

Abbott Capital India Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2019



Registration number: 04166322

Abbott Capital India Limited

Strategic Report for the Year Ended 31 December 2019

The Directors present their strategic report for the year ended 31 December 2019.

Principal activity

The principal activity of the company is to hold, for capital growth and income generation, equity shareholdings in other companies within the Group. There have not been any significant changes in the Company's principal activities in the year under review.

Fair review of the business

The results of the Company for the year, as further set out on pages 9 and 10, show an operating profit on continuing operations of £7,913,000 (2018: £6,504,000). Included in operating profit is dividend income of £7,919,000 (2018: £6,513,000) received from one of the Company's subsidiary shareholdings.

The net assets of the Company presented on page 11 are £91,242,000 (2018: £83,392,000). The Directors consider this position adequate to support continuing activities in the foreseeable future.

These financial measures above are the key performance indicators used by the Directors to monitor the achievement of the Company's objectives.

Future developments

The Directors aim to maintain the principal activities of the Company which have resulted in the Company's performance in recent years. No significant changes in the Company's principal activities are planned for the foreseeable future.

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 of these policies 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 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.

Investment risk: The Company holds investments in various subsidiary companies. It is therefore exposed to the risk that these entities do not perform as expected and an impairment of the investment in shareholdings will become necessary. The Directors monitor this risk and regularly assess the need for an impairment. The impact of COVID-19 on investment risk is set out in the Post balance sheet events section in the Directors' Report below.

Section 172(1) Statement

This section of the Strategic Report describes how the Directors have had regard to the matters set out in section 172(1) (a) to (f), and forms the Directors' statement required under section 414CZA, of The Companies Act 2006.

Stakeholder Engagement

Abbott is an active participant in the global dialogue on health and the broader role of business. We know that listening to our stakeholders is vital to our success. It enables us to respond with relevant, local solutions that meet people's changing needs and tackle the world's most important health challenges.

Abbott Capital India Limited

Strategic Report for the Year Ended 31 December 2019 (continued)

Stakeholder Engagement (continued)

Our stakeholder engagement is conducted formally, through the many associations and partnerships of which we are members. We also seek to engage with stakeholders more informally, through networks and organisations in which we participate.

Our core values of Pioneering, Achieving, Caring and Enduring are the foundation of our identity as a company. They define how we do our work and serve our stakeholders. Aligning our organisation around this cohesive set of values is critical to the fulfilment of our mission and the achievement of our business goals.

- Pioneering: Bringing life-changing health technologies to the people who need it
- Achieving: Delivering customer-focused outcomes and world-class execution
- Caring: Helping people live fuller lives through better health
- Enduring: Managing the company to ensure its long-term success

Our local country businesses play an important role in forming relationships with stakeholders. We have defined a stakeholder engagement methodology to be used by each Abbott business and affiliate, which guides Abbott leaders in setting their local engagement strategies. We also require our local teams to review their stakeholder engagement strategies on a regular basis. We report the outcomes of local stakeholder engagement in country-level citizenship reports or at local stakeholder forums. Through our engagement, we aim to stay well informed on the major issues of concern to all stakeholders, wherever we operate.

Abbott Capital India Limited is a holding company and therefore its range of activities is correspondingly more limited than that of a trading company. In this statement we primarily consider engagement with the direct stakeholders of Abbott Capital India Limited. At a local level, during 2019, the Directors undertook certain activities to engage with stakeholders and bring their voice into the boardroom.

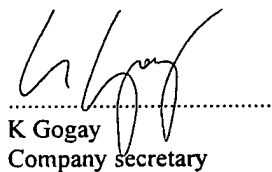
Shareholders and Subsidiary Companies

As Abbott Capital India Limited is a holding company it is necessary for the Directors to have a clear understanding of the objectives and expectations of the Company's shareholder, Abbott Asia Investments Limited. The board of Abbott Capital India Limited consists of the same directors as the board of its shareholder and as a result there is natural alignment. Likewise, there is a requirement for the Directors to understand the activities of its subsidiary company and the risks to which it is exposed. During the year the Directors received information regarding subsidiary operations through various management reports and updates provided by the Finance Director whose role spans all UK subsidiaries.

