

# Abbott Laboratories Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2020



Registration number: 00329102

# **Abbott Laboratories Limited**

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# **Abbott Laboratories Limited**

## **Company Information**

### **Directors**

N Harris  
J McCoy  
M Clayton

### **Company secretary**

K Gogay

### **Registered office**

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

### **Registration number**

00329102

### **Bankers**

BNP Paribas,  
10 Harewood Avenue,  
London,  
NW1 6AA,  
United Kingdom

### **Auditors**

Ernst & Young, Chartered Accountants  
Harcourt Centre,  
Harcourt Street,  
Dublin 2,  
Ireland.

## Abbott Laboratories Limited

### Strategic Report for the Year Ended 31 December 2020

The Directors present their strategic report for the year ended 31 December 2020.

#### Principal Activity

The principal activity of the Company is the sale and distribution of a diverse range of healthcare products across nutrition, diagnostics and medical devices sectors in the United Kingdom (UK). There have not been any significant changes in the Company's principal activities in the year under review.

#### Results and Performance

The results of the Company for the year, as set out on pages 14 to 15, show an operating profit on continuing operations of £14,016,000 (2019: £4,383,000). The net assets of the Company, as presented on page 16, are £320,924,000 (2019: £304,746,000).

The performance of the Company during 2020 has been strong. Sales of FreeStyle Libre, Abbott's ground-breaking Flash Glucose Monitoring system, continue to show strong and sustained growth. In Nutrition, market growth continues to drive an increase in revenue. In Diagnostics, the ongoing roll out of Alinity, Abbott's family of next generation diagnostics systems, continues to drive sales as customers recognise the improvements it can bring to the speed, efficiency and accuracy of laboratories.

The Diagnostics division also saw revenue driven by multiple new products made available as part of Abbott's response to the COVID-19 pandemic. This more than offset the negative impact of COVID-19 on routine core diagnostic testing volumes.

#### Key Performance Indicators (KPIs)

The Board monitors the progress of the Company through the following KPIs. There are no non-financial KPIs used to monitor performance.

	2020	2019	
	£'000	£'000	
Turnover (continuing operations)	394,395	284,097	Rapid growth of FreeStyle Libre and strong sales of COVID-19 diagnostic tests
Operating profit (continuing operations)	14,016	4,383	Additional profit resulting from increased FreeStyle Libre sales and sales of COVID-19 diagnostic tests
Current ratio	183%	191%	Reflects active management of cash balances

#### Future Developments

The Directors aim to maintain the management policies which have resulted in the Company's growth in recent years. The Directors anticipate that, despite a challenging environment for the healthcare industry, the strong growth in sales and operating profit seen in recent years will continue into 2021 driven by key products such as FreeStyle Libre and Alinity.

In February 2021 the UK Government announced a 'Roadmap out of lockdown' to gradually ease, over a period of several months, the lockdown measures necessitated by the COVID-19 pandemic. These steps, if successfully implemented alongside the UK's vaccination program, should facilitate the return of the healthcare system to something approaching that seen prior to the pandemic. Due to the unpredictability of the duration and impact of the COVID-19 pandemic, the extent to which it will have a material effect on Abbott's business, financial condition or results of operations is uncertain.

## **Abbott Laboratories Limited**

### **Strategic Report for the Year Ended 31 December 2020 (continued)**

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

**Competitive risks:** Competitive price pressures in the UK Healthcare sector could result in the Company losing sales to competitors. A significant proportion of sales are based on tenders which vary in length from around one year up to seven years or longer. Because of this, the outcome of a tender will potentially impact sales for an extended period. The same price pressure could also result in an erosion of prices over time thereby negatively impacting the Company's margin. This risk is managed through the constant development and refinement of products, new technologies and new ways of adding value for the customer.

**Financial risks:** A portion of the Company's purchases are denominated in Euro and US Dollars and it is therefore exposed to fluctuations in those currencies against the Pound Sterling. The Company hedges its foreign currency balance sheet position to minimise this risk. The Company also hedges its currency exposure to USD intra-group purchases over a time horizon of approximately 18 months via Abbott's centrally managed income hedge programme.

**Liquidity risk:** The Company actively manages working capital and is in a strong net current assets position. The Company is not reliant upon external funding or group support. In addition to this, it is consistently in a cash generative position. It is not anticipated that this is likely to change in the foreseeable future given the market share, established product portfolio along with strong customer relationships that have been established.

**Credit risk:** The Company continually monitors credit exposure with all customers. A significant proportion of the Company's income is from the public sector with any bad debt risk considered to be very low.

**Political risks:** The Company has a Government Affairs function that actively monitors political developments that may impact on the business. Within this framework the potential impact of the end of the EU-UK Transition Period was considered and an extensive program of risk mitigation measures was implemented to ensure the associated risk was minimised.

**Legal and compliance risk:** The Company operates in several areas of the highly regulated Healthcare sector. Additionally, government regulation imposes increasing demands on companies to demonstrate that they are 'doing the right thing'. A failure to properly manage these requirements would expose the Company to the risk of reputational damage, fines, penalties and competitive disadvantage.

**Commercial execution risk:** The Company operates within a dynamic and competitive industry. Effective communication and engagement with customers are critical to the long-term success of the business. A failure to execute the right priorities and structures on a timely basis will compromise the ability of the Company to remain ahead of competitors in key market sectors.

**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.

## **Abbott Laboratories Limited**

### **Strategic Report for the Year Ended 31 December 2020 (continued)**

#### **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.

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.

During the year the Directors undertook a variety of activities to engage with stakeholders at a local level and bring their voice into the boardroom.

#### **Customers**

Customers are at the heart of everything we do. During the year, the Directors received regular updates on key customer issues through a variety of channels, including direct attendance at customer meetings, key account reporting through individual divisional lines of management and relevant metrics in relation to the customer service and support teams. This interaction provides important intelligence regarding customer issues and challenges and informs all aspects of business strategy development.

#### **Employees**

Abbott is committed to helping employees to build a fulfilling life and a rewarding career. The Directors gather feedback from employees through regular town hall meetings, employee surveys and via the Joint Consultative Forum, an elected representative body. The Company regularly participates in the Great Places to Work survey and the Directors use this feedback to shape Human Resources strategies over the short, medium and long-term.

Abbott seeks to communicate with its employees through elected representative bodies, team briefs, internet, intranet and site-wide emails. Communication is viewed as critical to the success of the organisation to ensure employees understand the Company's business and Abbott Values. Abbott uses a range of channels internally and externally to communicate with employees and external stakeholders, including prospective employees. Internally, employees can find information on Abbott via its intranet site, Abbott World and aLIVE; and externally, Abbott utilises Twitter, LinkedIn and Facebook to share news and interesting stories.

