Freine'.

Feargal De Freine (Senior Statutory Auditor)
for and on behalf of Ernst & Young Chartered Accountants, Statutory Auditor

Dublin, Ireland

27 September 2019

Abbott Capital India Limited

Profit and Loss Account for the Year Ended 31 December 2018

	Note	2018 £ 000	2017 £ 000
Dividend income	3	6,513	5,106
Administrative expenses		<u>(9)</u>	<u>(6)</u>
Operating profit		6,504	5,100
Interest payable and similar charges	4	<u>(123)</u>	<u>(199)</u>
Profit before tax		<u>6,381</u>	<u>4,901</u>
Profit for the financial year		<u>6,381</u>	<u>4,901</u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

The notes on pages 11 to 16 form an integral part of these financial statements.

Abbott Capital India Limited

Statement of Comprehensive Income for the Year Ended 31 December 2018

	Note	2018 £ 000	2017 £ 000
Profit for the year		<u>6,381</u>	<u>4,901</u>
Total comprehensive income for the year		<u>6,381</u>	<u>4,901</u>

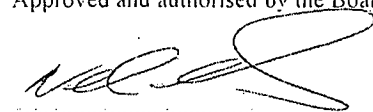
The notes on pages 11 to 16 form an integral part of these financial statements.

Abbott Capital India Limited

(Registration number: 04166322)
Balance Sheet as at 31 December 2018

	Note	2018 £ 000	2017 £ 000
Fixed assets			
Investments	8	94,623	94,623
Current assets			
Cash at bank and in hand	9	-	87
Creditors: Amounts falling due within one year	10	(11,231)	(17,699)
Net current liabilities		(11,231)	(17,612)
Net assets		<u>83,392</u>	<u>77,011</u>
Capital and reserves			
Called up share capital	11	-	-
Share premium reserve		9,971	9,971
Other reserves		40,145	40,145
Profit and loss account		<u>33,276</u>	<u>26,895</u>
Total equity		<u>83,392</u>	<u>77,011</u>

Approved and authorised by the Board on 24 September 2019 and signed on its behalf by:



N Harris
Director

Abbott Capital India Limited

Statement of Changes in Equity for the Year Ended 31 December 2018

	Share capital £ 000	Share premium £ 000	Other reserves £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2018	-	9,971	40,145	26,895	77,011
Profit for the year	-	-	-	6,381	6,381
Total comprehensive income	-	-	-	6,381	6,381
At 31 December 2018	-	9,971	40,145	33,276	83,392
	Share capital £ 000	Share premium £ 000	Other reserves £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2017	-	9,971	40,145	21,994	72,110
Profit for the year	-	-	-	4,901	4,901
Total comprehensive income	-	-	-	4,901	4,901
At 31 December 2017	-	9,971	40,145	26,895	77,011

The notes on pages 11 to 16 form an integral part of these financial statements.

Abbott Capital India Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

1 General information

The company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office is:

Abbott House
Vanwall Business Park
Vanwall Road
Maidenhead
Berkshire
SL6 4 XE

These financial statements were authorised for issue by the Board on 24 September 2019.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Section 1A Small Entities of Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014, and with the Companies Act 2006. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Summary of disclosure exemptions

The company has used exemptions from the following disclosure requirements of FRS102:

Statements of cash flows section 3.17(d)

Basic Financial Instruments sections 11.39 to 11.48A

Other Financial Instruments issues sections 12.26 to 12.29

Share Based Payments sections 26.18(b), 26.19 to 26.21, 23.23

Related Party Disclosures 33.1A and 33.7.

Going concern

The Directors have received a letter of ongoing financial support from the ultimate parent company. The directors, having assessed the responses of the directors of the ultimate parent company, Abbott Laboratories, to their enquiries have no reason to believe that a material uncertainty exists that may cast doubt about the ability of Abbott Laboratories to honour the letter of ongoing financial support.

After making enquiries, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual report and accounts.

Abbott Capital India Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

2 Accounting policies (continued)

Exemption from preparing group accounts

The financial statements contain information about Abbott Capital India Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, Abbott Laboratories, a company incorporated in USA.

Debtors / creditors

Debtors are recognised initially at transaction price less attributable transaction costs. Creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of debtors.

Judgements

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

That the market value of investments in subsidiary companies is equal to or exceeds the value of investments reported in the balance sheet.

The financial support from the ultimate parent company is adequate to allow the company to meet its liabilities as they fall due.

Key sources of estimation uncertainty

There are no areas of uncertainty that would create a significant risk of causing material adjustment to the carrying amounts of the assets and liabilities within the next financial year.

Foreign currency transactions and balances

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rate at the balance sheet date. All exchange differences are included in the profit and loss account.

Tax

UK corporation tax is provided at amounts expected to be paid, or recovered, using tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Timing differences are differences between the company's profits and its results as stated in the accounts that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the accounts. A net deferred tax asset is recognised as recoverable only when, on the basis of available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the reversal of underlying timing differences can be deducted. Deferred tax is not discounted.

