

Registered Number: 740767

Zimmer Limited
Annual report
for the year ended 31 December 2001



Zimmer Limited

Annual report for the year ended 31 December 2001

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Directors' report for the year ended 31 December 2001

The directors present their report and the audited financial statements of the company for the year ended 31 December 2001.

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.

On 7 August 2001 the ultimate parent company, Bristol-Myers Squibb Company, transferred the assets and liabilities of its medical device business to Zimmer Holdings Inc., a newly incorporated independent publicly traded entity in the United States of America. The entire share capital of Zimmer Limited was transferred to Zimmer Inc., a wholly-owned subsidiary of Zimmer Holdings Inc.

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. An interim dividend of £7,500,000 was paid on 19 July 2001 (2000: £15,159,000). The directors do not recommend the payment of a final dividend (2000: £nil). The loss for the year, after dividends, of £861,000 (2000 restated: loss of £8,806,000) has been added to the deficit on reserves.

Research and development

Expenditure on research and development during the year was £1,147,000 (2000: £797,000).

Directors and interests

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

C J Jefferis	(resigned 10 September 2001)
M Humphris	
B Melzi	
C J Moore	(appointed 4 April 2001)
C V Ridgwell	(appointed 4 April 2001)

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 with the exception of the changes arising on the adoption of new accounting standards in the year as explained on page 7 under Note 1 'Accounting Policies'. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2001 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 2001 was 47 days (2000: 40 days).

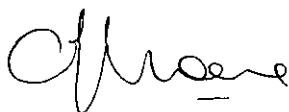
Charitable donations

The company has made charitable donations during the year of £1,149 (2000: £677).

Auditors

The auditors, PricewaterhouseCoopers, have indicated their willingness to continue in office and a resolution, concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board



C J Moore
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.

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 United Kingdom Companies Act. 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 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Reading

6 August 2002

Profit and loss account for the year ended 31 December 2001

		2001	2000
			(restated)
	Note	£'000	£'000
Turnover	3	67,623	58,102
Cost of sales		(33,007)	(24,138)
Gross profit		34,616	33,964
Distribution costs		(22,615)	(22,587)
Administrative expenses		(1,647)	(5,173)
Operating profit	4	10,354	6,204
Interest receivable and similar income		13	-
Interest payable and similar charges	7	(638)	(614)
Profit on ordinary activities before taxation		9,729	5,590
Tax (charge)/credit on profit on ordinary activities	8	(3,090)	763
Profit on ordinary activities after taxation		6,639	6,353
Dividends	9	(7,500)	(15,159)
Transfer from reserves	18	(861)	(8,806)

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

		2001	2000
			(restated)
For the year ended 31 December	Note	£'000	£'000
Profit for the financial year		6,639	6,353
Total recognised gains for the year		6,639	6,353
Prior year adjustment	18	(6,070)	
Total gains recognised since last annual report		569	

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Balance sheet as at 31 December 2001

	Note	2001 £'000	2000 (restated) £'000
Fixed assets			
Tangible assets	10	895	951
Investments	11	-	-
		895	951
Current assets			
Stocks	12	15,422	9,630
Debtors	13	22,115	24,133
Cash at bank and in hand		1,112	110
		38,649	33,873
Creditors - amounts falling due within one year	14	(13,014)	(32,418)
Net current assets		25,635	1,455
Total assets less current liabilities		26,530	2,406
Provision for liabilities and charges	15	(1,511)	(3,026)
Net assets/(liabilities)		25,019	(620)
Capital and reserves			
Called up share capital	17	26,928	428
Share premium account	18	89	89
Profit and loss account (deficit)	18	(1,998)	(1,137)
Equity shareholders' funds/(deficit)	19	25,019	(620)

The financial statements on pages 4 to 18 were approved by the board of directors on 6 August 2002 and were signed on its behalf by:



M Humphris
Director

Notes to the financial statements for the year ended 31 December 2001

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 applicable accounting standards.

Changes in accounting policies

The company has adopted Financial Reporting Standard 19 'Deferred Tax' in these financial statements. The adoption of this standard represents a change in accounting policy and the comparative figures have been restated accordingly (see note 18).

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).