## **Abbott Laboratories Limited**

### **Strategic Report for the Year Ended 31 December 2020 (continued)**

#### ***Employees (continued)***

Each division at Abbott has a clear and compelling business strategy. How an employee can contribute to business outcomes is captured in the performance management process during the annual goal setting process referred to as setting expectations, which is the driving force behind the process. This leads to an intentional discussion regarding development plans around the competencies needed to achieve these goals. Various aspects of remuneration, including the pay increase an employee receives, are closely linked to their performance.

Employees are also involved in the performance of the global Abbott corporation through participation in a UK employee share scheme. The scheme is available to all employees with a current participation rate of over 70%.

We ensure colleagues have a common awareness of the financial and economic factors affecting the Company's performance through quarterly presentations made by the UK and Ireland Finance Director to the Joint Consultative Forum. The minutes of these meetings, including the slides presented, are published to all employees. Additionally, similar presentations, which also include a summary of the performance of the global Abbott corporation, are made quarterly as part of town hall meetings at various Abbott locations around the UK.

Employee development is crucial to the success of the business. Each business unit holds Talent Management Reviews twice a year where development opportunities for all critical roles are discussed. Development plans are implemented to ensure vacancies are filled internally wherever possible.

#### ***Government***

The Directors recognise the importance of active engagement with government. A dedicated Government Affairs team co-ordinates interactions with government officials ensuring Abbott maintains the highest possible ethical and professional standards. The Government Affairs team works closely with the Directors, including the attendance of local board meetings, to identify areas in which Abbott's interests and those of the government and of patients naturally align.

#### ***Suppliers***

The Directors recognise the significant contribution that suppliers make to Abbott's business, notably in the area of service delivery to customers. Abbott's dedicated Procurement function is delegated responsibility for key supplier relationships at a country level and where the supplier supports the business on a regional or global basis. The Procurement team regularly meets with senior representatives of key suppliers to monitor performance and to identify further opportunities to develop long-lasting and mutually beneficial partnerships.

The Directors also engage directly with the most critical suppliers whose role is vital in ensuring the Company can meet its customer commitments.

#### ***Community and Environment***

As a healthcare leader, we strive to make a positive social impact on helping people live longer and better. We apply our unique strengths to identify and invest in life-changing innovations, design new business models to meet emerging healthcare needs, and find measurable ways to address social challenges through our scientific and technical expertise.

The Directors align to Abbott's environmental governance and management systems, which are driven by Abbott globally and exist as part of an integrated Environmental, Health and Safety (EHS) approach. Our EHS strategy focuses on identifying and mitigating EHS-related risk, ensuring business continuity and addressing our stakeholders' expectations that Abbott is a responsible corporate citizen. At the global level, our strategy includes systems and targets for reducing our greenhouse gas (GHG) emissions, our water use, and the volume and impact of our waste. Our EHS management and governance systems ensure that we incorporate environmental considerations into our day-to-day planning and business processes, with clear lines of accountability and senior-level leadership and support.

At a local level, the Directors acknowledge the importance of EHS as an integral part of Abbott's business operation. EHS is a standing agenda item at local board meetings and every Director takes an active role in promoting the importance of EHS matters within their organisations.

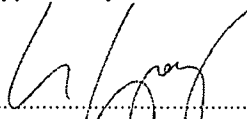
## Abbott Laboratories Limited

### Strategic Report for the Year Ended 31 December 2020 (continued)

#### 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 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 30 September 2021 and signed on its behalf by:

  
.....  
K Gogay  
Company Secretary

## **Abbott Laboratories Limited**

### **Directors' Report for the Year Ended 31 December 2020**

The Directors present their annual report and the audited financial statements for the year ended 31 December 2020.

#### **Directors of the Company**

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

N Harris

G Mountrichas (resigned 23 March 2020)

K Peterson (resigned 22 March 2021)

M Clayton (appointed 23 March 2020)

The following Director was appointed after the year end:

J McCoy (appointed 22 March 2021)

#### **Dividends**

The Directors do not recommend the payment of a dividend (2019: £Nil).

#### **Schedule 7 requirements**

Applicable content per Schedule 7 of the Large and Medium - Sized Companies and Groups (Accounts and Reports) Regulations 2008 has been included in the Strategic Report in accordance with provisions in s414C (11) of the Companies Act 2006.

#### **Employment of disabled persons**

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 if required. Company policy and practice ensure that there is no discrimination against disabled people regarding training, career development and promotion opportunities.

#### **Going concern**

In 2020, the coronavirus (COVID-19) pandemic affected the global Abbott group's ("Abbott") diversified health care businesses in various ways. Some businesses have performed at the levels required to successfully meet new demands, others have faced challenges, and still others have been relatively less impacted by the pandemic. The severity and timing of the impact of COVID-19 differs between the various countries in which Abbott trades. While the increase in Abbott's 2020 global sales were mostly attributable to the COVID-19 pandemic, the increase in total sales over the last three years also reflects volume growth due to the introduction of new products across various businesses as well as higher sales of various existing products. To date, COVID-19 has not had a significant impact on the Company and the Company is currently trading at higher levels compared to the same period in 2020.

Abbott's Diagnostics business experienced the most significant change in sales from 2019 to 2020 as sales from new tests and other related products to detect COVID-19 more than outweighed the negative impact of COVID-19 on routine diagnostic testing volumes. In addition to negatively impacting routine core diagnostic testing volumes, the pandemic negatively affected the number of cardiovascular procedures performed by health care providers, thereby reducing the demand for Abbott's Cardiovascular devices and routine diagnostic tests in 2020. Abbott's Nutritional and Diabetes Care businesses were the least affected by the pandemic.

Due to the unpredictability of the duration and impact of the current COVID-19 pandemic, the extent to which the COVID-19 pandemic will have a material effect on Abbott's business, financial condition or results of operations is uncertain.

## Abbott Laboratories Limited

### Directors' Report for the Year Ended 31 December 2020 (continued)

#### Going concern (continued)

The Company generated a net profit of £14,901,000 (2019: £8,242,000), has a net asset position of £320,924,000 (2019: £304,746,000) and current assets of the Company exceed its current liabilities by £76,808,000 (2019: £73,262,000). Trading profits are expected to continue in the foreseeable future. Therefore, after making enquiries, the Directors have a reasonable expectation that the Company will continue in operational existence for a period of at least twelve months to 30 September 2022.

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

#### Disclosure of information to the auditors

In the case of each person who is a director 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 auditor is 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 auditor is aware of this information.

#### Auditor

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.

#### Post balance sheet events

No material adjusting events occurred from the Balance Sheet date of 31 December 2020 to the date of signing of the financial statements.

#### Streamlined Energy and Carbon Reporting

The table below sets out the Company's emissions and energy consumption.

