

**AbbVie Investments Limited**

**Directors' Report and financial statements**

Registered number 2981281

31 December 2016



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## **Directors' Report**

The directors present their report and the financial statements for the year ended 31 December 2016.

### **Directors**

The directors who served during the year were as follows:

W Chase  
M Regan (resigned 31 May 2017)  
G White  
J S Bouyer (appointed 1 July 2017)

### **Business review**

#### ***Principal activities***

The principal activity for AbbVie Investments Limited (hereafter referred to as "the Company") is that of an investment company.

#### ***Principal risks and uncertainties***

The company continues to monitor the major areas of risk and uncertainty that could affect the future success of the business. Due to the nature of the business of the Company, no principal risks have been identified.

#### ***Going concern***

The Company has considerable financial resources and as a consequence, the directors believe that the Company is well placed to manage its business successfully despite the current economic outlook. After making enquiries, the directors have a reasonable expectation that the Company had adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual reports and accounts.

### **Results and dividends**

The profit for the year, after taxation, amounted to \$3,966,000 (2015: \$4,048,000).

The directors do not recommend the payment of a dividend (2015: \$ nil).

### **Small company provisions**

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

### **Strategic report**

Advantage has been taken of the exemption under section 414B of the Companies Act 2006 from the requirement to prepare a Strategic Report.

### **Directors' liabilities**

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

## **Directors' Report** *(continued)*

### **Disclosure of information to the auditors**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

### **Reappointment of auditors**

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 18 September 2017 and signed on its behalf.



**G White**  
Director

## **Statement of directors' responsibilities**

The directors are responsible for preparing the Directors' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

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 shareholders of AbbVie Investments Limited**

We have audited the financial statements of AbbVie Investments Limited for the year ended 31 December 2016 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 9. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland".

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.

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report & Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Independent Auditor's Report to the shareholders of AbbVie Investments Limited**  
(continued)

**OPINION ON OTHER MATTER 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Directors' Report have been prepared in accordance with applicable legal requirements.

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report and take advantage of the small companies exemption in preparing the Directors' Report.

*Ernst & Young LLP*

**David Hales (Senior statutory auditor)**  
*for and on behalf of*  
**Ernst & Young LLP, Statutory Auditor**  
**Reading**  
**United Kingdom**

Date: *29 Sept 2017*

**Statement of Comprehensive Income**  
*for the year ended 31 December 2016*

	<i>Note</i>	<b>2016</b> <b>\$000</b>	2015 \$000
Administrative expenses		<b>(427)</b>	(147)
<b>Operating loss</b>	<b>2</b>	<b>(427)</b>	(147)
Interest receivable and similar income		<b>5,227</b>	5,233
Interest payable and similar charges		-	(5)
Net interest income		<b>5,227</b>	5,228
<b>Profit on ordinary activities before taxation</b>		<b>4,800</b>	5,081
Tax on profit on ordinary activities	<b>4</b>	<b>(834)</b>	(1,033)
<b>Profit for the financial year</b>		<b>3,966</b>	4,048
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>3,966</b>	4,048

All amounts relate to continuing operations.



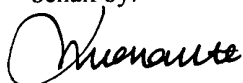
**Balance Sheet**  
*at 31 December 2016*

	<i>Note</i>	<b>2016</b> <b>\$000</b>	2015 \$000
<b>Current assets</b>			
Debtors	5	155,817	151,918
Cash at bank and in hand		55	109
		<hr/>	<hr/>
<b>Total current assets</b>		<b>155,872</b>	152,027
<b>Creditors: amounts falling due within one year</b>	6	<b>(36)</b>	(157)
		<hr/>	<hr/>
<b>Net current assets</b>		<b>155,836</b>	151,870
		<hr/>	<hr/>
<b>Net assets</b>		<b>155,836</b>	151,870
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital		66,463	66,463
Profit and loss account		89,373	85,407
		<hr/>	<hr/>
<b>Shareholders' funds</b>		<b>155,836</b>	151,870
		<hr/>	<hr/>

The notes on pages 10 to 12 form part of these financial statements.