How Stakeholder Interests Have Influenced Decision Making

The Directors recognise the importance of engaging with stakeholders to help inform their strategy and decision-making. Through our engagement, we aim to stay well-informed of the major issues of concern to stakeholders wherever we operate. Relevant stakeholder interests, including those of customers, employees, suppliers and others are considered by the Directors when they take decisions. We define principal decisions as those that are material, or of strategic importance to the Company, and also those that are significant to any of our key stakeholder groups. In making their decisions, the Directors consider the outcomes of relevant stakeholder engagement and are mindful of their duties under the Companies Act including the specific requirements of section 172(1). The Directors also consider the need to maintain a reputation for high standards of business conduct, the need to act fairly between the members of the Company and the long-term consequences of their decisions.

Approved by the Board on 28 September 2020 and signed on its behalf by:


K Gogay
Company secretary

Abbott Capital India Limited

Directors' Report for the Year Ended 31 December 2019

The Directors present their annual report and the audited financial statements for the year ended 31 December 2019.

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:

N Harris

B Yoor (resigned 29 February 2020)

G Mountrichas (resigned 23 March 2020)

The following Directors were appointed after the year end:

K Peterson (appointed 1 March 2020)

M Clayton (appointed 23 March 2020)

Financial risk management

The Company's approach to financial risk management is described in the Strategic Report.

Dividends

The Directors do not recommend the payment of a dividend (2018: £Nil).

Going concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company generated a profit after tax of £7,850,000 (2018: £6,381,000) and has a net asset position of £91,242,000 (2018: £83,392,000). Current liabilities of the Company exceed its current assets by £3,381,000 (2018: £11,231,000). Trading profits are expected to continue in the foreseeable future. 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, have no reason to believe that a material uncertainty exists that may cast doubt on the ability of Abbott Laboratories to honour the letter of ongoing financial support.

The impact of COVID-19 is set out in the Post balance sheet events section below.

Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing the annual report and financial statements.

Future developments

Future developments are described within the Strategic Report.

Disclosure of information to the auditors

In the case of each persons who are directors at the time the Directors' Report and financial statements are approved:

- so far as the Director is aware, there is no relevant audit information of which the Company's statutory auditors are unaware; and
- each Director has taken steps that ought to have been taken by the Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of this information.

Auditors

The auditor, Ernst & Young, Chartered Accountants and Statutory Audit Firm will continue in office in accordance with section 487(2) of the Companies Act 2006.

Abbott Capital India Limited

Directors' Report for the Year Ended 31 December 2019 (continued)

Post balance sheet events

On 11 March 2020 the World Health Organization (WHO) declared a global pandemic related to coronavirus (COVID-19). On 23 March 2020 the UK Government imposed a partial lockdown to control the spread of the virus. During the first half of 2020, the coronavirus pandemic affected Abbott's diversified healthcare products divisions in various ways. Some businesses faced challenges, others have been relatively stable, and still others are performing at the levels required to successfully meet new customer demands. COVID-19 is not considered an adjusting post balance sheet event and therefore no account has been taken of COVID-19 in relation to the value of the Company's subsidiary investments. To date, COVID-19 has not had a significant impact on the Company and results to date are consistent with pre-COVID-19 expectations. The Company does not anticipate any long-term impact of COVID-19 in relation to dividend income.

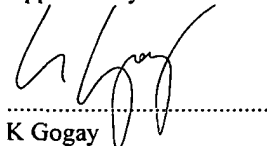
The Abbott group is continually implementing business continuity plans in the face of the global crisis. Due to the critical nature of its products and services, the Abbott group is generally exempt from government directives to restrict or cease operations. To protect its employees, the majority of office-based work is being conducted remotely and the Group has implemented strict travel restrictions. The Abbott group has taken aggressive steps to limit exposure and enhance the safety of its facilities for employees working to continue to supply healthcare products to hospitals and other customers.