	GHG emissions	tCO <sub>2</sub> e/£M	Total energy consumption
	Scope 1 and 2	Revenue	(KWh gross CV)
	tCO <sub>2</sub> e		
Company vehicles, grey fleet, natural gas and purchased electricity	896	2.30	3,974,441

#### Methodology

The data was compiled using the reporting methodology of calculating carbon emissions in accordance with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard.

The Company's energy use and emissions reported relate to premises where the company has financial responsibility for energy supply and Abbott-owned, Abbott-leased and personally-owned vehicles used by employees.

The 2020 UK Government GHG Conversion Factors for Company Reporting published by the Department of Business, Energy and Industrial Strategy and the Department for Environment, Food and Rural Affairs were applied to convert energy use to emissions of CO<sub>2</sub>e.

## Abbott Laboratories Limited

### Directors' Report for the Year Ended 31 December 2020 (continued)

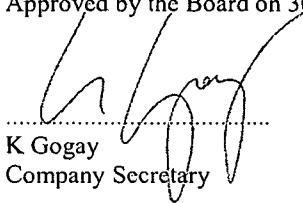
#### *Energy Efficiency Action*

To achieve a healthier planet and operate as a responsible corporate citizen, Abbott remains committed to helping address climate-related issues by reducing energy consumption and air emissions in our direct operations and throughout our value chain. The nature of our business includes a range of carbon emission sources: Scope 1 (direct) and Scope 2 (indirect) emissions from manufacturing, warehousing and office activities, and from our vehicle fleets.

Through our global value chain, we also indirectly contribute to carbon emissions through the sourcing and distribution of products, as well as the ways in which consumers and health professionals use and dispose of these products and their packaging. These are known as Scope 3 emissions.

We also are committed to minimizing the impact of our global fleet of Abbott-owned, Abbott-leased and personally-owned vehicles used by employees. As an example, to reduce our environmental impact, we are increasingly moving to hybrid and electric vehicles in place of traditional fuels. Abbott's UK operations have also upgraded plant and machinery in order to achieve greater energy efficiency.

Approved by the Board on 30 September 2021 and signed on its behalf by:



.....  
K Gogay  
Company Secretary

## **Abbott Laboratories Limited**

### **Statement of Directors' Responsibilities**

The Directors are responsible for preparing the Strategic Report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS102 *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 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 these 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 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 LABORATORIES LIMITED**

### **Opinion**

We have audited the financial statements of Abbott Laboratories Limited for the year ended 31 December 2020 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 24, 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 2020 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. 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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months to 30 September 2022.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

### **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 contained within the annual report.

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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABBOTT LABORATORIES LIMITED (Continued)**

### **Other information (Continued)**

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 course of 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 themselves. 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
- the financial statements are not in agreement with the accounting records; 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 10, 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.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABBOTT LABORATORIES LIMITED (Continued)

### *Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud*

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

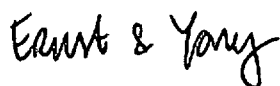
Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", Companies Act 2006 and relevant tax compliance regulations in the UK.
- We understood how Abbott Laboratories Limited is complying with those frameworks by making enquiries of management and those charged with governance. We corroborated our enquiries through reading the board minutes of the Company and we noted that there was no contradictory evidence.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by enquiry of management, those charged with governance and others within the entity, as to whether they have knowledge of any actual or suspected fraud. Where this risk was considered higher, we performed audit procedures to address the fraud risk.  
These procedures included testing manual journal entries and were designed to provide reasonable assurance that the financial statements were free from fraud or error.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved reading board minutes to identify any non-compliance with laws and regulations and enquiries of management and those charged with governance.

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, Statutory Auditor

Dublin

30 September 2021

**Abbott Laboratories Limited**

**Profit and Loss Account for the Year Ended 31 December 2020**

	Note	2020 £ 000	2019 £ 000
Turnover	3	394,395	284,097
Cost of sales		<u>(288,782)</u>	<u>(193,647)</u>
Gross profit		105,613	90,450
Distribution costs		(14,495)	(13,397)
Administrative expenses		<u>(77,102)</u>	<u>(72,670)</u>
Operating profit	4	14,016	4,383
Other interest receivable and similar income	5	2,862	4,885
Interest payable and similar charges	6	<u>(444)</u>	<u>(547)</u>
Profit before tax		16,434	8,721
Taxation	10	<u>(1,533)</u>	<u>(479)</u>
Profit for the financial year		<u><u>14,901</u></u>	<u><u>8,242</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.

**Abbott Laboratories Limited**

**Statement of Comprehensive Income for the Year Ended 31 December 2020**

	<b>2020</b> <b>£ 000</b>	<b>2019</b> <b>£ 000</b>
Profit for the financial year	14,901	8,242
Unrealised loss on cash flow hedges	(2,344)	(7,125)
Movement on deferred tax relating to cash flow hedges	498	1,211
Remeasurement movement on defined benefit pension scheme	6,800	(22,800)
Movement on deferred tax relating to defined benefit pension scheme	(3,677)	5,804
	<u>1,277</u>	<u>(22,910)</u>
Total comprehensive income/(loss) for the year	<u>16,178</u>	<u>(14,668)</u>

The notes on pages 19 to 41 form an integral part of these financial statements.  
Page 15

**Abbott Laboratories Limited**  
**(Registration number: 00329102)**  
**Balance Sheet as at 31 December 2020**

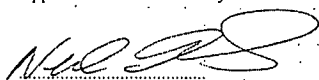
	Note	2020 £ 000	2019 £ 000
<b>Fixed assets</b>			
Tangible assets	11	59,242	47,555
Investments in subsidiaries	12	87,463	87,463
		<u>146,705</u>	<u>135,018</u>
<b>Current assets</b>			
Stocks	13	22,076	13,122
Debtors	14	142,733	129,590
Cash at bank and in hand		4,795	11,255
		<u>169,604</u>	<u>153,967</u>
<b>Creditors: amounts falling due within one year</b>	15	<u>(92,796)</u>	<u>(80,705)</u>
<b>Net current assets</b>		<u>76,808</u>	<u>73,262</u>
<b>Total assets less current liabilities</b>		<u>223,513</u>	<u>208,280</u>
<b>Creditors: amounts falling due after more than one year</b>	15	(10,886)	(9,608)
<b>Provisions for liabilities</b>	10	<u>(25,403)</u>	<u>(21,726)</u>
<b>Net assets excluding pension asset</b>		<u>187,224</u>	<u>176,946</u>
Net pension asset	16	<u>133,700</u>	<u>127,800</u>
<b>Net assets</b>		<u><u>320,924</u></u>	<u><u>304,746</u></u>

The notes on pages 19 to 41 form an integral part of these financial statements.  
Page 16

