ABBOTT LABORATORIES LIMITED

Report and Accounts

30 November 2006

Registered Number 329102 England and Wales

DIRECTORS' REPORT
For the year ended 30 November 2006

The directors present their annual report on the affairs of the company, together with the accounts and independent auditors' report, for the year ended 30 November 2006

BOARD OF DIRECTORS

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

T Freyman
A Forrest
S Brown (Resigned 2/2/2006)
J Coulter (Appointed 2/2/2006, resigned 30/3/07)
J Rankin (Appointed 30/3/07)
R Funck (Appointed 30/3/07)

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 is a wholly owned subsidiary of Abbott (UK) Holdings Limited and operates as part of the group's UK operations

The company's principal activities are the manufacturing and marketing of a range of pharmaceutical, nutritional, chemical and diagnostic products During the year the company purchased the part of the assets of Guidant Limited that related to its vascular devices business, see note 11 The directors are not aware, at the date of this report, of any likely major changes in the company's activities next year, except the change to the diagnostics division that occurred in 2007, details are contained in note 27

As shown in the company's profit and loss account on page 4, turnover increased by £27,198,000 being a 3 9% increase over prior year This increase is due to increased sales of existing products throughout the UK and Europe

The balance sheet on page 5 of the financial statements shows that the company's financial position at the year end is consistent with the prior year except that during the year the company issued additional share capital, see note 23, so as to re-finance its subsidiary IMTC Holdings (UK) Limited and its subsidiaries

During the year, the company has adopted FRS17 "Retirement benefits" and accordingly the prior year Balance Sheet has been restated to reflect the write off of the pension fund prepayment, which was included in Debtors note 15 in the prior year accounts, see note 25

The company continues to invest in research and development It carries out clinical and marketing research for its pharmaceutical and nutritional products

The group manages its operations on a divisional basis For this reason, the company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business The performance of Abbott Laboratories worldwide group, which includes Abbott Laboratories Limited, is discussed in the group's Annual Report which does not form part of this Report See note 26 for details of how to obtain this report

PRINCIPAL RISKS AND UNCERTAINTIES

Competitive price pressures in the UK pharmaceutical and nutritional businesses could result in losing sales to competitors The company manages this risk by the sale of high quality products and by providing value added services to its customers

The company's sales outside of the UK are mainly denominated in Euro and US Dollars and it is therefore exposed to movements in the exchange rate against the Pound The company takes out forward exchange contracts to manage this risk

The company is financed by share capital and a variable rate loan from a UK affiliated company and has no third party debt It is therefore exposed to interest rate movements which the directors do not consider to be a significant risk

ENVIRONMENT

Abbott Laboratories Limited recognises the importance of its environmental responsibilities, monitors its impact on the environment and designs and implements policies to reduce any damage that might be caused by the company's activities Initiatives designed to minimise the company's impact on the environment include safe disposal of manufacturing waste, recycling and reducing energy consumption

EMPLOYEES

The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and the various factors affecting the performance of the company This is achieved through formal and informal meetings and the company magazine Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged Company policy and practice ensures that there is no discrimination against disabled people regarding training, career development and promotion opportunities

Details of the number of employees and related costs can be found in note 8 to the financial statements

DIRECTORS' REPORT (continued)
For the year ended 30 November 2006

DIVIDENDS

Interim dividends of £11,000,000 (2005 £11,000,000) were paid during the year
The directors recommend that no further dividend be paid (2005 £nil) and that retained earnings of £1,833,000 (2005 £38,374,000) 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, 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

DIRECTORS' INDEMNITIES

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report

FIXED ASSETS

Information relating to tangible fixed assets is given in notes 1 b), 12 and 20 to the accounts In the opinion of the directors there is no material difference between the book value and current market value of interests in land and buildings

CHARITABLE DONATIONS

Charitable donations amounted to £12,000 (2005 £12,000)

AUDITORS

In the case of each of the persons who are directors of the company at the date when this report is approved

- So far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the company's auditors are unaware, and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information (as defined) and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

Deloitte & Touche LLP 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

BY ORDER OF THE BOARD,
S BROWN
Company Secretary

Date 25/5/07

Queenborough,
Kent, ME11 5EL

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ABBOTT LABORATORIES LIMITED

We have audited the financial statements of Abbott Laboratories Limited for the year ended 30 November 2006 which comprise the profit and loss account, statement of total recognised gains and losses, the balance sheet and related notes 1 to 27 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 auditors' 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

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

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 to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements

In addition we report to you if, in our opinion, 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 other transactions is not disclosed

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 November 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' report is consistent with the financial statements

Deloitte & Touche LLP

DELOITTE & TOUCHE LLP
Chartered Accountants and Registered Auditors
London

Date 29th May 2007.

