

Registered Number: 740767

Zimmer Limited
Annual report
for the year ended 31 December 2002



Zimmer Limited

Annual report for the year ended 31 December 2002

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Directors' report for the year ended 31 December 2002

The directors present their report and the audited financial statements of the company for the year ended 31 December 2002.

Principal activities and review of the business

The principal activity of the company is the sales and marketing of medical devices and other orthopaedic equipment.

The company continues to trade through branches and commission agents in Belgium, France, Germany, Holland and Spain.

The directors expect continuing growth in the business in future years.

Results and dividends

The results for the year are shown in the profit and loss account on page 4.

No interim dividend was paid (2001: £7,500,000). The directors do not recommend the payment of a final dividend (2001: £nil).

Research and development

Expenditure on research and development during the year was £1,327,000 (2001: £1,147,000).

Directors and interests

The directors who held office during the year are given below:

M Humphris	
B Melzi	
C J Moore	(resigned 7 August 2002)
C V Ridgwell	
J Evensen	(appointed 1 October 2002)

The company is a wholly owned subsidiary of Zimmer Inc, a company incorporated outside Great Britain and, as permitted by statutory instrument, no disclosure is made of any interest of the directors in the shares or share options of that company or of the ultimate parent company, Zimmer Holdings Inc.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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. The directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2002 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that 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 1985. 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.

Employee policies

The company is an equal opportunities employer and gives full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities.

Where people become disabled during the course of their employment, every effort is made to retain their services and to provide retraining, if necessary. All employees are eligible for consideration for appropriate training, career development and promotional opportunities; disabled people are not treated differently in this respect.

The company policy is to consult with employees and their representatives and to provide them with information on the company's progress and other matters affecting them. This policy is carried out through line management channels and through regular meetings with employees.

Creditor payment policy

The company's current policy concerning payments to suppliers of goods and services is to pay in accordance with agreed or customary terms and its practice is to adhere to these terms. The company's average creditor payment period at 31 December 2002 was 29 days (2001: 47 days).

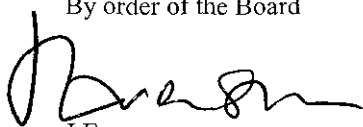
Charitable donations

The company has made charitable donations during the year of £5,595 (2001: £1,149).

Auditors

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 20 January 2003 and the directors appointed its successor PricewaterhouseCoopers LLP. A resolution to reappoint PricewaterhouseCoopers LLP will be proposed at the Annual General Meeting.

By order of the Board



J Evensen

Company Secretary

Independent auditors' report to the members of Zimmer Limited

We have audited the financial statements which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the director's report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Reading

13 October 2003

Profit and loss account for the year ended 31 December 2002

	Note	2002 £'000	2001 (restated) £'000
Turnover	3	80,625	67,623
Cost of sales		(30,940)	(30,528)
Gross profit		49,685	37,095
Distribution costs		(30,383)	(22,615)
Administrative expenses		(2,727)	(1,647)
Operating profit	4	16,575	12,833
Interest receivable and similar income		100	13
Interest payable and similar charges	7	(176)	(638)
Profit on ordinary activities before taxation		16,499	12,208
Tax on profit on ordinary activities	8	(5,874)	(3,832)
Profit on ordinary activities after taxation		10,625	8,376
Dividends	9	-	(7,500)
Retained profit for the financial year	18	10,625	876

The company's results for the years above are derived entirely from continuing operations.

There is no difference between the profits on ordinary activities before taxation and the amounts transferred from reserves for the years stated above, and their historical cost equivalents.

Statement of total recognised gains and losses for the year ended 31 December 2002

		2002	2001
			(restated)
	Note	£'000	£'000
Profit for the financial year		10,625	8,376
Total recognised gains for the year		10,625	8,376
Prior year adjustment	18	7,175	
Total gains recognised since last annual report		17,800	

Balance sheet as at 31 December 2002

	Note	2002 £'000	2001 (restated) £'000
Fixed assets			
Tangible assets	10	11,108	11,142
Investments	11	-	-
		11,108	11,142
Current assets			
Stocks	12	19,006	15,422
Debtors	13	31,211	20,300
Cash at bank and in hand		1,455	1,112
		51,672	36,834
Creditors – amounts falling due within one year	14	(18,002)	(14,271)
Net current assets		33,670	22,563
Total assets less current liabilities		44,778	33,705
Provision for liabilities and charges	15	(1,959)	(1,511)
Net assets		42,819	32,194
Capital and reserves			
Called up share capital	17	26,928	26,928
Share premium account	18	89	89
Profit and loss account	18	15,802	5,177
Equity shareholders' funds	19	42,819	32,194

The financial statements on pages 4 to 20 were approved by the board of directors on **6 OCT 2003** and were signed on its behalf by:



M Humphris
Director

Notes to the financial statements for the year ended 31 December 2002

1 Accounting policies

Basis of accounting

These financial statements have been prepared under the historical cost convention, the accounting policies set out below and in accordance with the Companies Act 1985 and applicable accounting standards.