**Abbott Laboratories Limited**  
**(Registration number: 00329102)**  
**Balance Sheet as at 31 December 2020 (continued)**

	Note	2020 £ 000	2019 £ 000
<b>Capital and reserves</b>			
Called up share capital	17	106,842	106,842
Share premium reserve	18	30,403	30,403
Other reserves	18	13,660	15,506
Profit and loss account	18	<u>170,019</u>	<u>151,995</u>
<b>Total shareholders' equity</b>		<u><u>320,924</u></u>	<u><u>304,746</u></u>

Approved and authorised by the Board on 30 September 2021 and signed on its behalf by:



N Harris  
Director

**Abbott Laboratories Limited**

**Statement of Changes in Equity for the Year Ended 31 December 2020**

	<b>Called up share capital (Note 17) £ 000</b>	<b>Share premium reserve (Note 18) £ 000</b>	<b>Other reserves (Note 18) £ 000</b>	<b>Profit and loss account (Note 18) £ 000</b>	<b>Total £ 000</b>
At 1 January 2020	106,842	30,403	15,506	151,995	304,746
Profit for the financial year	-	-	-	14,901	14,901
Other comprehensive (loss)/income	-	-	(1,846)	3,123	1,277
Total comprehensive (loss)/income	-	-	(1,846)	18,024	16,178
Share based payment transactions	-	-	-	-	-
At 31 December 2020	106,842	30,403	13,660	170,019	320,924
	<b>Called up share capital (Note 17) £ 000</b>	<b>Share premium reserve (Note 18) £ 000</b>	<b>Other reserves (Note 18) £ 000</b>	<b>Profit and loss account (Note 18) £ 000</b>	<b>Total £ 000</b>
At 1 January 2019	106,842	30,403	21,119	160,749	319,113
Profit for the financial year	-	-	-	8,242	8,242
Other comprehensive loss	-	-	(5,914)	(16,996)	(22,910)
Total comprehensive loss	-	-	(5,914)	(8,754)	(14,668)
Share based payment transactions	-	-	301	-	301
At 31 December 2019	106,842	30,403	15,506	151,995	304,746

The notes on pages 19 to 41 form an integral part of these financial statements.

## **Abbott Laboratories Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020**

#### **1 General information**

The Company is a private company limited by share capital incorporated and domiciled in England and Wales. These financial statements were authorised for issue by the Board on 30 September 2021.

#### **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 pages 20 to 22.

##### **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"). The presentation and functional 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 if otherwise disclosed in the accounting policies.

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:

Statement 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

Share based payments as per sections 26.18(b), 26.19 to 26.21, 26.23

Related Party Disclosures as per sections 33.1A and 33.7.

##### **Going concern**

In 2020, the coronavirus (COVID-19) pandemic affected the global Abbott group's ("Abbott") diversified health care businesses in various ways. Some businesses have performed at the levels required to successfully meet new demands, others have faced challenges, and still others have been relatively less impacted by the pandemic. The severity and timing of the impact of COVID-19 differs between the various countries in which Abbott trades. While the increase in Abbott's 2020 global sales were mostly attributable to the COVID-19 pandemic, the increase in total sales over the last three years also reflects volume growth due to the introduction of new products across various businesses as well as higher sales of various existing products. To date, COVID-19 has not had a significant impact on the Company and the Company is currently trading at higher levels compared to the same period in 2020.

## **Abbott Laboratories Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)**

#### **2 Accounting policies (continued)**

Abbott's Diagnostics business experienced the most significant change in sales from 2019 to 2020 as sales from new tests and other related products to detect COVID-19 more than outweighed the negative impact of COVID-19 on routine diagnostic testing volumes. In addition to negatively impacting routine core diagnostic testing volumes, the pandemic negatively affected the number of cardiovascular procedures performed by health care providers, thereby reducing the demand for Abbott's Cardiovascular devices and routine diagnostic tests in 2020. Abbott's Nutritional and Diabetes Care businesses were the least affected by the pandemic.

Due to the unpredictability of the duration and impact of the current COVID-19 pandemic, the extent to which the COVID-19 pandemic will have a material effect on Abbott's business, financial condition or results of operations is uncertain.

The Company generated a net profit of £14,901,000 (2019: £8,242,000), has a net asset position of £320,924,000 (2019: £304,746,000) and current assets of the Company exceed its current liabilities by £76,808,000 (2019: £73,262,000). Trading profits are expected to continue in the foreseeable future. Therefore, after making enquiries, the Directors have a reasonable expectation that the Company will continue in operational existence for a period of at least twelve months to 30 September 2022.

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 Laboratories 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 parent, Abbott Laboratories, a company incorporated in USA. The consolidated financial statements may be obtained from Abbott Laboratories, 100 Abbott Park Road, Abbott Park, Illinois, IL 60064-6400, USA.

#### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimations and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that the 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.

## Abbott Laboratories Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 2 Accounting policies (continued)

##### Judgements

###### Leases

The Company has entered into commercial property leases as a lessee to obtain the use of the properties. In addition, the Company has entered into sale and leaseback transactions in relation to certain items of equipment. The classification of such leases as operating or finance leases requires the Company to determine, based on evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the financial statements.

##### 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 investments 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.

###### Pension and other post employment benefits

The cost of the defined benefit pension plan is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are reviewed for quality, and those having excessive credit spreads are removed from the population of bonds on which the discount rate is based, on the basis that they do not represent high quality bonds. The mortality rate is based on publicly available mortality tables for the specific country. Future salary increases and pension increases are based on expected future inflation rates for the respective country.

## **Abbott Laboratories Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)**

#### **2 Accounting policies (continued)**

##### **Key sources of estimation uncertainty**

###### **Taxation**

The Company establishes provisions based on reasonable estimates, for possible consequences of audits by the UK tax authorities. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the company and the responsible tax authority. Management estimation is required to determine the amounts of deferred tax assets that can be recognised, based upon likely timing and level of future profits together with an assessment of the effect of future tax planning strategies.

###### **Provision for estimated irrecoverable debtors**

Provision for estimated irrecoverable debtors is determined using a combination of factors to ensure that trade debtors are not overstated due to uncertainty of recoverability. The allowance for estimated irrecoverable debtors for all customers is based on a variety of factors, including the overall quality and ageing of receivables and continuing credit evaluation of the customer's financial conditions. Also, specific allowances for individual accounts are recorded when the Company becomes aware of the customer's inability to meet its financial obligations.

###### **Provision for Stock Allowance**

The Company's product range is subject to changing consumer demands, expiries and technological changes. As a result, it is necessary to consider the recoverability of the cost of stock and associated provisioning required. When calculating the stock provision, management considers the nature and condition of the stock, as well as applying assumptions around anticipated saleability of finished goods.

