

Abbott Vascular Devices (2) Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2016



Registration number: 04304983

Abbott Vascular Devices (2) Limited

Directors' Report for the Year Ended 31 December 2016

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

Directors of the Company

The directors who held office during the year were as follows:

S Hudson

B Yoor

G Hall

Principal activity

The principal activity of the company is the use of certain intellectual property rights granted by Abbott Vascular Devices Limited, for which the company pays and receives royalties.

Going concern

The Directors have received a letter of ongoing financial support from the ultimate parent company Abbott Laboratories. The Directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of Abbott Laboratories to honour the letter of ongoing financial support. After considering the letter of support, and after making other enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual report and accounts.

Disclosure of information to the auditors

Each Director has taken steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

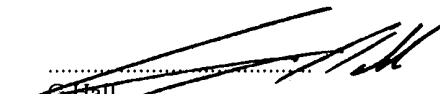
Reappointment of auditors

The auditors Ernst & Young LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Small companies provision statement

This report has been prepared in accordance with the small companies regime under the Companies Act 2006. Advantage has been taken of the exemption under section 414B of the Companies Act 2006 from the requirement to prepare a Strategic Report.

Approved by the Board on 27 September 2017 and signed on its behalf by:



G Hall
Director

Abbott Vascular Devices (2) Limited

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual 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 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards has been followed, subject to any material departures disclosed and explained in the financial statements; 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 VASCULAR DEVICES (2) LIMITED

We have audited the financial statements of Abbott Vascular Devices (2) Limited for the year ended 31 December 2016, 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 15. 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 Financial Reporting Standard 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 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 Financial Reporting Standard 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.

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 the advantage of the small companies' exemptions in not preparing the Strategic Report.

Ernst & Young LLP

Dave Hales (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor

Reading
United Kingdom

29 Sept 2017

Abbott Vascular Devices (2) Limited

Profit and Loss Account for the Year Ended 31 December 2016

	Note	2016 £ 000	2015 £ 000
Turnover	3	570	180
Cost of sales		<u>(463)</u>	<u>(1,001)</u>
Gross profit/(loss)		107	(821)
Administrative expenses		<u>(2,488)</u>	<u>(31)</u>
Operating loss		<u>(2,381)</u>	<u>(852)</u>
Other interest receivable and similar income	5	<u>3</u>	<u>8</u>
		<u>3</u>	<u>8</u>
Loss before tax		(2,378)	(844)
Taxation	8	<u>(3)</u>	<u>-</u>
Loss for the financial year		<u><u>(2,381)</u></u>	<u><u>(844)</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

The notes on pages 9 to 14 form an integral part of these financial statements.

Abbott Vascular Devices (2) Limited

Statement of Comprehensive Income for the Year Ended 31 December 2016

	Note	2016 £ 000	2015 £ 000
Loss for the year		<u>(2,381)</u>	<u>(844)</u>
Total comprehensive income for the year		<u><u>(2,381)</u></u>	<u><u>(844)</u></u>

The notes on pages 9 to 14 form an integral part of these financial statements.

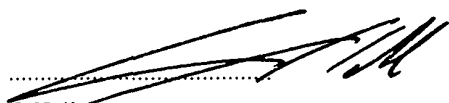
Abbott Vascular Devices (2) Limited

**(Registration number: 04304983)
Balance Sheet as at 31 December 2016**

	Note	2016 £ 000	2015 £ 000
Current assets			
Debtors	9	1,236	1,867
Cash at bank and in hand		<u>500</u>	<u>174</u>
		1,736	2,041
Creditors: Amounts falling due within one year	10	<u>(2,504)</u>	<u>(428)</u>
Net (liabilities)/assets		<u>(768)</u>	<u>1,613</u>
Capital and reserves			
Share capital	11	-	-
Profit and loss account		<u>(768)</u>	<u>1,613</u>
Total equity		<u>(768)</u>	<u>1,613</u>

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

Approved and authorised by the Board on 27 September 2017 and signed on its behalf by:


G Hall
Director

The notes on pages 9 to 14 form an integral part of these financial statements.

Abbott Vascular Devices (2) Limited

Statement of Changes in Equity for the Year Ended 31 December 2016

	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2016	-	1,613	1,613
Loss for the year	-	(2,381)	(2,381)
Total comprehensive income	-	(2,381)	(2,381)
At 31 December 2016	-	(768)	(768)
	Share capital £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2015	-	2,457	2,457
Loss for the year	-	(844)	(844)
Total comprehensive income	-	(844)	(844)
At 31 December 2015	-	1,613	1,613

The notes on pages 9 to 14 form an integral part of these financial statements.

Abbott Vascular Devices (2) Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

1 General information

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

The address of its registered office is:

Abbott House
Vanwall Buisness Park
Vanwall Road
Maidenhead
Berkshire
SL6 4XE

These financial statements were authorised for issue by the Board on 27 September 2017.

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.

Statement of compliance

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 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 that as disclosed in the accounting policies certain items are shown at fair value.

Summary of disclosure exemptions

The company has used exemptions from the following disclosure requirements under FRS102:

Statements of Cash Flows section 3.17 (d)

Basic Financial Instruments section 11.39 to 11.48A

Related Party Disclosures sections 33.1A and 33.7.

Going concern

The Directors have received a letter of ongoing financial support from the ultimate parent company Abbott Laboratories. The Directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of Abbott Laboratories to honour the letter of ongoing financial support. After considering the letter of support, and after making other enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual report and accounts.

Abbott Vascular Devices (2) Limited

Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

2 Accounting policies (continued)

Judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets as at the balance sheet date. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognized in the financial statements.