The Abbott group has mobilized its teams across multiple fronts to develop and launch new diagnostic tests for COVID-19. In March 2020, the Abbott group launched a molecular test on its m2000™ RealTime lab-based platform to detect COVID-19 after receiving a CE Mark. In April 2020, the Abbott group launched a serology blood test on its ARCHITECT® i1000SR and i2000SR laboratory instruments for the detection of an antibody to determine if someone was previously infected. The serology test was granted a CE Mark on April 24, 2020.

In May 2020, the Abbott group added another new tool in the fight against the pandemic, announcing a new immunoglobulin (IgG) antibody blood test that runs on the Alinity i system. The Abbott group has also launched a new molecular test for novel coronavirus. In total, the Abbott group has now launched five COVID-19 tests - three molecular detection tests and two antibody tests.

Due to uncertainties regarding the duration and impact of the current COVID-19 pandemic, the Abbott group is unable to reliably predict the extent to which the COVID-19 pandemic may have a material effect on its business, financial condition or results of operations.

Approved by the Board on 28 September 2020 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 Strategic Report and the Directors' Report and the financial statements in accordance with applicable laws and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under the law, the Directors have elected to prepare the financial statements in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("relevant financial reporting framework"). 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 assets, liabilities and financial position of the Company as at the financial year end date and of the profit or loss of the Company for the financial year and otherwise comply with company law.

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies for the Company financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; 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 ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements, Strategic Report and Directors' Report comply with company law and enable the financial statements to be audited. 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 2019 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 2019 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.



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working world**

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

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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABBOTT CAPITAL INDIA LIMITED
(Continued)**

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, 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.

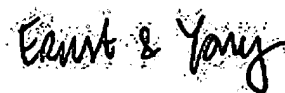
Auditor's responsibilities for the audit of the financial statements

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.

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.



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

Dublin

29 September 2020

Abbott Capital India Limited

Profit and Loss Account for the Year Ended 31 December 2019

	Note	2019 £ 000	2018 £ 000
Dividend income	3	7,919	6,513
Administrative expenses		<u>(6)</u>	<u>(9)</u>
Operating profit		7,913	6,504
Interest payable and similar charges	4	<u>(63)</u>	<u>(123)</u>
Profit before tax		7,850	6,381
Taxation	7	<u>-</u>	<u>-</u>
Profit for the financial year		<u><u>7,850</u></u>	<u><u>6,381</u></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 13 to 20 form an integral part of these financial statements.

Abbott Capital India Limited

Statement of Comprehensive Income for the Year Ended 31 December 2019

	Note	2019 £ 000	2018 £ 000
Profit for the financial year		<u>7,850</u>	<u>6,381</u>
Total comprehensive income for the year		<u><u>7,850</u></u>	<u><u>6,381</u></u>

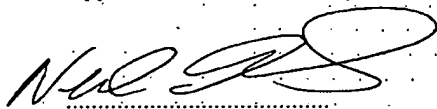
The notes on pages 13 to 20 form an integral part of these financial statements.

Abbott Capital India Limited

(Registration number: 04166322)
Balance Sheet as at 31 December 2019

	Note	2019 £ 000	2018 £ 000
Fixed assets			
Investments in subsidiaries	8	94,623	94,623
Creditors: Amounts falling due within one year	9	<u>(3,381)</u>	<u>(11,231)</u>
Net assets		<u>91,242</u>	<u>83,392</u>
Capital and reserves			
Called up share capital	10	-	-
Share premium reserve	11	9,971	9,971
Other reserves	11	40,145	40,145
Profit and loss account	11	<u>41,126</u>	<u>33,276</u>
Total equity		<u>91,242</u>	<u>83,392</u>

Approved and authorised by the Board on 28 September 2020 and signed on its behalf by:



N Harris
Director

Abbott Capital India Limited

Statement of Changes in Equity for the Year Ended 31 December 2019

	Called up share capital (Note 10) £ 000	Share premium reserve (Note 11) £ 000	Other reserves (Note 11) £ 000	Profit and loss account (Note 11) £ 000	Total £ 000
At 1 January 2019	-	9,971	40,145	33,276	83,392
Profit for the financial year	-	-	-	7,850	7,850
Total comprehensive income	-	-	-	7,850	7,850
At 31 December 2019	-	9,971	40,145	41,126	91,242
	Called up share capital (Note 10) £ 000	Share premium reserve (Note 11) £ 000	Other reserves (Note 11) £ 000	Profit and loss account (Note 11) £ 000	Total £ 000
At 1 January 2018	-	9,971	40,145	26,895	77,011
Profit for the financial year	-	-	-	6,381	6,381
Total comprehensive income	-	-	-	6,381	6,381
At 31 December 2018	-	9,971	40,145	33,276	83,392

The notes on pages 13 to 20 form an integral part of these financial statements.