##### **Financial assets and liabilities**

###### **Financial instruments**

The company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

###### **i. Financial assets**

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss. If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

## **Abbott Laboratories Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)**

#### **2 Accounting policies (continued)**

##### **ii. Financial liabilities**

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

##### **iii. Offsetting**

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Revenue recognition**

Turnover from product sales is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, the goods are delivered to the customer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Turnover is reported net of a provision for customer rebates. Within the Company's Diagnostics division, certain selling arrangements include multiple products and services. Revenue is recognised upon delivery of the product or performance of the service and is allocated based on the relative selling price of each deliverable, which is based primarily on vendor specific objective evidence. Turnover is net of VAT.

##### **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. Exchange differences are included in the profit and loss account. The Company also enters into cash flow hedge transactions. To the extent that the hedge is considered to be effective the cumulative gain or loss on the forward contract is recognised in other comprehensive income. Amounts are transferred to the profit and loss account in the period in which the hedged cash flows impact profit or loss.

##### **Taxation**

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

## Abbott Laboratories Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 2 Accounting policies (continued)

##### 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.

##### Tangible assets

Tangible assets are stated in the balance sheet at cost less any accumulated depreciation and accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

##### Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction, over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold land and buildings	Straight line 5 - 10 %
Furniture, fittings and equipment	Straight line 8 - 50%

Assets under construction are not depreciated until they are brought into use.

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

##### 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.

##### Trade debtors

Trade debtors are amounts due from customers for stock sold or services rendered in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

##### Stocks

Stocks are stated at the lower of cost and net realisable value. The cost is based on the latest purchase price. Net realisable value is based on nominal selling price, less anticipated applicable selling costs. Provision is made for slow moving or obsolete stock, where appropriate.

##### Cash at bank and in hand

Cash at bank and in hand 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.

## **Abbott Laboratories Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)**

#### **2 Accounting policies (continued)**

##### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

##### **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 or their useful lives. The capital element 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 lease to produce a constant rate of charge on the balance of capital payments outstanding.

Assets held under operating leases are charged in the profit and loss account on a straight-line basis over the term of the lease, even if payments are not made on such a basis.

Lease payments receivable are apportioned between repayments of capital and interest so as to give a constant periodic rate of return on the net cash investment in the lease.

Sale and leaseback transactions entered into by the Company that result in a finance lease are accounted for as finance leases as set out above. Any excess of sales proceeds over the carrying amount arising from such transactions is deferred and amortised over the lease term.

##### **Defined contribution pension obligation**

Contributions to the defined contribution scheme are recognised in the profit and loss account in the period in which they become payable. Contributions by the Company and the employee are held within the Legal and General Master Trust which is administered by separate trustees.

##### **Defined benefit pension obligation**

The Company operates a defined benefit pension scheme for employees under which contributions by employees and the Company are held by a separately administered trustee company. The scheme was closed to new entrants in June 2015 from which time membership of a defined contribution scheme was available.

The cost of providing benefits under the defined benefit scheme is determined using the projected unit credit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligations) and is based on actuarial advice. When a settlement or curtailment occur the change in the present value of the scheme liabilities and the fair value of the scheme assets reflects the gain or loss which is recognised in the income statement during the period in which it occurs.

The net interest element is determined by multiplying the defined benefit net pension asset by the discount rate at the start of the period taking into account any changes in the defined benefit net asset during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as interest receivable or interest payable.

Re-measurements, comprising actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit asset (excluding amounts included in net interest) are recognised immediately in other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

## **Abbott Laboratories Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)**

#### **2 Accounting policies (continued)**

The defined benefit net asset or liability in the balance sheet comprises the total value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of scheme assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is recognised to the extent that it can be recovered through reduced future contributions or a refund.

Abbott Laboratories Limited is the sponsoring employer of the defined benefit scheme as it is the principal employer. There is no contractual agreement or stated policy for charging the defined benefit cost of the plan as a whole to individual group entities. Therefore, the Company has recognised the entire net defined benefit cost less those contributions paid by other group companies participating in the scheme and the relevant net defined benefit asset of the scheme in its individual financial statements.

#### **Share based payments**

The Company has applied the requirements of section 26 of FRS102. The ultimate parent company issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) at the date of grant. The fair value determined at the grant date of equity-settled share-based payments is expensed on a basis over the vesting period, based on the group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions. Fair value is measured by use of the Black-Scholes pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations, including forfeiture. The Company also provides employees with the ability to purchase the ultimate parent company's ordinary shares at the current market value via a deduction from gross pay. The Company operates a matching arrangement under which additional shares are purchased and held for the employee. The Company records an expense of the actual cost of matching shares purchased. The Company makes payments to the ultimate parent company in relation to restricted stock units granted to its employees. The Company records a deemed capital contribution where the value of such restricted stock units granted exceeds the payments made to the ultimate parent company. In cases where the value of the payments made to the ultimate parent company exceeds the value of such restricted stock units granted, these payments are recorded in the profit and loss account.

#### **Derivatives**

Abbott Laboratories (the ultimate parent company) enters into foreign currency forward exchange contracts on behalf of the Company, to manage currency exposures for foreign currency intercompany trade receivable or payable balances which are denominated in a currency other than the functional currency of the entity. These are recorded on the balance sheet at fair value and accounted for at fair value through equity.

#### **Provisions for liabilities**

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

#### **Share capital**

Share capital represents the nominal (par) value of ordinary shares that have been issued. These shares are classified as equity. Direct costs of issuing equity instruments are immaterial and are therefore not deducted.

## Abbott Laboratories Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 2 Accounting policies (continued)

##### Reserves

##### Share premium reserve

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

##### Other reserves

Other reserves includes the cash flow hedge reserve, which is used to record transactions arising from the Company's cash flow hedging arrangements. In addition, it includes the capital contribution reserve which records the share based payment transactions. The Company makes payments to the ultimate parent company in relation to restricted stock units granted to its employees. The Company records a deemed capital contribution where the value of such restricted stock units granted exceeds the payments made to the ultimate parent company. In cases where the value of the payments made to the ultimate parent company exceeds the value of such restricted stock units granted, these payments are recorded in the profit and loss account.

##### Profit and Loss Account

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

#### 3 Turnover

The analysis of the Company's turnover for the year is as follows:

	2020 £ 000	2019 £ 000
Sale of goods	338,662	226,469
Rendering of services	55,733	57,628
	<u>394,395</u>	<u>284,097</u>

The total turnover of the Company for the financial year has been derived from its principal activities wholly undertaken in the United Kingdom.