Changes in accounting policies

The company has also reviewed and changed its policy on accounting for instruments and this change has been treated as a prior period adjustment and the comparative figures have been restated accordingly (see note 18). Instruments are hand held devices used by orthopaedic surgeons during total joint replacement and other surgical procedures. From 1 January 2002, instruments are included as fixed assets. Undeployed instruments are carried at cost, net of any provision for obsolescence, in stock. Instruments in the field are carried at cost less accumulated depreciation. Depreciation is calculated on a straight line basis over an estimated useful life of five years. Previously instruments were expensed to the profit and loss account when delivered and included as a cost of sale. The depreciation cost is now included as a distribution cost. The directors believe that the new policy provides a fairer presentation of the results of the business. As noted above this represents a change in accounting policy and the comparative figures have been restated accordingly (see note 18).

Turnover

Turnover represents the value of goods and services provided to customers exclusive of value added tax.

Research and development

Research and development expenditure is written off in the year in which it is incurred.

Tangible fixed assets

The cost of fixed assets is their purchase cost, together with any incidental cost of acquisition.

Depreciation is provided to write off the carrying values of fixed assets over their estimated useful economic lives. The principal annual rates used for this purpose are:

Short term leasehold improvements	10 years
Motor vehicles, fixtures and fittings	3 to 10 years
Instruments	5 years

Stock - finished goods

Finished goods have been valued at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks.

Stock – undeployed instruments

Undeployed instruments represent instrument stocks. These stocks are stated at the lower of cost and net realisable value. These items are capitalised to instruments as and when they are included in an instrument kit and amortised over a five year period (see note 18).

Operating leases

Operating lease rentals are charged to the profit and loss account, on a straight line basis over the lease term.

Foreign currency

Transactions denominated in foreign currencies are translated at the rate of exchange prevailing on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling on the balance sheet date. Exchange differences are included in the profit and loss account in the period in which they arise.

Deferred taxation

Deferred taxation is provided on a full provision basis on timing differences, arising from the different treatment of items for accounts and taxation purposes, which are expected to reverse in the future, calculated at rates at which it is estimated that the tax will arise. An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain.

Share option scheme

Zimmer Holdings Inc. has established a stock option plan which permits employees of Zimmer Limited to acquire shares in Zimmer Holdings Inc. Zimmer Limited bears the cost of the difference between the fair value of the stock on the date of exercise and the option price paid by the participants when they exercise options to acquire stock.

Pension costs

The expected cost of pensions in respect of the company's defined benefit schemes are charged to the profit and loss account so as to spread the cost of pensions over the service lives of the employees in the scheme. The pension cost is assessed in accordance with the advice of qualified actuaries.

2 Cash flow statement and related party disclosure

The company is a wholly-owned subsidiary of Zimmer Inc. and is included in the consolidated financial statements of Zimmer Holdings Inc., which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996). The company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Zimmer Holdings Inc. group.

3 Turnover

The geographical analysis of turnover by destination is as follows:

	2002	2001
	£'000	£'000
United Kingdom	23,856	18,203
Rest of Europe	50,505	44,707
Rest of World	6,264	4,713
	80,625	67,623

In the opinion of the directors there is only one class of business.

4 Operating profit

	2002	2001
		(restated)
	£'000	£'000
Operating profit is stated after charging/(crediting):		
Wages and salaries	3,645	3,453
Social security costs	425	367
Pension costs	700	182
Staff costs	4,770	4,002
 Depreciation of owned tangible fixed assets	 3,626	 3,224
Auditors' remuneration		
Audit services	34	25
Non-audit services	72	60
Operating lease charges		
- other	429	246
Research and development expenditure	1,327	1,147
Gain on foreign currency movements	(396)	(150)

Included in social security costs is an amount of £56,000 (2001: £59,000) in relation to the national insurance payable on share options. See note 15 for further details.