The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the board of directors on 18 September 2017 and were signed on its behalf by:



**G White**  
*Director*

Company registered number: 2981281

## Statement of Changes in Equity

	<b>Called up Share Capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Balance at 1 January 2016	66,463	85,407	151,870
Profit for the year	-	3,966	3,966
<b>Balance at 31 December 2016</b>	<b>66,463</b>	<b>89,373</b>	<b>155,836</b>

	<b>Called up Share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Balance at 1 January 2015	66,463	81,359	147,822
Profit for the year	-	4,048	4,048
<b>Balance at 31 December 2015</b>	<b>66,463</b>	<b>85,407</b>	<b>151,870</b>

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

AbbVie Investments Limited (the "Company") is a private company limited by shares, incorporated and registered in England (no. 2981281). The address of the registered office is Abbvie House, Vanwall Business Park, Vanwall Road, Maidenhead, Berkshire, SL6 4UB, UK.

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

#### 1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

#### 1.2 Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Business review which forms part of the Directors' Report. After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual report and accounts.

#### 1.3 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date.

#### 1.4 Basic financial instruments

##### *Cash*

Cash and cash equivalents comprise cash balances.

##### *Trade and other debtors / creditors*

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

#### 1.5 Interest receivable and Interest payable

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Interest receivable is due to the Company from cash deposits with affiliated companies or third party banks. Interest payable is due from the Company from cash deposits with affiliated companies. Interest receivable and interest payable are calculated on a daily basis and accrued monthly.

#### 1.6 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

## Notes (continued)

### 1.6 Taxation (continued)

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

## 2 Operating loss and auditor's remuneration

Included in loss are the following:

	2016 \$000	2015 \$000
Auditor's remuneration		
Audit of these financial statements	10	11
Taxation services	5	3
Foreign exchange differences	351	24
	<hr/>	<hr/>

## 3 Directors' remuneration

During the current and prior year, no director received any emoluments. The directors of the Company are also directors or officers of other companies within the group. The directors' services to the Company do not occupy a significant amount of their time and are considered incidental. As such, the directors do not consider that they receive any remuneration for the services from the Company. The Company has no other employees.

## 4 Taxation

### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015: *higher than*) the standard rate of corporation tax in the UK of 20% (2015: 20.25%). The differences are explained below:

### Reconciliation of effective tax rate

	2016 \$000	2015 \$000
Current tax expense	834	1,033
	<hr/>	<hr/>
Total tax expense	834	1,033
	<hr/>	<hr/>
Profit before taxation	4,800	5,081
Tax using the UK corporation tax rate of 20% (2015: 20.25 %)	960	1,029
Effects of adjustments to tax charge in respect of prior period	(129)	4
Expenses not deductible	(1)	-
Tax rate changes	1	-
Other timing differences	3	-
	<hr/>	<hr/>
Total tax expense included in profit and loss	834	1,033
	<hr/>	<hr/>

## Notes (continued)

### 5 Debtors

	2016 \$000	2015 \$000
Amounts owed by group undertakings (due within one year)	<u>155,817</u>	<u>151,918</u>

### 6 Creditors: amounts falling due within one year

	2016 \$000	2015 \$000
Corporation taxation	17	133
Accruals	19	13
Amounts owed to group undertakings	-	11
	<u>36</u>	<u>157</u>

### 7 Related party transactions

The Company is exempt from disclosing related party transactions as they are with other companies that are wholly owned within the group.

### 8 Ultimate parent company and parent company of larger group

The Company is controlled by immediate parent company AbbVie Bahamas Ltd, incorporated in Bahamas. The smallest and largest group in which the results of AbbVie Investments Limited are consolidated is the ultimate parent company AbbVie Inc., incorporated in the state of Delaware, USA. The consolidated accounts are available to the public and may be obtained from AbbVie Inc., 1 North Waukegan Road, North Chicago, IL, 60064, USA.

### 9 Subsequent events

Subsequent to the balance sheet date there were no events that would have a material financial effect on the statutory accounts.