#### 4 Operating profit

This is stated after charging/(crediting)

	2020 £ 000	2019 £ 000
Depreciation of tangible assets	8,899	8,326
Depreciation of assets held under finance leases	1,585	1,526
Foreign exchange losses	613	162
Operating lease expense - plant and machinery	1,156	1,050
Operating lease expense - other	3,248	3,191
(Profit)/Loss on disposal of tangible assets	<u>(141)</u>	<u>88</u>

# Abbott Laboratories Limited

## Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

### 5 Interest receivable and similar income

	2020 £ 000	2019 £ 000
Interest income on defined benefit pension (net) (Note 16)	2,700	4,600
Other interest income	80	9
Other finance income - interest income on loans to group entities (Note 14)	82	276
	<u>2,862</u>	<u>4,885</u>

### 6 Interest payable and similar charges

	2020 £ 000	2019 £ 000
Interest on bank overdrafts and borrowings	-	5
Interest on finance leases	444	542
	<u>444</u>	<u>547</u>

### 7 Staff costs

The aggregate payroll costs (including Directors' remuneration) were as follows:

	2020 £ 000	2019 £ 000
Wages and salaries	46,375	46,216
Social security costs	5,982	5,602
Pension costs, defined contribution scheme (Note 16)	2,874	2,409
Pension costs, defined benefit scheme (Note 16)	8,000	4,300
Share-based payment expenses	3,140	3,520
	<u>66,371</u>	<u>62,047</u>

The average number of persons employed by the Company (including Directors) during the year, analysed by category was as follows:

	2020 No.	2019 No.
Administration and support	530	500
Distribution	32	33
	<u>562</u>	<u>533</u>

# Abbott Laboratories Limited

## Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

### 8 Directors' remuneration

The Directors' remuneration for the year was as follows:

	2020 £ 000	2019 £ 000
Remuneration in respect of qualifying services	622	986
Pensions - defined contribution scheme	34	29
Pensions - defined benefit scheme	49	-
Long term incentive plans	222	83
	<u>927</u>	<u>1,098</u>

During the year the number of Directors who were receiving benefits and share incentives was as follows:

	2020 No.	2019 No.
Received or were entitled to receive shares under long term incentive schemes	3	2
Accruing benefits under defined benefit pension scheme	1	-
Accruing benefits under defined contribution pension scheme	<u>1</u>	<u>1</u>

In respect of the highest paid director:

	2020 £ 000	2019 £ 000
Remuneration in respect of qualifying services	271	758
Long term incentive plans	<u>119</u>	<u>-</u>

### 9 Auditors' remuneration

	2020 £ 000	2019 £ 000
Audit of the financial statements	30	44
Taxation services	<u>31</u>	<u>25</u>
	<u>61</u>	<u>69</u>

## Abbott Laboratories Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 10 Taxation

Tax charged in profit and loss

	2020 £ 000	2019 £ 000
<b>Current taxation</b>		
UK corporation tax	1,386	-
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	<u>147</u>	<u>479</u>
Tax expense in profit and loss	<u><u>1,533</u></u>	<u><u>479</u></u>

The tax on profit before tax for the year differs from the standard rate of corporation tax in the UK of 19% (2019 - 19%).

The differences are reconciled below:

	2020 £ 000	2019 £ 000
Profit before tax	<u>16,434</u>	<u>8,721</u>
Corporation tax at standard rate	3,122	1,657
Effect of expense not deductible in determining taxable profit	508	402
Deferred tax expense relating to changes in tax rates or laws	(532)	45
Tax decrease arising from group relief	<u>(1,565)</u>	<u>(1,625)</u>
Total tax charge	<u><u>1,533</u></u>	<u><u>479</u></u>

#### Factors that may effect future tax charges

On 26 October 2015, Finance No.2 Bill 2015 enacted reductions in the main rate of corporation tax from 20% to 19% with effect from 1 April 2017 and to 18% with effect from 1 April 2020. The latter reduction was subsequently reduced further from 18% to 17% upon enactment of the Finance Bill 2016 on 15 September 2016. However, legislation introduced in the Finance Act 2020 (enacted on 22 July 2020) repealed the reduction of the corporation tax, thereby maintaining the current rate of 19%.

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. These changes were substantively enacted after the balance sheet date (on 24 May 2021).

Balances relating to deferred tax as shown in this note have been calculated at 19% which was the enacted rate in force at the year end. The Directors consider that materially all of the deferred tax balances shown will reverse after April 2023. The effect of this would be to increase deferred tax assets by £878,000 to £3,656,000 and to increase deferred tax liabilities by £8,022,000 to £33,425,000.

# Abbott Laboratories Limited

## Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

### 10 Taxation (continued)

#### Deferred tax

Deferred tax assets and liabilities are as follows:

	Asset £ 000	Liability £ 000
<b>2020</b>		
Accelerated tax depreciation	680	-
Other timing differences	2,098	-
Pension surplus	-	25,403
	<u>2,778</u>	<u>25,403</u>
<b>2019</b>		
Accelerated tax depreciation	1,239	-
Other timing differences	1,187	-
Pension surplus	-	21,726
	<u>2,426</u>	<u>21,726</u>

The deferred tax asset arising from accelerated tax depreciation and other timing differences are included in Debtors (Note 14). The deferred tax liability relating to the pension asset is presented as Provisions for liabilities in the balance sheet.

# Abbott Laboratories Limited

## Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

### 11 Tangible assets

	Land and buildings £ 000	Furniture, fittings and equipment £ 000	Assets under construction £ 000	Total £ 000
<b>Cost or valuation</b>				
At 1 January 2020	5,181	108,493	239	113,913
Additions	53	24,401	73	24,527
Disposals	-	(11,098)	-	(11,098)
Transfers	-	239	(239)	-
At 31 December 2020	<u>5,234</u>	<u>122,035</u>	<u>73</u>	<u>127,342</u>
<b>Depreciation</b>				
At 1 January 2020	2,607	63,751	-	66,358
Charge for the year	365	10,119	-	10,484
Disposals	-	(8,742)	-	(8,742)
At 31 December 2020	<u>2,972</u>	<u>65,128</u>	<u>-</u>	<u>68,100</u>
<b>Carrying amount</b>				
At 31 December 2020	<u>2,262</u>	<u>56,907</u>	<u>73</u>	<u>59,242</u>
At 31 December 2019	<u>2,574</u>	<u>44,742</u>	<u>239</u>	<u>47,555</u>

Included in Furniture, fittings and equipment are assets held under finance leases with a net carrying value of £10,089,000 (2019: £8,814,000).