Abbott Capital India Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

1 General information

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

The address of its registered office is:

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

These financial statements were authorised for issue by the Board on 22 September 2020.

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.

Key estimates and judgements are discussed on page 14.

Statement of compliance

These financial statements have been prepared in compliance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") 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.

The Company is a qualifying entity as defined by FRS 102 and has taken advantage of the exemptions from the following disclosure requirements of FRS102:

Statements of Cash Flows as per section 3.17 (d)
Basic Financial Instruments as per sections 11.39 to 11.48A
Other Financial Instrument Issues as per sections 12.26 to 12.29
Related Party Disclosures as per sections 33.1A and 33.7

Abbott Capital India Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

2 Accounting policies (continued)

Going concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company generated a profit after tax of £7,850,000 (2018: £6,381,000) and has a net asset position of £91,242,000 (2018: £83,392,000). Current liabilities of the Company exceed its current assets by £3,381,000 (2018: £11,231,000). Trading profits are expected to continue in the foreseeable future. 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, have no reason to believe that a material uncertainty exists that may cast doubt on the ability of Abbott Laboratories to honour the letter of ongoing financial support.

The impact of COVID-19 is set out in Note 14, Post balance sheet events.

Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing the annual report and financial statements.

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.

Judgements and key sources of estimation uncertainty

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.

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

Abbott Capital India Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

2 Accounting policies (continued)

Key sources of estimation uncertainty

Impairment of investments in subsidiaries

At the end of each reporting period, the carrying amounts of the Company's equity investment are reviewed to determine whether there is any indication or objective evidence of impairment, as appropriate, and if any such indication or objective evidence exists, the recoverable amount of the asset is estimated. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised and the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised immediately in profit or loss account.

For assets where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined had no impairment losses been recognised for the asset in prior years. A reversal of impairment is recognised immediately in the profit or loss account.

Interest and dividend income

Interest income is due to the Company from loans to affiliated group companies, or cash deposits with affiliated group companies or third-party banks and is calculated daily and accrued monthly.

Dividends from shares in group undertakings are recognised when the dividends are declared by the Board of Directors of the subsidiary entity.

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.

Taxation

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

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 taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in different periods from those in which they are recognised in the financial statements. 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 future reversal of the underlying timing differences can be deducted. Deferred tax is not discounted.

Investments in subsidiaries

Investments in subsidiaries are initially recognised 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, investments in subsidiaries are carried at cost less provision for impairment.

Abbott Capital India Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

2 Accounting policies (continued)

Creditors

Creditors and interest-bearing borrowings are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the liability is measured at the present value of the future payments discounted at a market rate of interest. Creditors, other than short term payables, are subsequently carried at amortised cost, using the effective interest rate method. The effective interest rate amortisation is included in interest payable and similar expenses in the income statement.

Short term creditors with no stated interest rate, which are payable within one year, are recorded at transaction price.

Reserves

Share premium reserve

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.

Profit and Loss Account

The profit and loss account holds the retained earnings of the Company, after the deduction of any dividends paid.

3 Dividend income

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

	2019 £ 000	2018 £ 000
Dividends received	<u>7,919</u>	<u>6,513</u>

4 Interest payable and similar charges

	2019 £ 000	2018 £ 000
Interest payable on amount due to group entities (Note 9)	<u>63</u>	<u>123</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 2019 (continued)

6 Auditors' remuneration

	2019 £ 000	2018 £ 000
Audit of the financial statements	<u>4</u>	<u>4</u>
Other fees to auditors		
All other non-audit services	<u>3</u>	<u>5</u>

7 Taxation

Tax charged in the income statement

	2019 £ 000	2018 £ 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% (2018 - 19%).