Profit and Loss Account for the year ended 30 November 2006

	Notes	2006		2005 restated	
		£000's	£000's	£000's	£000's
Turnover from continuing operations	(2)		724,289		697,091
Change in stocks of finished goods and work-in-progress			54,217		13,517
Other operating income	(6)		-		11,900
Raw materials and consumables		(570,085)		(519,486)	
Other external charges		(56,774)		(20,142)	
			(626,859)		(539,628)
Staff Costs					
Wages and salaries		(60,984)		(59,408)	
Social security costs		(5,368)		(5,022)	
Other pension costs	(25)	(6,324)		(6,590)	
			(72,676)		(71,020)
Depreciation			(15,418)		(13,220)
Other operating charges	(5)		(26,472)		(24,596)
Operating profit from continuing operations			37,081		74,044
Non-operating exceptional items	(7)		(14,189)		-
Interest receivable and similar income	(3)		1,970		751
Interest payable and similar charges	(4)		(5,140)		(5,440)
Profit on ordinary activities before taxation	(5)		19,722		69,355
Tax on profit on ordinary activities	(9)		(6,889)		(19,981)
Profit for the financial year	(21)		12,833		49,374
Dividends paid	(10)		(11,000)		(11,000)
Retained profit for the financial year			1,833		38,374

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

Note 22 shows the movement of reserves during the year

Statement of total recognised gains and losses 30 November 2006

	2006 £000's	2005 restated £000's
Profit for the financial year	12,833	49,374
Total recognised gains and losses relating to the year	12,833	49,374
Prior year adjustment as explained in note 25	9,022	
Total gains and losses recognised since last annual report and financial statements	21 855	

ABBOTT LABORATORIES LIMITED

Balance Sheet as at 30 November 2006

	Notes	2006 £000's	2005 restated £000's
INTANGIBLE ASSETS			
Goodwill	(11)	2,450	-
TANGIBLE ASSETS			
Tangible Fixed Assets	(12)	66,672	70,141
Investments	(13)	62,157	3,037
		128,829	73,178
CURRENT ASSETS			
Stocks	(14)	157,794	96,570
Debtors	(15)	116,311	140,388
Investments	(16)	-	18,464
Cash at bank and in hand		4,015	6,763
		278,120	262,185
CREDITORS Amounts falling due within one year	(17)	(108,548)	(109,846)
NET CURRENT ASSETS		169,572	152,339
TOTAL ASSETS LESS CURRENT LIABILITIES		300,851	225,517
CREDITORS Amounts falling due after more than one year	(18)	(102,988)	(102,988)
PROVISIONS FOR LIABILITIES	(19)	(2,348)	(4,451)
NET ASSETS		195,515	118,078
CAPITAL AND RESERVES			
Called-up share capital	(23)	76,144	540
Share Premium	(22)	21,501	21,501
Profit and loss account	(22)	97,870	96,037
EQUITY SHAREHOLDERS' FUNDS		195,515	118,078

The accounts on pages 4 to 12 were approved by the board of directors on 25 May 2007 and signed on its behalf by

David Forrest

A Forrest
Director

The accompanying notes are an integral part of this balance sheet

NOTES TO THE ACCOUNTS
For the year ended 30 November 2006

1 ACCOUNTING POLICIES

A summary of the principal accounting policies are set out below, all of which have been applied consistently throughout the year and the preceding year, except for the adoption of FRS17 during the year, see (g) 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 law and 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 the ultimate parent company, Abbott Laboratories, which prepares consolidated accounts that are publicly available (see note 26)

b) Tangible fixed assets
Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment
Depreciation is provided over the assets' estimated economic lives on a straight-line basis at the following annual rates

