

ABB SERVICE LIMITED

Report and Financial Statements
31 December 2017

Registered Number: 3836844

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COMPANIES HOUSE

ABB SERVICE LIMITED

DIRECTORS

GD Stewart
IG Funnell
LM Andersson

SECRETARY

VA Mac Lean

AUDITOR

Ernst & Young LLP
No.1 Colmore Square
Birmingham
B4 6HQ

BANKERS

HSBC Bank plc
City of London Branch
60 Queen Victoria Street
London
EC4N 4TR

REGISTERED OFFICE

Daresbury Park
Daresbury
Warrington
Cheshire
WA4 4BT

ABB SERVICE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The Directors present their report and accounts for the year ended 31 December 2017.

PRINCIPAL ACTIVITIES

The sole activity of the Company is to operate as the corporate trustee of the ABB Medical Benefits Trust which was established on 1 January 2003 to provide medical benefits for employees of the ABB Group Companies in the UK.

RESULTS FOR THE YEAR AND FUTURE DEVELOPMENTS

The Company is a not for profit entity which applies funds received from employing companies for the benefit of members. During the year the Company received £810,690 (2016: £798,437) from employing companies.

No dividend is proposed (2016: £nil).

The Directors do not anticipate any significant changes in the future activities of the Company.

GOING CONCERN

The Directors consider that the Company has adequate resources to continue in operation for the foreseeable future. In forming this view, the Directors have reviewed budgets and other financial information. For this reason they continue to adopt the going concern basis in preparing the accounts.

RISKS AND UNCERTAINTIES

The Company is the Trustee of the ABB Medical Benefits Trust which is sponsored and funded by ABB Limited. In order to minimise the financial risk that claims exceed the available funds and the risk of maladministration, the trustee, in conjunction with the sponsoring company, appoints, after taking professional advice, third party administrators to run the scheme. The performance of the third party administrator is monitored by the professional advisor and reviewed by the Trustee on a quarterly basis.

DIRECTORS

The directors who served during the year and subsequently were:

IG Funnell

LM Andersson

GD Stewart

DIRECTORS' QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The Company has granted indemnity to one or more of its Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' Report.

ABB SERVICE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017 *(continued)*

DISCLOSURE OF INFORMATION TO THE AUDITOR

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 Company'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.

AUDITOR

During 2017, ABB announced that its Board has decided to appoint KPMG as its external auditor effective for the financial year 2018.

A resolution to appoint KPMG LLP as the Company's auditor will be put to the forthcoming Annual General Meeting.

SMALL COMPANY EXEMPTION

In preparing this report the Directors have taken advantage of the provisions of The Companies Act 2006 (Amendment) (Accounts and Reports Regulations 2008) relating to small entities.

By order of the Board



Victoria Mac Lean
Secretary

Date 17 April 2018

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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 period. Under that law the Directors have elected to prepare the Financial Statements in accordance with UK Generally Accepted Accounting Practice including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS101). (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 of the profit or loss of the Company for that period.

In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- 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 to 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 ABB SERVICE LIMITED

Opinion

We have audited the Financial Statements of ABB Service Limited for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and related notes 1 to 11, 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework".

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2017 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) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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.

Conclusions relating to going concern

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABB SERVICE LIMITED (continued)

Other information

The other information comprises the information included in the annual report, other than the Financial Statements and our auditor's report thereon. The Directors are responsible for the other information.

Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Directors' report has 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 Directors' report.

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

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

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 4, 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.

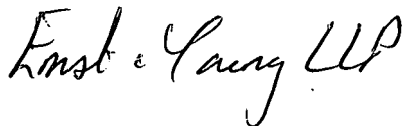
In preparing the Financial Statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABB SERVICE
LIMITED (continued)

Auditor's responsibilities for the audit of the Financial Statements

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

A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>.



Signature

Nigel Meredith (Senior statutory auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
Birmingham

Date:.....

17 April 2018

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2017

	Notes	2017 £	2016 £
Income received	2	810,690	798,437
Benefits for members		(759,708)	(770,134)
Other expenditure		<u>(51,664)</u>	<u>(29,018)</u>
OPERATING LOSS BEFORE INTEREST AND TAXATION	4	(682)	(715)
Interest received	5	<u>105</u>	<u>613</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(577)	(102)
Taxation on ordinary activities	6	-	-
RETAINED LOSS FOR THE YEAR		<u>(577)</u>	<u>(102)</u>
Other comprehensive income		-	-
Total comprehensive expense for the year		<u>(577)</u>	<u>(102)</u>

The results in both years relate to continuing operations.

BALANCE SHEET

As at 31 December 2017

	Notes	2017 £	2016 £
CURRENT ASSETS			
Debtors	7	12	12
Cash at bank and in hand		534,061	307,121
		<u>534,073</u>	<u>307,133</u>
CREDITORS			
Amounts falling due within one year	8	(533,852)	(306,335)
NET ASSETS		<u>221</u>	<u>798</u>
CAPITAL AND RESERVES			
Share capital	9	2	2
Profit and loss account		219	796
SHAREHOLDERS' FUNDS		<u>221</u>	<u>798</u>

These Financial Statements were approved on behalf of the Board on the date shown below.