The differences are reconciled below:

	2019 £ 000	2018 £ 000
Profit before tax	<u>7,850</u>	<u>6,381</u>
Corporation tax at standard rate	1,492	1,212
Dividend income not subject to UK corporation tax	(1,505)	(1,237)
Tax increase arising from group relief	<u>13</u>	<u>25</u>
Total current income tax	<u>-</u>	<u>-</u>

Abbott Capital India Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

8 Investments in subsidiaries

	2019 £ 000	2018 £ 000
Investments in subsidiaries	94,623	94,623
Subsidiaries		£ 000
Cost or valuation		
At 1 January 2019		94,623
At 31 December 2019		94,623
Provision		
At 1 January 2019		-
Provision		-
At 31 December 2019		-
Carrying amount		
At 31 December 2019		94,623
At 31 December 2018		94,623

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	
			2019	2018
Subsidiary undertakings				
Abbott India Limited	India	Ordinary	50.45%	50.45%

The principal activity of Abbott India Limited is healthcare. This investment is unlisted and carried at cost.

9 Creditors

	2019 £ 000	2018 £ 000
Amounts falling due within one year		
Amounts due to group undertakings (Note 4)	3,372	11,222
Accrued expenses	9	9
	3,381	11,231

Abbott Capital India Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

9 Creditors (continued)

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

In 2018, cash pooling was introduced. Abbott (UK) Finance Limited controls the cash pool with all other UK group undertakings. All cash pooling balances are interest bearing.

10 Called up share capital

Allotted, called up and fully paid shares

	2019		2018	
	No. 000	£ 000	No. 000	£ 000
2 Ordinary shares of £ 1 each	-	-	-	-

11 Reserves

Share premium reserve

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.

Profit and Loss Account

The profit and loss account holds the retained earnings of the Company, after the deduction of any dividends paid.

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.

Abbott Capital India Limited

Notes to the Financial Statements for the Year Ended 31 December 2019 (continued)

14 Post balance sheet events

On 11 March 2020 the World Health Organization (WHO) declared a global pandemic related to coronavirus (COVID-19). On 23 March 2020 the UK Government imposed a partial lockdown to control the spread of the virus. During the first half of 2020, the coronavirus pandemic affected Abbott's diversified healthcare products divisions in various ways. Some businesses faced challenges, others have been relatively stable, and still others are performing at the levels required to successfully meet new customer demands. COVID-19 is not considered an adjusting post balance sheet event and therefore no account has been taken of COVID-19 in relation to the value of the Company's subsidiary investments. To date, COVID-19 has not had a significant impact on the Company and results to date are consistent with pre-COVID-19 expectations. The Company does not anticipate any long-term impact of COVID-19 in relation to dividend income.

The Abbott group is continually implementing business continuity plans in the face of the global crisis. Due to the critical nature of its products and services, the Abbott group is generally exempt from government directives to restrict or cease operations. To protect its employees, the majority of office-based work is being conducted remotely and the Group has implemented strict travel restrictions. The Abbott group has taken aggressive steps to limit exposure and enhance the safety of its facilities for employees working to continue to supply healthcare products to hospitals and other customers.

The Abbott group has mobilized its teams across multiple fronts to develop and launch new diagnostic tests for COVID-19. In March 2020, the Abbott group launched a molecular test on its m2000™ RealTime lab-based platform to detect COVID-19 after receiving a CE Mark. In April 2020, the Abbott group launched a serology blood test on its ARCHITECT® i1000SR and i2000SR laboratory instruments for the detection of an antibody to determine if someone was previously infected. The serology test was granted a CE Mark on April 24, 2020.

In May 2020, the Abbott group added another new tool in the fight against the pandemic, announcing a new immunoglobulin (IgG) antibody blood test that runs on the Alinity i system. The Abbott group has also launched a new molecular test for novel coronavirus. In total, the Abbott group has now launched five COVID-19 tests - three molecular detection tests and two antibody tests.

Due to uncertainties regarding the duration and impact of the current COVID-19 pandemic, the Abbott group is unable to reliably predict the extent to which the COVID-19 pandemic may have a material effect on its business, financial condition or results of operations.