Freehold Buildings	2% - 4%
Leasehold improvements	10%
Plant and Equipment	8% - 50%
Motor Vehicles	20%

c) Stocks and work-in-progress
Stocks and work-in-progress are stated at the lower of cost and net realisable value
Cost includes materials, direct labour and an appropriate proportion of manufacturing overheads based on normal levels of activity Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal Provision is made for obsolete, slow moving or defective items where appropriate

d) Taxation
UK corporation tax is provided at amounts expected to be paid, or recovered, using the 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 taxable 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 future reversal of the underlying timing differences can be deducted Deferred tax is not discounted

e) 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

f) Turnover
Turnover represents the invoiced value of goods supplied excluding VAT, after making an allowance for discounts and returns

g) Pension costs
The company operates a defined benefit pension scheme for all permanent employees under which contributions by employees and the company are held by a separately administered trustee company Actuarial valuations are carried out at two year intervals (note 25)
The amount charged to the profit and loss in respect of current pension costs is based on the most recent actuarial valuation
During the year the company adopted FRS17 "Retirement Benefits" Adoption of FRS17 has required the additional contribution made in 2003, to reduce the fund deficit, to be written off and this has required the prior year balance sheet to be restated

h) Leases
Assets held under finance leases, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding
Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis

i) Research and development
Research and development costs are charged to the profit and loss account as incurred

j) Fixed asset investments
Fixed asset investments are shown at cost less provision for any impairment Current asset investments are stated at the lower of cost and net realisable value

k) Goodwill
Goodwill arising on the acquisition of a business, representing any excess of fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is 20 years Provision is made for any impairment Goodwill in respect of the company is included within intangible fixed assets

NOTES TO THE ACCOUNTS (Continued)
For the year ended 30 November 2006

2 SEGMENT INFORMATION

The total turnover of £724,289,000 (2005 £697,091,000) relates to the company's range of health care products This turnover represents the aggregate of home and export sales which are divided as follows

	2006 £000's	2005 £000's
United Kingdom	279,608	264,215
Europe	430,842	417,039
North America	13,797	14,063
Rest of World	42	1,774
	724,289	697,091

The company is exempt from additional segmental reporting under SSAP 25(4), as it is a subsidiary of Abbott Laboratories, incorporated in the State of Illinois, USA, (see note 26)

3 INTEREST RECEIVABLE AND SIMILAR INCOME

	2006 £000's	2005 £000's
Bank interest	90	96
Loans to other group companies	1,880	655
	1,970	751

4 INTEREST PAYABLE AND SIMILAR CHARGES

	2006 £000's	2005 £000's
Bank loans & overdrafts	39	24
Loans from other group undertakings	5,101	5,416
	5,140	5,440

5 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging/(crediting)

	2006 £000's	2005 £000's
Rental income	(104)	(73)
Operating lease rentals -plant and machinery	96	176
-other	1,427	1,123
Research and Development current year expenditure	2,295	3,422
Auditors' remuneration payable for the audit of the company's annual accounts	113	99
Non-audit fees for other services pursuant to legislation - Tax services	14	9
- Other services	72	77

6 OTHER OPERATING INCOME

In 2005, other operating income arises from an agreement with a third party supplier for the early termination of a co-marketing agreement In consideration of the early termination the third party paid the company £11,900,000

7 NON-OPERATING EXCEPTIONAL ITEMS

Due to the reorganisation of the companies subsidiaries, the investments in IMTC Holdings (UK) Limited and Murex Biotech Limited have been written down to the value of the underlying assets of the subsidiaries see note 13
During the year the company sold the freehold of its office in Maidenhead for £9,300,000 against assets with a net book value of £7,005,000 resulting in a gain on disposal of £2,295,000

	2006 £000's	2005 £000's
Impairment of investment in IMTC Holdings (UK) Limited	3,219	-
Impairment of investment in Murex Biotech Limited	13,265	-
Gain on disposal of Maidenhead office	(2,295)	-
	14,189	-

8 STAFF COSTS

a) The average monthly number of persons employed by the company during the year (including directors) was as follows

	2006 No	2005 No
Production and Distribution	558	633
Administration	933	871
	1,491	1 504

NOTES TO THE ACCOUNTS (Continued)
For the year ended 30 November 2006

8 STAFF COSTS (continued)

b) The remuneration of directors was

	2006 £000's	2005 £000's
Emoluments	572	441

Included in the above are emoluments of the highest paid director of £287,589 (2005 £270,740)

Pensions

The number of directors who were members of pension schemes was as follows

	2006 No	2005 No
Defined benefit schemes	2	5

The accrued pension entitlement under the company's defined benefit scheme of the highest paid director at 30 November 2006 was £Nil (2005 £3,223) and the accrued lump sum entitlement at 30 November 2006 was £nil (2005 £nil)