5 Employee information

The average monthly number of persons (including executive directors) employed by the company during the year was:

By activity	2002 Number	2001 Number
Production and Research and Development	7	5
Selling	51	51
Administration	25	16
	83	72

6 Directors' emoluments

	2002 £'000	2001 £'000
Aggregate emoluments	246	277

In addition to the above amounts one (2001: one) director is employed by an Italian subsidiary of Zimmer Inc. This director was remunerated by the Italian company for his services which included certain responsibilities relating to Zimmer Limited.

Retirement benefits are accruing to three (2001: three) directors under a defined benefit scheme.

The emoluments of the highest paid director were as follows:

	2002 £'000	2001 £'000
Aggregate emoluments	104	116
Defined benefit pension scheme:		
Accrued pension at end of year	25	27

7 Interest payable and similar charges

	2002 £'000	2001 £'000
Interest payable		
- on loans from group undertakings	176	635
- other	-	3
	176	638

8 Tax on profit on ordinary activities

	2002	2001 (restated)
	£'000	£'000
Current tax		
UK corporation tax on profits for the period	5,232	3,428
Adjustment in respect of previous periods	652	-
Total current tax	5,884	3,428
Deferred tax		
Origination and reversal of timing differences	(10)	408
Adjustment in respect of previous periods	-	(4)
Total deferred tax	(10)	404
Tax on profit on ordinary activities	5,874	3,832

The tax assessed for the year is higher (2001: lower) than the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2002	2001
	£'000	£'000
Profit on ordinary activities before tax	16,499	12,208
Profit on ordinary activities multiplied by standard rate in the UK 30% (2001: 30%)	4,950	3,662
Effects of:		
Expenses not deductible for tax purposes	273	169
Short term timing differences	-	(24)
Accelerated capital allowances	9	(379)
Adjustments to tax charge in respect of previous periods	652	-
Current tax charge for the year:	5,884	3,428

9 Dividends

	2002	2001
	£'000	£'000
Equity – Ordinary		
Interim paid: £nil (2001: £4.38) per £0.25 share	-	7,500

10 Tangible assets

	Short term leasehold improvements £'000	Motor vehicles, fixtures and fittings £'000	Instruments £'000	Total £'000
Cost				
At 1 January 2002 as previously reported	650	629	-	1,279
Prior year adjustment	-	-	20,786	20,786
At 1 January 2002 (restated)	650	629	20,786	22,065
Additions	-	15	4,456	4,471
Disposals	-	(103)	(7,255)	(7,358)
At 31 December 2002	650	541	17,987	19,178
Accumulated depreciation				
At 1 January 2002 as previously reported	129	255	-	384
Prior year adjustment	-	-	10,539	10,539
At 1 January 2002 (restated)	129	255	10,539	10,923
Charge for the year	64	72	3,490	3,626
Disposals	-	(103)	(6,376)	(6,479)
At 31 December 2002	193	224	7,653	8,070
Net book amount				
At 31 December 2002	457	317	10,334	11,108
At 31 December 2001 (restated)	521	374	10,247	11,142

11 Investments

The capital and reserves of Zimmer Trustees Limited at 31 December 2002 was £nil. Zimmer Trustees Limited was dormant throughout the whole year and as a result it is not necessary to prepare consolidated accounts incorporating the results of Zimmer Trustees Limited.

12 Stocks

	2002 £'000	2001 £'000
Finished goods and goods for resale	15,103	12,607
Undeployed instruments	3,903	2,815
	19,006	15,422

13 Debtors

	2002	2001 (restated)
	£'000	£'000
Trade debtors	19,535	14,677
Amounts owed by group undertakings	10,651	4,393
Other debtors	111	313
Deferred tax (note 16)	913	906
Prepayments and accrued income	1	11
	31,211	20,300

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment.

The comparative figures have been restated to reduce the deferred tax asset by £1,815,000 from £2,721,000 to £906,000. See note 18 for further details.

14 Creditors – Amounts falling due within one year

	2002	2001
	£'000	£'000
Trade creditors	444	710
Amounts due to group undertakings	8,397	7,736
Corporation tax payable	4,648	1,808
Taxation and social security	881	316
Other creditors	-	350
Accruals and deferred income	3,632	3,351
	18,002	14,271

A loan of £3,200,000 is included within amounts owed to group undertakings. This loan is not secured, carries an interest rate of LIBOR +0.25% up to 22 August 2002 and 6% per annum thereafter per annum and is due for repayment on 19 July 2012.

All other amounts owed to group undertakings are unsecured, interest free and repayable on demand.

The comparative figures have been restated to increase the corporation tax payable by £1,257,000 from £551,000 to £1,808,000. See note 18 for further details.