Abbott Capital India Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

2 Accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

Investments

Investments in subsidiaries and associates are accounted for at cost less, where appropriate, provisions for impairment.

Equity investments are recognised initially at fair value which is normally the transaction price (but excludes any transaction costs, where the investment is subsequently measured at fair value through profit and loss). Subsequently, they are measured at fair value through profit or loss except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably which are recognised at cost less impairment until a reliable measure of fair value becomes available.

If a reliable measure of fair value is no longer available, the equity instrument's fair value on the last date the instrument was reliably measurable is treated as the cost of the instrument.

Dividends

Dividend income from shares in subsidiary companies is recognised on the date the directors of the subsidiary declare the dividend.

Reserves

Share Premium

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Other reserves

Other reserves represent a capital contribution reserve arising from a historical contribution to the company made by another group undertaking. Under the terms of that contribution, the company has no obligation to repay the amount. The capital contribution was from Abbott Equity Holdings Unlimited.

3 Dividend income

The analysis of the company's income for the year from continuing operations is as follows:

	2018 £ 000	2017 £ 000
Dividends received	<u>6,513</u>	<u>5,106</u>

4 Interest payable and similar charges

	2018 £ 000	2017 £ 000
Interest payable on loans from group undertakings (Note 10)	<u>123</u>	<u>199</u>

5 Staff costs and Directors' remuneration

During the current and prior year, all the directors were paid by other affiliates in the Abbott Laboratories group of companies. The directors' services to the company do not occupy a significant amount of their time and as such the directors do not consider that they receive any remuneration for their incidental services to the company. The company has no employees.

Abbott Capital India Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

6 Auditors' remuneration

	2018 £ 000	2017 £ 000
Audit of the financial statements	<u>4</u>	<u>2</u>
Other fees to auditors		
All other non-audit services	<u>5</u>	<u>4</u>

7 Taxation

Tax charged in the income statement

	2018 £ 000	2017 £ 000
Total current income tax	<u>-</u>	<u>-</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK of 19% (2017 - 19.25%).

The differences are reconciled below:

	2018 £ 000	2017 £ 000
Profit before tax	<u>6,381</u>	<u>4,901</u>
Corporation tax at standard rate	1,212	943
Dividend Income not subject to UK corporation tax	(1,237)	(983)
Tax increase arising from group relief	<u>25</u>	<u>40</u>
Total current income tax	<u>-</u>	<u>-</u>

Abbott Capital India Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

8 Investments in subsidiaries

	2018 £ 000	2017 £ 000
Investments in subsidiaries	<u>94,623</u>	<u>94,623</u>
Subsidiaries		£ 000
Cost or valuation		
At 1 January 2018		<u>94,623</u>
At 31 December 2018		<u>94,623</u>
Carrying amount		
At 31 December 2018		<u>94,623</u>
At 31 December 2017		<u>94,623</u>

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2018	2017
Subsidiary undertakings				
Abbott India Limited	India	Ordinary	50.45%	50.45%

The principal activity of Abbott India Limited is healthcare.

9 Cash at bank and in hand

	2018 £ 000	2017 £ 000
Cash at bank	<u>-</u>	<u>87</u>

During 2018, Abbott Capital India Limited migrated to a cash pooling process. The master cash pooling account is controlled by another company within the group, Abbott (UK) Finance Limited.

Abbott Capital India Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

10 Creditors: Amounts falling due within one year

	2018 £ 000	2017 £ 000
Due within one year		
Amounts due to group undertakings	11,222	17,691
Accrued expenses	<u>9</u>	<u>8</u>
	<u>11,231</u>	<u>17,699</u>

Amounts due to group undertakings are interest bearing and are repayable on demand.

11 Share capital

Allotted, called up and fully paid shares

	2018		2017
	No. 000	£ 000	No. 000
			£ 000
2 Ordinary shares of £ 1 each	<u>-</u>	<u>-</u>	<u>-</u>

12 Related party transactions

The company is a wholly owned subsidiary of Abbott Laboratories. Accordingly, the company has taken advantage of the exemption under FRS 102 section 33 not to disclose transactions with other group companies which meet the criteria that all subsidiary undertakings which are party to transactions are wholly owned by the ultimate controlling parent. There were no other related party transactions during the year.

13 Parent and ultimate controlling party

The company is controlled by the immediate parent company Abbott Asia Investments Limited. The smallest and largest group into which the results of Abbott Capital India Limited are consolidated is the ultimate parent company Abbott Laboratories, incorporated in the State of Illinois, USA. The consolidated financial statements are available to the public and may be obtained from Abbott Laboratories, 100 Abbott Park Road, Abbott Park, IL60064-6400, USA.

14 Events after the reporting period

There are no material events post the reporting period to be disclosed.