9 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge is based on the profit for the year and comprises	2006 £000's	2005 £000's
Corporation tax at 30% (2005 30%)	10,951	20,004
Overprovision for prior years	(1,959)	(1,274)
Current tax charge for the year	8,992	18,730
Deferred Tax		
Current year - origination of and reversal of timing differences	59	623
Over provision for prior year	(2,162)	628
	6,889	19,981

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

	2006 £000's	2005 restated £000's
Profit on ordinary activities before tax	19,722	69,355
Tax on profit on ordinary activities at standard UK corporation tax rate of 30% (2005 30%)	5,916	20,807
Expenses not deductible for tax purposes	5,541	653
Capital allowances in excess of depreciation	(389)	17
Other timing differences	330	(800)
Group relief surrendered from other group companies	(447)	(673)
Overprovision for prior years	(1,959)	(1,274)
Current tax charge for the year	8,992	18,730

10 DIVIDENDS

	2006 £000's	2005 £000's
Equity interim dividend paid of 20 4p (2005 20 4p) per ordinary share	11,000	11,000

11 INTANGIBLE FIXED ASSETS

	Goodwill £000's
Cost -	
At 1 December 2005	-
Additions	2,579
At 30 November 2006	2,579
Amortisation -	
At 1 December 2005	-
Charge for period	129
At 30 November 2006	129
Net book value at 30 November 2006	2,450
Net book value at 30 November 2005	-

NOTES TO THE ACCOUNTS (Continued)
For the year ended 30 November 2006

11 INTANGIBLE FIXED ASSETS (continued)

On 2 April 2006, the company purchased the assets and liabilities of Guidant Limited that related to its Vascular Intervention and Endovascular Solutions businesses for £4,308,000 in cash There were no fair value adjustments
The assets and liabilities purchased are analysed below·

		£000's
Tangible fixed assets		16
Current assets		
Debtors	1,556	
Inventory	868	
Prepayments	173	
		2,597
Creditors		(884)
Net Assets		1,729
Assets purchased for cash		4,308
Purchased Goodwill		2,579

12 TANGIBLE FIXED ASSETS

	Freehold land and buildings £000's	Leasehold improvements £000's	Plant & equipment £000's	Motor vehicles £000's	Leased motor vehicles £000's	Construction in progress £000's	Total £000's
Cost -							
At 1 December 2005	47,693	231	116,218	5,793	2,862	3,617	176,414
Additions	2,035	20	15,552	-	3,326	365	21,298
Disposals	(11,148)	-	(7,678)	(2,813)	(138)	-	(21,777)
At 30 November 2006	38,580	251	124,092	2,980	6,050	3,982	175,935
Depreciation -							
At 1 December 2005	25,825	25	76,960	3,137	326	-	106,273
Charge for the year	2,794	31	10,754	891	949	-	15,419
Disposals	(4,344)	-	(5,943)	(2,114)	(28)	-	(12,429)
At 30 November 2006	24,275	56	81,771	1,914	1,247	-	109,263
Net book value at 30 November 2006	14,305	195	42,321	1,066	4,803	3,982	66,672
Net book value at 1 December 2005	21,868	206	39,258	2,656	2,536	3,617	70,141

Freehold land of £115,000 (2005 £3,683,000) included in the above is not depreciated

13 INVESTMENT IN SUBSIDIARIES

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

	£000's
Subsidiary undertakings cost at 1 December 2005	3,037
Additions	75,604
Impairment	(16,484)
Subsidiary undertakings cost at 30 November 2006	62,157

The company has investments in the following subsidiaries

	Country of incorporation	Principal Activity	Holding
Abbott Diabetes Care Limited	United Kingdom	Healthcare	100%
Murex Biotech Ltd	United Kingdom	Healthcare	100%
IMTC Holdings (UK) Limited	United Kingdom	Healthcare	100%
Abbott Laboratories Trustee Company Limited	United Kingdom	Pension Trustee	100%

Abbott Laboratories Trustee Company Limited is a dormant company that acts as trustee for Abbott Laboratories Pension Fund (1966)

In August 2006 the company issued 75,604,140 shares at par to its parent Abbott (UK) Holdings Limited for cash and used the funds raised to purchase Murex Biotech Limited from IMTC Holdings (UK) Ltd, invest in Murex Biotech Limited and to re-finance the operations of IMTC Holdings (UK) Limited and its remaining subsidiary Murex Biotech UK Limited
As a result of the re-financing IMTC Holdings (UK) Limited, and Murex Biotech UK Limited, no longer have any underlying assets, and as a consequence the company has provided 100% impairment for this investment
In January 2007 Abbott Laboratories announced that it has reached agreement to sell its global diagnostic business, see note 27
The company's investment in Murex Biotech Limited has been written down to the value of Murex Biotech Limited's underlying assets