15 Provisions for liabilities and charges

	Provision for professional fees £'000	Share options £'000	Future lease rentals £'000	Other £'000	Total £'000
At 1 January 2002	150	432	699	230	1,511
Charge to profit and loss	-	637	-	-	637
Utilised during the year	-	(137)	(52)	-	(189)
At 31 December 2002	150	932	647	230	1,959

Future lease rentals

Provisions for future lease rentals represent the present value, using a discount factor of 6% of residual commitments in respect of the closed manufacturing site in Swindon and will be utilised over the remaining lease term of nine years.

Share options

Share option scheme

Zimmer Holdings Inc. has established a stock option plan which permits employees of Zimmer Limited to acquire shares in Zimmer Holdings Inc.

Zimmer Limited bears the cost of the difference between the fair value of the stock on the date of exercise and the option price paid by the participants when they exercise options to acquire stock.

The company will become unconditionally liable to pay this charge upon exercise of the options and therefore the company makes a provision following the grant of options, as opposed to on vesting or on exercise.

The amount payable will depend on the number of UK employees who remain with the company and exercise their options and the market price of the ordinary shares at the time of exercise.

The provision of £877,000 (2001: £385,000) has been calculated based upon a market value at 31 December 2002 of \$41.52 per share (2001: \$30.54).

Employers national insurance on share options

On exercise of share options issued after 5 April 1999 under an unapproved share option scheme, the company is also required to pay National Insurance on the difference between the exercise price and market value at the exercise date of the shares issued. The company therefore makes a provision following the grant of options, in line with the share option provision above. The provision at 31 December 2002 was £55,000 (2001: £47,000).

Other provisions

Other provisions represent the estimated liability for dilapidations costs in respect of the manufacturing site closure.

Provision for professional fees

Professional fees relate to a provision for the likely cost of defending proceedings taken against the company in France for an amount of approximately £1.8 million. The information required by FRS 12, "Provisions and contingent liabilities" is not disclosed on the grounds that it can be expected to prejudice the outcome of the dispute. The directors are of the opinion that the claim can be successfully defended and feel it is commercially desirable to defend the proceedings and therefore provision has been made for the likely professional costs of resolving the claim. Bank guarantees are in place for €3.2m in respect of these proceedings.

16 Deferred taxation

	2002 £'000
The movement on the deferred taxation asset recognised is as follows:	
As at 1 January as previously reported	(2,721)
Recognised for the year (Note 8)	(10)
Prior period adjustment	1,818
As at 31 December	(913)

Deferred taxation asset recognised in the financial statements and the amount not recognised of the potential (asset)/liability are as follows:

	Amount not recognised		Amount recognised	
	2002	2001	2002	2001 (restated)
	£'000	£'000	£'000	£'000
Accelerated capital allowances	-	-	(857)	(851)
Short term timing differences	-	-	(56)	(55)
	-	-	(913)	(906)

17 Called up share capital

	2002 £'000	2001 £'000
Authorised, allotted and fully paid		
107,713,000 (2001: 1,713,000) ordinary shares of 25p each	26,928	26,928

18 Reserves

	Share premium account £'000	Profit and loss Account £'000
At 1 January 2002 as previously reported	89	(1,998)
Prior year adjustment	-	7,175
At 1 January 2002 as restated	89	5,177
Retained profit for the financial year	-	10,625
At 31 December 2002	89	15,802

Prior year adjustments

The prior year adjustment relates to the change in accounting policy for instruments.

As of 1 January 2002, instruments are capitalised and depreciated over their useful economic life of five years. Previously, instruments were written off on despatch from Zimmer Limited. The effect of this change in accounting policy on the prior year's results is an increase in the profit on ordinary activities before taxation of £2,479,000, an increase in the tax charge of £742,000, and an increase in profit on ordinary activities after taxation of £1,737,000. The effect on the results for the current year of implementing the new policy is an increase in the profits on ordinary activities before taxation of £87,000 (resulting from a reduction in the distribution costs by the same amount).