 Lena Andersson
 Director

Date 17 April 2018

STATEMENT OF CHANGES IN EQUITY

	<i>Called up Share Capital £</i>	<i>Profit and Loss Account £</i>	<i>Total £</i>
At 1 January 2016	2	898	900
Loss for the financial year	-	(102)	(102)
Other comprehensive income	-	-	-
At 1 January 2017	<u>2</u>	<u>796</u>	<u>798</u>
Loss for the financial year	-	(577)	(577)
Other comprehensive Income	-	-	-
At 31 December 2017	<u>2</u>	<u>219</u>	<u>221</u>

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2017

1. AUTHORISATION OF FINANCIAL STATEMENTS AND STATEMENT OF COMPLIANCE WITH FRS 101

The Financial Statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with the Companies Act 2006.

The Company's Financial Statements are presented in pounds sterling.

The Financial Statements were approved for issue by the Board of Directors on 14 March 2018.

2. ACCOUNTING POLICIES**2.1 Basis of preparation**

The accounting policies which follow set out those policies which apply in preparing the Financial Statements for the year ended 31 December 2017.

The Company has taken advantage of the following disclosure exemptions under FRS 101, as the results are included in the consolidated accounts of ABB Ltd:

- (a) the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1 Presentation of Financial Statements;
- (b) the requirements of paragraphs 10(d), 10(f), 16, 38(a) - 38(d), 40(a) - 40(d), 111 and 134 - 136 of IAS 1 Presentation of Financial Statements;
- (c) the requirements of IAS 7 Statement of Cash Flows;
- (d) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- (e) the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures;
- (f) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

2.2 Judgements and key sources of estimation uncertainty

The preparation of Financial Statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

There are no judgements, estimates or assumptions that have had any significant effect on amounts recognised in the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2016

2.3 Significant accounting policies**Going Concern**

The Directors consider that the Company has adequate resources to continue in operation for the foreseeable future. In forming this view, the Directors have reviewed budgets and other financial information. For this reason they continue to adopt the going concern basis in preparing the accounts

Income Received

Income received represents the amount of contributions made by the employing companies to the ABB Medical Benefits Trust in respect of the year.

Interest Received

Revenue is recognised as interest accrues. Interest received is used for the settlement of fees and charges in the years following the year of receipt.

3. DIRECTORS' REMUNERATION

All of the Directors of the Company are employees of ABB Limited. Services as directors of the Company are deemed to be incidental to their roles as overall management of ABB's operations in the UK and as directors of the main trading entity, ABB Limited. Their emoluments are not allocated to the Company and are disclosed in the accounts of ABB Limited.

4. OPERATING LOSS

The Company has no employees (2016: nil) and therefore no staff costs (2016: £nil).

Auditor's remuneration which amounts to £4,000.(2016: £4,000) is paid by the UK parent company, ABB Limited.

5. INTEREST RECEIVED

	2017	2016
	£	£
Bank deposit interest	105	613

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2017

6. TAXATION(a) *Tax on loss on ordinary activities:*

There was no current or deferred tax charge in either the current or prior period.

(b) *Factors affecting current tax charge:*

The tax assessed on the loss on ordinary activities for the year differs from the composite standard rate of corporation tax in the UK of 19.00% (2016: 20.00%). The differences are reconciled below:

	2017 £	2016 £
Loss on ordinary activities before tax	<u>(577)</u>	<u>(102)</u>
Loss on ordinary activities multiplied by composite standard rate of Corporation tax in the UK of 19.00% (2016: 20.00%)	(110)	(20)
Group Relief surrendered in the year to other group companies for nil consideration	<u>(110)</u>	<u>20</u>
Total current tax	<u>-</u>	<u>-</u>

There is no provided or unprovided deferred tax in either the current or prior years.

The Finance (No 2) Act 2015 was enacted on 18 November 2015 and this further reduced the UK corporation tax rate to 19% from 1 April 2017. A further reduction to 18% from 1 April 2020, was also enacted at that time.

The Finance Act 2016 was enacted on 15 September 2016 and this further reduced the UK corporation tax rate to 17% from 1 April 2020.

7. DEBTORS

	2017 £	2016 £
Amounts owing from UK parent company	10	10
Called up share capital not paid	<u>2</u>	<u>2</u>
	<u>12</u>	<u>12</u>

All amounts included above are due within one year.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 December 2017

8. CREDITORS

Amounts falling due within one year

	2017 £	2016 £
Accrued expenses	47,265	31,330
Funds received from the UK parent company in advance of payments to members	486,587	275,005
	<u>533,852</u>	<u>306,335</u>

9. SHARE CAPITAL

Ordinary shares of £1 each

	2017 No.	2016 No.	2017 £	2016 £
Authorised	1,000	1,000	1,000	1,000
Allotted, called up but not paid	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

10. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption conferred by paragraph 17 of IAS 24 in that transactions with other wholly owned group companies are not disclosed.

11. ULTIMATE HOLDING COMPANY

The immediate parent undertaking is ABB Limited.

The ultimate holding company is ABB Ltd, a company incorporated in Switzerland. This is the smallest and largest group into which the Company's results are consolidated. A copy of the accounts of ABB Ltd can be obtained from PO Box 8131, CH-8050, Zurich, Switzerland.