NOTES TO THE ACCOUNTS (Continued)
For the year ended 30 November 2006

14 STOCKS

	2006 £000's	2005 £000's
Raw materials and consumables	14,330	7,323
Work-in-progress	95,376	44,259
Finished goods and goods for resale	48,088	44,988
	157 794	96 570

There is no material difference between the balance sheet value of stocks and their replacement cost

15 DEBTORS

	2006	Restated 2005
Amounts falling due within one year	£000's	£000's
Trade debtors	46,372	34,090
Due from other group undertakings	63,290	96,904
Other debtors	3,080	8,066
Prepayments and accrued income	3,569	1,328
	116,311	140,388

16 CURRENT ASSET INVESTMENTS

In the prior year, as part of the reorganisation of the Abbott Laboratories group of companies, Abbott (UK) Holdings Limited's 100% investment in Knoll Unlimited (formerly Knoll Limited) was transferred to the company In December 2005, Knoll Unlimited made a dividend payment equal to all its distributable reserves and after receipt of this final dividend the company's investment in Knoll Unlimited was £nil The current asset investment of £18,464,000 was held at cost and was equal to the value of Knoll Unlimited's final dividend received by Abbott Laboratories Limited in December 2005

17 CREDITORS Amounts falling due within one year

	2006 £000's	2005 £000's
Trade creditors	3,464	2,713
Due to other group undertakings	77,504	71,157
Corporation tax payable	1,579	12,288
Other taxation and social security	4,833	4,747
Accruals and deferred income	21,168	18,941
	108 548	109,846

18 CREDITORS Amounts falling due after more than one year

	2006 £000's	2005 £000's
Loans from other group undertakings - repayable after five years	102,988	102,988
	102,988	102,988

The loan is re-payable in June 2010 and interest is calculated at a variable rate between 4 5% and 5 0%

19 PROVISIONS FOR LIABILITIES

a) The provision for liabilities comprises

	2006	2005
Deferred Taxation -	£000's	£000's
At 1 December	4,451	3,200
Movement in the year	(2,103)	1,251
At 30 November	2,348	4,451

b) Deferred taxation provided on total timing differences is as follows

	2006 £000's	2005 £000's
Accelerated capital allowances	2,768	3,014
Other timing differences	(420)	1,437
	2 348	4,451

20 CAPITAL COMMITMENTS

At 30 November 2006, the company had authorised and contracted for capital expenditure of £2,772,000 (2005 £1,098,000)

Annual commitments under non-cancellable operating leases are as follows

	2006 Land & Buildings £000's	2005 Land & Buildings £000's
Expiry date		
- within one year	-	258
- between two and five years	56	-
- after five years	2 518	574
	2,574	832

NOTES TO THE ACCOUNTS (Continued)
For the year ended 30 November 2006

21 RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	2006 £000's	2005 restated £000's
Profit for the financial year	12,833	49,374
Dividends	(11,000)	(11,000)
Shares issued	75,604	-
Share premium	-	21,501
FRS 17 pension adjustment (note 25)	-	(9,553)
Net addition to equity shareholders' funds	77,437	50,322
Opening equity shareholders' funds	118,078	67,756
Closing equity shareholders' funds	195,515	118,078

22 RESERVES

	Share Premium £000's	Profit and loss account £000's	Total £000's
At 30 November 2005 as previously stated	21,501	105,059	126,560
Prior year FRS17 Pension adjustment	-	(9,022)	(9,022)
At 30 November 2005 restated	21,501	96,037	117,538
Profit for the year	-	12,833	12,833
Dividends	-	(11,000)	(11,000)
At 30 November 2006	21,501	97,870	119,371

	Share Premium £000's	Profit and loss account £000's	Total £000's
At 30 November 2004 as previously stated	-	67,216	67,216
Prior year FRS17 Pension adjustment	-	(9,553)	(9,553)
At 30 November 2004 restated	-	57,663	57,663
Share issues	21,501	-	21,501
Profit for the year as previously stated	-	48,843	48,843
Reversal of pension prepayment amortised on adoption of FRS17	-	531	531
Profit for the year as restated	-	49,374	49,374
Dividends	-	(11,000)	(11,000)
At 30 November 2005	21,501	96,037	117,538