Analysis of prior year adjustments

	£'000
Adjustment to opening reserves at 1 January 2001	5,438
Adjustment to profit and loss for the year ended 31 December 2001	1,737
	7,175

19 Reconciliation of movements in shareholders' funds

	2002 £'000	2001 (restated) £'000
Profit for the year	10,625	8,376
Dividends	-	(7,500)
Proceeds from issue of ordinary share capital	-	26,500
Net addition to shareholders' funds	10,625	27,376
Opening shareholders' funds as previously reported	25,019	(620)
Prior year adjustment	7,175	5,438
Opening shareholders' funds as restated	32,194	4,818
Closing shareholders' funds	42,819	32,194

20 Pension costs

SSAP 24

The pension charge for the year was £700,202 (2001: £182,000) after crediting £nil (2001: £nil) in respect of the amortisation of the above surplus. An amount of £157,423 (2001: £150,000) is included in accruals and deferred income. The actuarial basis which valued the schemes' assets using an Adjusted Market approach and adopting the principal assumptions that investment returns would be 7.0% per annum, that salary increases would average 4.5% per annum and that present and future pensions would increase at the rate of 3% per annum in the long term.

As a result of the spin-off of Zimmer Group from the Bristol-Myers Squibb Group on 7 August 2001, Zimmer Limited has set up a new defined benefit pension scheme. On 31 December 2002, pension scheme assets with a value of £2,230,000 have been transferred from the Bristol-Myers Squibb pension scheme to the newly incorporated Zimmer Limited pension scheme. This transfer reflects the proportion of the Bristol-Myers Squibb pension scheme assets that are attributable to the Zimmer Limited employees. The present value of the scheme liabilities at 31 December 2002 equals the market value of the assets and therefore there is no surplus or deficit on the new Zimmer Limited scheme at 31 December 2002.

An actuarial valuation of liabilities was carried out as at 31 December 2002 by a qualified independent actuary at Mercer Human Resource Consulting to take account of the requirements of FRS17. Scheme assets are stated at their market value at 31 December 2002.

Valuation method:	2002 Projected unit:
Discount rate	5.50%
Inflation rate	2.25%
Increases to deferred benefits during deferment	2.25%
Expected rate of future pension increases	2.25%
Salary increases	3.75%

The assets in the scheme and the expected rate of return were:

	As at 31 December 2002	
	Expected rate of return	Value £'000
Equities	6.00%	1,731
Bonds	5.00%	797
Other (predominantly cash)	3.00%	32
Total market value of assets		2,560
Present value of scheme liabilities		(3,873)
Deficit in scheme		(1,313)
Related deferred tax asset		394
Net pension liability		(919)

If these amounts had been recognised in the financial statements, the company's net assets and reserves at 31 December 2002 would be as follows:

	As at 31 December 2002 £'000
Net Assets	
Net assets excluding pension liability	45,674
Pension liability	(1,313)
Net assets including pension liability	44,361
Reserves	
Profit and loss reserve excluding pension liability	18,657
Pension reserve	(1,313)
Profit and loss reserve including pension liability	17,344
Analysis of the amount charged to operating profit	2002 £'000
Current service cost	443
Total operating charge	443
Other finance income	2002 £'000
Expected return on pension scheme assets	160
Interest on pension scheme liabilities	(144)
Net return	16
Statement of total recognised gains and losses	2002 £'000
Actual return less expected return on pension scheme assets	(613)
Experience gains and losses arising on the scheme liabilities	(819)
Changes in assumptions underlying the present value of the scheme liabilities	(178)
Actuarial loss recognised in STRGL	(1,610)

Movement in deficit during the year	2002
	£'000
Deficit in scheme at beginning of the year	-
Movement in year:	
Current service cost	(443)
Contributions	724
Other finance costs	16
Actuarial loss	(1,610)
Deficit in scheme at end of the year	(1,313)

History of experience gains and losses	2002
	£'000
Difference between the expected and actual return on scheme assets:	
Amount (£'000)	(613)
Percentage of scheme assets	(24)%
Experience gains and losses on scheme liabilities:	
Amount (£'000)	(819)
Percentage of the present value of scheme liabilities	(21)%
Total amount recognised in statement of total recognised gains and losses:	
Amount (£'000)	(1,610)
Percentage of the present value of scheme liabilities	(42)%

21 Financial commitments

At 31 December 2002 the company had annual commitments under non-cancellable operating leases expiring as follows:

	Land and buildings		Other operating leases	
	2002	2001	2002	2001
	£'000	£'000	£'000	£'000
Within one year	6	11	29	35
Within two to five years	193	168	135	65
After five years	210	210	-	-
	409	389	164	100

22 Ultimate and immediate parent companies

The immediate parent company is Zimmer Inc..

The ultimate parent company and controlling party is Zimmer Holdings Inc., which is incorporated in the State of Indiana, United States of America. Consolidated accounts for Zimmer Holdings Inc. can be obtained from The Secretary, Zimmer Holdings Inc., 345 East Main Street, Warsaw, Indiana 46580-0708, United States of America.