## Abbott Laboratories Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 12 Investments in subsidiaries

	2020 £ 000	2019 £ 000
Investments in subsidiaries	<u>87,463</u>	<u>87,463</u>
<b>Subsidiaries</b>		<b>£ 000</b>
<b>Cost or valuation</b>		
At 1 January 2020 and at 31 December 2020		<u>104,022</u>
<b>Provision</b>		
At 1 January 2020		(16,559)
Provision for impairment		<u>-</u>
At 31 December 2020		<u>(16,559)</u>
<b>Carrying amount</b>		
At 31 December 2020		<u>87,463</u>
At 31 December 2019		<u>87,463</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 were as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2020	2019
Subsidiary undertakings				
Abbott Diabetes Care Limited	England and Wales	Ordinary	100%	100%
Murex Biotech Limited	England and Wales	Ordinary	100%	100%
Abbott Laboratories Trustee Company Limited	England and Wales	Ordinary	100%	100%
Abbott Medical UK Limited	England and Wales	Ordinary	100%	100%

The principal activity of Abbott Diabetes Care Limited is a contract manufacturer of biosensor strips and a licensee of technology, engaged in the manufacture and sale of biosensing products.

The principal activity of Murex Biotech Limited is the provision of administrative services to group companies.

The principal activity of Abbott Laboratories Trustee Company Limited is acting as a pension trustee.

The principal activity of Abbott Medical UK Limited is the marketing, distribution and sale of medical devices in the UK.

## Abbott Laboratories Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 12 Investments in subsidiaries (continued)

All investments in subsidiaries are unlisted and held at cost less impairment as fair value cannot be reliably determined.

#### 13 Stocks

	2020 £ 000	2019 £ 000
Finished goods and goods for resale	<u>22,076</u>	<u>13,122</u>

Finished goods and goods for resale are stated after having made provisions of £100,000 (2019: £94,000).

#### 14 Debtors

	2020 £ 000	2019 £ 000
<b>Amounts falling due within one year</b>		
Trade debtors	74,669	50,889
Amounts owed by group entities	54,007	55,131
Other debtors	7,371	6,017
Prepayments	3,441	3,890
Corporation tax receivable	467	11,237
<b>Amounts falling due after more than one year</b>		
Deferred tax assets	<u>2,778</u>	<u>2,426</u>
<b>Total debtors</b>	<u>142,733</u>	<u>129,590</u>

Trade debtors are non-interest bearing, generally on 30 day terms and stated after having made provisions for doubtful debts of £858,000 (2019: £974,000).

Amounts owed by group entities include trading balances of £9,757,000 (2019: £12,535,000) and loan balances of £44,250,000 (2019: £42,596,000). Trading balances owed by group entities are interest free, unsecured and repayable on demand. Loan balances owed by group entities are interest bearing, are unsecured and repayable on demand.

Due to their short maturities, the fair value of trade debtors and amounts owed by group companies approximate their book values.

## Abbott Laboratories Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 15 Creditors

	2020 £ 000	2019 £ 000
<b>Due within one year</b>		
Trade creditors	19,846	25,409
Amounts due to group entities	33,121	25,569
Social security and other taxes	10,436	6,526
Deferred revenue	703	1,411
Accrued expenses	22,617	18,279
Obligations under finance leases	1,611	1,182
Foreign currency forward exchange contracts	4,462	2,329
	<u>92,796</u>	<u>80,705</u>
<b>Due after one year</b>		
Deferred revenue	2,048	1,776
Obligations under finance leases	8,838	7,832
	<u>10,886</u>	<u>9,608</u>

Trade creditors are non-interest bearing and it is the Company's policy to pay within the stated terms which typically vary from 60 - 90 days from receipt of the invoice.

Amounts due to group entities include trading balances of £33,121,000 (2019: £25,569,000) and no loan balances. Trading balances due to group entities are interest free, unsecured and repayable on demand.

Foreign currency forward exchange contracts are measured at fair value.

Due to their short maturities, the fair value of trade creditors and amounts owed to group companies approximate their book values.

## **Abbott Laboratories Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)**

#### **16 Pension and other schemes**

##### **Defined contribution pension scheme**

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £2,874,000 (2019: £2,409,000).

##### **Defined benefit pension schemes**

###### **Defined Benefit scheme**

The Company participates in the Abbott Laboratories Pension Fund. This is a multi-employer defined benefit scheme for companies in the Abbott Laboratories group of companies, the assets and liabilities of which are held independently from the group.

The data provided for scheme assets and liabilities relates to the entire pension fund and does not relate to the share of each individual company that participates in the scheme. Furthermore, all costs and contributions disclosed below relate to the entire pension fund unless otherwise stated.

Guaranteed Minimum Pension ("GMP") is a portion of pension that was accrued by individuals who were contracted out of the State Second Pension prior to 6 April 1997. Historically, there was an inequality of benefits between male and female members who have GMP. A High Court case concluded on 26 October 2018 which confirmed that GMPs need to be equalised. The Court did not specify the method to use to equalise GMP but did set out a number of possible approaches. The cost of GMP equalisation was recognised as a past service cost in the 2018 pension cost. The present value of defined benefit obligations as at 31 December 2019 included an allowance of 0.1% for the expected cost of equalising GMP between males and females.

A further court case was heard in 2020 concerning whether historic statutory transfer values paid out of the scheme before 2018 need to be equalised. The court ruling, made on 20 November 2020 confirmed that all transfers with GMPs built up between 17 May 1990 and 5 April 1997 need to be equalised. The cost of this additional equalisation has been calculated at approximately £21,000 and was recognised in Other Comprehensive Income on the grounds of immateriality. It was included within the defined benefit obligations as at 31 December 2020.

During the year there was a bulk transfer-in to the Abbott Pension Fund. The assets transferred to the Abbott Pension Fund were in respect of deferred and pensioner liabilities of the defined benefit section of the Unipath Pension Scheme, a pension scheme providing benefits to other Abbott group companies in the UK. The Unipath Pension Scheme, including the defined benefit section, is being wound up to realise operational efficiencies and cost savings. Details of assets and liabilities transferred are shown in the below sections.

The date of the most recent comprehensive actuarial valuation was 31 March 2019. The figures below are based on the latest full actuarial valuation as updated to the balance sheet date by a qualified actuary.

The total actuarial cost of the defined benefit scheme was £14,900,000 (2019: £10,500,000).

The total cost relating to defined benefit schemes for the year recognised in profit or loss as an expense was £8,000,000 (2019: £4,300,000). This represents the actuarial cost of the entire defined benefit scheme less those contributions paid by other group companies participating in the scheme.

The total cost relating to defined benefit schemes for the year included in the cost of an asset was £Nil (2019: £Nil).