23 CALLED-UP SHARE CAPITAL

	2006 £000's	2005 £000's
Authorised		
80,000 000 (2005 540,001) ordinary shares of £1 each	80,000	540
Allotted called-up and fully-paid		
76,144,141 (2005 540,001) ordinary shares of £1 each	76,144	540

24 COMMITMENTS AND CONTINGENCIES

In common with other pharmaceutical companies, under the terms of the Pharmaceutical Price Regulation Scheme, the company negotiates each year with the Department of Health in respect of past and future pricing Results for the year reflect the estimates made by the directors as to the outcome of past and current negotiations The directors do not believe the negotiations in respect of 2006 will give rise to liabilities which will materially affect the results disclosed in these accounts

25 PENSION ARRANGEMENTS

The company participates in the Abbott Laboratories Pension Fund This is a defined benefit multi-employer scheme, the assets and liabilities of which are held independently from the group The company is unable to identify its share of the underlying assets and liabilities of the scheme and accordingly accounts for the scheme as if it were a defined contribution scheme

In April 2003 the company made an additional contribution to the pension fund of £10,614,000 to reduce the deficit identified in the February 2002 actuarial valuation of the Abbott Laboratories Pension Fund Under SSAP24 the additional contribution was amortised over the remaining average service lives of scheme members, which is 20 years The adoption of FRS17 requires a change of accounting policy which results in the reversal of the SSAP 24 amortisation charge of £531,000 incurred on the pension prepayment and restatement of the prior year balance sheet

Normal contributions to the scheme for the year were £6,324,000 (2005 £6,590,000), being 15% of pensionable salaries in both the current and prior year

FRS17 disclosures
As the company is unable to identify its share of the underlying assets and liabilities of the scheme, the figures below are illustrative only and relate to the entire assets and liabilities of the scheme Consequently the figures do not impact the 30 November balance sheet, because the scheme is being accounted for as a defined contribution scheme

The figures below have been based on the full actuarial valuation of the Abbott Laboratories Pension Fund as at 28th February 2006 updated to 30 November 2006 by a qualified actuary and showed that the market value of the assets was £262,329,000 and that the actuarial value of these assets representing 84% of the benefits that had accrued to members

NOTES TO THE ACCOUNTS (Continued)
For the year ended 30 November 2006

25 PENSION ARRANGEMENTS (continued)

The assets in the scheme and the expected rates of return at 30 November 2006 were

	2006 Long term rate of return expected	2006 Value £m	2005 Long term rate of return expected	2005 Value £m	2004 Long term rate of return expected	2004 Value £m
Equities	6 3%	182,812	6 2%	171,044	6 6%	132,099
Other	4 3%	79,517	4 2%	55,372	4 6%	49,206
Total market value of assets		262,329		226,416		181,305
Present value of scheme liabilities		(313,402)		(249,866)		(208,914)
Related deferred tax		15,322		7,035		8,283
Deficit in scheme		(35 751)		(16,415)		(19,326)

The figures shown above were calculated on the basis of the following assumptions

	2006	2005	2004
Discount rate	5 0%	4 9%	5 3%
Rate of increase in salaries	5 0%	4 8%	4 8%
Rate of increase in deferred pensions	2 8%	2 5%	2 5%
Rate of increase in pensions in payment	2 8%	2 5%	2 5%
Inflation assumption	3 0%	2 8%	2 8%

26 ULTIMATE HOLDING COMPANY AND GROUP STRUCTURE

a) The company is exempt under the Companies Act 1985 from the obligation to prepare and deliver group accounts The smallest and largest group into which the results of Abbott Laboratories Limited are consolidated is the ultimate parent company, Abbott Laboratories, incorporated in the State of Illinois, USA The consolidated accounts are available to the public and may be obtained from Abbott Laboratories, 100 Abbott Park Road, Abbott Park, IL 60064-6400, USA

b) A material element of the company's purchases and sales 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)

27 POST BALANCE SHEET EVENTS

In January 2007 Abbott Laboratories announced the sale of the assets of its global diagnostics business to General Electric As a consequence of this agreement Abbott Laboratories Limited will sell the assets of the UK diagnostic division and Murex Biotech Limited will sell all of its assets At the date of signing these accounts the sale agreement has not been concluded, but completion is expected to occur during 2007