That the debtors will be able to settle their debts as they fall due.

The company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. 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 taxable entity and the responsible tax authority.

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 9.

Key sources of estimation uncertainty

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

Revenue recognition

Turnover is based upon quarterly declarations made by the third party licensee in accordance with a Supply and Licence Agreement. Where a declaration has not been received, turnover is calculated from historic data and adjusted upon receipt of the quarterly declaration.

Foreign currency transactions and balances

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rate at the balance sheet date. All exchange differences are included in the profit and loss account.

Tax

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the accounts that arise from gains and losses in tax assessments in periods different from those in which they are recognised in the accounts. A net deferred tax asset is recognised as recoverable only when, on the basis of available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances.

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Abbott Vascular Devices (2) Limited

Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

2 Accounting policies (continued)

Provisions

A provision is recognised when the company has a legal or constructive obligation as a result of a past or future event and it is probable that an economic benefit will be required to settle the obligation. Provision for expected costs are charged against profit.

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.

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2016 £ 000	2015 £ 000
Royalties received	<u>570</u>	<u>180</u>

The analysis of the company's turnover for the year by market is as follows:

	2016 £ 000	2015 £ 000
Rest of world	<u>570</u>	<u>180</u>

4 Other gains and losses

The analysis of the company's other gains and losses for the year is as follows:

	2016 £ 000
Gain (loss) from changes in provisions	<u>(2,500)</u>

5 Other interest receivable and similar income

	2016 £ 000	2015 £ 000
Other finance income from Group undertakings	<u>3</u>	<u>8</u>

6 Staff costs & Directors remuneration

During the current and prior year, all the directors were paid by other affiliates within the Abbott Laboratories group of companies. The directors services to the company do not occupy a significant amount of their time. As such the directors do not consider that they receive any remuneration for their incidental services to the company. The company has no other employees.

Abbott Vascular Devices (2) Limited

Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

7 Auditors' remuneration

	2016 £ 000	2015 £ 000
Audit of the financial statements	<u>2</u>	<u>2</u>
Other fees to auditors		
All other non-audit services	<u>2</u>	<u>1</u>

8 Taxation

Tax charged in the income statement

	2016 £ 000	2015 £ 000
Current taxation		
UK corporation tax adjustment to prior periods	<u>3</u>	<u>-</u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2015 - the same as the standard rate of corporation tax in the UK) of 20% (2015 - 20.25%).

The differences are reconciled below:

	2016 £ 000	2015 £ 000
Loss before tax	<u>(2,378)</u>	<u>(844)</u>
Corporation tax at standard rate	(476)	(171)
Tax adjustment for prior periods	3	-
Tax (decrease)/increase arising from group relief	<u>476</u>	<u>171</u>
Total tax charge	<u>3</u>	<u>-</u>

9 Debtors

	2016 £ 000	2015 £ 000
Trade debtors	1,230	1,818
Other debtors	<u>6</u>	<u>49</u>
Total current trade and other debtors	<u>1,236</u>	<u>1,867</u>

All debtors are current, due within 12 months of the reporting period end.

Abbott Vascular Devices (2) Limited

Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

10 Creditors

	2016 £ 000	2015 £ 000
Due within one year		
Trade and Other Creditors	2,500	422
Accrued expenses	<u>4</u>	<u>6</u>
	<u>2,504</u>	<u>428</u>

In April 2016 the company entered into a supply agreement to purchase product. Under the terms of the agreement a minimum order to the value of £2,500,000 must be placed during 2017. The product in question is not usable in the business and as such the contract is considered onerous. As a consequence provision has been made in full in these financial statement to the value of the minimum order.

11 Share capital

Allotted, called up and unpaid shares

	2016	2015
	No. 000 £ 000	No. 000 £ 000
1 Ordinary Share of £1 each	<u>-</u> <u>-</u>	<u>-</u> <u>-</u>

12 Related party transactions

The company is a wholly owned subsidiary of Abbot Laboratories. Accordingly, the company has taken advantage of the exemption under FRS 102 section 33 not to disclose transactions with other group companies which meet the criteria that all subsidiary undertakings which are party to transactions are wholly owned by the ultimate controlling parent. There were no other related party transactions during the year.

13 Parent and ultimate controlling party

The company is controlled by the immediate parent company Abbott Vascular Devices Limited. The smallest and largest group into which the results of Abbott Vascular Devices (2) Limited are consolidated is the ultimate parent company Abbott Laboratories, incorporated in the State of Illinois, USA. The consolidated financial statements are available to the public and may be obtained from Abbott Laboratories, Abbott Park Road, Abbott Park, IL 60064-6400, USA.

Abbott Vascular Devices (2) Limited

Notes to the Financial Statements for the Year Ended 31 December 2016 (continued)

14 Cross Company Guarantees

The company has entered into a cross company guarantee whereby bank borrowings incurred by other group entities are secured on its assets. Group entities which are party to this cross guarantee are as follows: Abbott Laboratories Limited, Abbott Diabetes Care Limited, Murex Biotech Limited, Abbott (UK) Holdings Limited, Abbott Healthcare Products Limited, Abbott Vascular Devices Limited, Knoll UK Investments Unlimited, Abbott Iberian Investments Limited, Abbott Iberian Investments (2) Limited, Abbott (UK) Finance Ltd, Abbott Australasia Holdings Limited, Abbott Asia Investments Limited, Abbott Asia Holdings Limited, Abbott Capital India Limited and Abbott Equity Holdings Unlimited.

15 Events after the reporting period

There are no material events post the reporting period to be disclosed.