# Abbott Laboratories Limited

## Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

### 16 Pension and other schemes (continued)

#### *Reconciliation of scheme assets and liabilities to assets and liabilities recognised*

The amounts recognised in the statement of financial position are as follows:

	2020 £ 000	2019 £ 000
Fair value of scheme assets	1,032,600	856,700
Present value of defined benefit obligation	(898,900)	(728,900)
Defined benefit pension scheme surplus	<u>133,700</u>	<u>127,800</u>

#### *Defined benefit obligation*

Changes in the defined benefit obligation are as follows:

	2020 £ 000
Present value at start of year	728,900
Current service cost	16,100
Interest cost	14,800
Actuarial losses	136,000
Benefits paid	(17,600)
Contributions by scheme participants	100
Increase in liabilities due to bulk transfer-in	<u>20,600</u>
Present value at end of year	<u>898,900</u>

#### *Fair value of scheme assets*

Changes in the fair value of scheme assets are as follows:

	2020 £ 000
Fair value at start of year	856,700
Interest income	17,500
Return on plan assets, excluding amounts included in interest income	142,800
Employer contributions	13,600
Contributions by scheme participants	100
Benefits paid	(17,600)
Assets associated with bulk transfer-in	21,000
Administration costs	<u>(1,500)</u>
Fair value at end of year	<u>1,032,600</u>

#### *Analysis of assets*

The major categories of scheme assets are as follows:

## Abbott Laboratories Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 16 Pension and other schemes (continued)

	2020 £ 000	2019 £ 000
Cash and cash equivalents	600	1,200
Equity instruments	567,700	444,700
Debt instruments	425,800	371,100
Property	38,500	39,700
	<u>1,032,600</u>	<u>856,700</u>

#### *Return on scheme assets*

	2020 £ 000	2019 £ 000
Return on scheme assets	<u>160,300</u>	<u>98,300</u>

The pension scheme has not invested in any of the company's own financial instruments or in properties or other assets used by the company.

#### *Principal actuarial assumptions*

The principal actuarial assumptions at the statement of financial position date are as follows:

	2020 %	2019 %
Discount rate	1.45	2.00
Future salary increases	4.00	3.85
Future pension increases	2.75	2.60
RPI Inflation	2.75	2.60
CPI Inflation	<u>2.10</u>	<u>2.00</u>

## Abbott Laboratories Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 16 Pension and other schemes (continued)

##### *Post retirement mortality assumptions*

	2020 Years	2019 Years
Current UK pensioners at retirement age - male	22.70	22.50
Current UK pensioners at retirement age - female	24.50	24.20
Future UK pensioners at retirement age - male	23.90	23.60
Future UK pensioners at retirement age - female	<u>26.00</u>	<u>25.70</u>

#### 17 Called up share capital

##### Allotted, called up and fully paid shares

	2020		2019
	No. 000	£ 000	No. 000
Ordinary shares of £1 each	<u>106,842</u>	<u>106,842</u>	<u>106,842</u>

#### 18 Reserves

##### Share premium reserve

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

##### Other reserves

Other reserves includes the cash flow hedge reserve, which is used to record transactions arising from the Company's cash flow hedging arrangements. In addition, it includes the capital contribution reserve which records the share based payment transactions. The Company makes payments to the ultimate parent company in relation to restricted stock units granted to its employees. The Company records a deemed capital contribution where the value of such restricted stock units granted exceeds the payments made to the ultimate parent company. In cases where the value of the payments made to the ultimate parent company exceeds the value of such restricted stock units granted, these payments are recorded in the profit and loss account.

##### Profit and Loss Account

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

#### 19 Obligations under leases and hire purchase contracts

##### Operating lease commitments

The total of future minimum lease payments is as follows:

	2020 £ 000	2019 £ 000
Not later than one year	2,858	2,858
Later than one year and not later than five years	10,997	11,431
Later than five years	<u>645</u>	<u>3,069</u>
	<u>14,500</u>	<u>17,358</u>

## Abbott Laboratories Limited

### Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)

#### 19 Obligations under leases and hire purchase contracts (continued)

##### Capital commitments

The total amount contracted in relation to tangible asset additions but not provided in the financial statements was £56,500 (2019: £74,600).

##### Contingent Liabilities

HMRC holds a guarantee against the Company's cash at bank amounting to £5,000,000. The purpose of this guarantee is to allow for import duty and VAT to be paid on a timely basis to ensure smooth flows of stocks into the United Kingdom where import duty and VAT payments are required.

#### 20 Share-based payments

##### Restricted Stock Units

##### Scheme details and movements

The Company's ultimate parent company maintains an equity-settled share-based payment arrangement under which certain employees of the ultimate parent company's subsidiaries are awarded grants of restricted stock units. Restricted stock units vest over three years beginning one year from the date of grant. Restricted stock units are forfeited if the employee leaves the Company before the awards vest.

The movements in the number of restricted stock units during the year were as follows:

	2020 Number	2019 Number
Outstanding, start of period	121,032	165,277
Granted during the period	45,972	64,256
Forfeited during the period	(8,446)	(15,385)
Exercised during the period	(56,994)	(71,978)
Transfers to other group undertaking	(3,020)	(21,138)
Outstanding, end of period	<u>98,544</u>	<u>121,032</u>
Exercisable, end of period	<u>98,544</u>	<u>121,032</u>

The movements in the weighted average exercise price of restricted stock units during the year were as follows:

	2020 US\$	2019 US\$
Outstanding, start of period	65.49	52.18
Granted during the period	87.30	76.20
Forfeited during the period	88.01	84.20
Exercised during the period	87.23	76.07
Transfers to other group undertaking	67.61	49.42
Outstanding, end of period	<u>78.00</u>	<u>65.49</u>

##### Effect of share-based payments on profit or loss and financial position

The total expense recognised in profit or loss for the year was £3,140,000 (2019: £3,520,000).

## **Abbott Laboratories Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2020 (continued)**

#### **20 Share-based payments (continued)**

##### **Employee share scheme**

##### **Scheme details and movements**

The Company operates a Share Incentive Plan for all employees. Employees purchase shares in the ultimate parent company at market value by means of a deduction from gross salary. The Company matches the employee purchase at a ratio of 1:1 subject to a limit of 1.75% of pensionable salary or £125 per month.

##### **Effect of Employee Share Scheme payments on the profit or loss and financial position**

The total expense recognised in profit or loss for the year was £405,000 (2019: £348,000).

#### **21 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.

#### **22 Parent and ultimate controlling party**

The Company's immediate parent is Abbott (UK) Holdings Limited, incorporated in England and Wales.

The ultimate parent is Abbott Laboratories, incorporated in Illinois, USA.

The smallest and largest group into which the results of the company are consolidated is the ultimate parent entity Abbott Laboratories. The consolidated financial statements are available to the public and may be obtained from Abbott Laboratories, 100 Abbott Park Road, Abbott Park, Illinois 60064-6400, USA

#### **23 Comparative Amounts**

Comparative amounts have been reclassified where necessary on a basis consistent with the current financial year.

#### **24 Post balance sheet events**

No material adjusting events occurred from the Balance Sheet date of 31 December 2020 to the date of signing of the financial statements.