FRS 18 'Accounting Policies' has been adopted in the current year but this did not require any change in accounting policy

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

As of 1 January 2001, instruments are not capitalised but are held in stock and then expensed as delivered. Previously the instruments were capitalised and then depreciated over their useful economic life of between three and five years. 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).

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 - deferred charges

Deferred charges represent instrument stocks which have been specifically produced for promotional purposes. These stocks are stated at the lower of cost and net realisable value. They are expensed as and when they are included in an instrument kit and despatched.

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 or recognised on the liability method in respect of timing differences between profit as computed for taxation purposes and profit as stated in the accounts on a full provision basis in accordance with FRS 19.

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:

	2001	2000
	£'000	£'000
United Kingdom	18,203	14,580
Rest of Europe	44,707	38,602
Rest of World	4,713	4,920
	67,623	58,102

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

4 Operating profit

	2001	2000
	£'000	£'000
Operating profit is stated after charging/(crediting):		
Wages and salaries	3,453	3,045
Social security costs	367	254
Pension costs	182	360
Staff costs	4,002	3,659

Included in social security costs is an amount of £59,000 (2000: £6,000) in relation to the national insurance payable on share options. See note 15 for further details.

	2001	2000
	£'000	(restated) £'000
Depreciation of owned tangible fixed assets	116	3,260
Research and development expenditure	1,147	797
Auditors' remuneration		
- audit services	25	35
- non-audit services	60	31
Operating lease charges		
- other	246	470
(Gain)/loss on foreign currency movements	(150)	615
Loss on disposal of fixed assets	-	323

5 Employee information

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

	2001	2000
By activity	Number	Number
Production and Research and Development	5	5
Selling	51	49
Administration	16	20
	72	74

6 Directors' emoluments

	2001	2000
	£'000	£'000
Aggregate emoluments	277	313

In addition to the above amounts one (2000: 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 (2000: three) directors under a defined benefit scheme.

The emoluments of the highest paid director were as follows:

	2001	2000
	£'000	£'000
Aggregate emoluments	116	129

Defined benefit scheme:

Accrued pension at end of year	27	-
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7 Interest payable and similar charges

	2001	2000
	£'000	£'000
Interest payable		
- on loans from group undertakings	635	613
- other	3	1
	638	614

8 Tax on profit on ordinary activities

The 2000 tax charge has been restated to reflect the adoption of Financial Reporting Standard 19. The impact of the restatement in 2000 was an increase in the credit of £447,000.

	2001	2000 (restated)
	£'000	£'000
UK Corporation tax charge at 30% (2000: 30%)	2,171	2,483
Group relief	-	(2,483)
Deferred taxation (Note 16)	916	(447)
Under/(over) provision in respect of prior years		
- current	-	(785)
- deferred (Note 16)	3	469
	3,090	(763)

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

	2001	2000 (restated)
	£'000	£'000
Profit on ordinary activities before tax	9,729	5,590
Profit on ordinary activities multiplied by standard rate in the UK 30% (2000: 30%)	2,918	1,677
Effects of:		
Expenses not deductible for tax purposes	283	296
Impact of deferred tax movements	(1,033)	510
Group relief not paid	-	(2,483)
Adjustments to tax charge in respect of previous periods	3	(785)
Current tax charge/(credit) for the year:	2,171	(785)

9 Dividends

	2001	2000
	£'000	£'000
Equity – Ordinary		
Interims paid: £4.38 (2000: £8.85) per £0.25 share	7,500	15,159

10 Tangible assets

	Short term leasehold improvements £'000	Motor vehicles, fixtures and fittings £'000	Instruments £'000	Total £'000
Cost				
At 1 January 2001 as previously reported	650	569	21,318	22,537
Prior year adjustment	-	-	(21,318)	(21,318)
At 1 January 2001 (restated)	650	569	-	1,219
Additions	-	60	-	60
At 31 December 2001	650	629	-	1,279
Accumulated depreciation				
At 1 January 2001 as previously reported	63	205	11,707	11,975
Prior year adjustment	-	-	(11,707)	(11,707)
At 1 January 2001 (restated)	63	205	-	268
Charge for the year	66	50	-	116
At 31 December 2001	129	255	-	384
Net book amount				
At 31 December 2001	521	374	-	895
At 31 December 2000 (restated)	587	364	-	951

11 Investments

On 10 July 2001, the entire share capital of Zimmer Europe Limited, a company incorporated in Great Britain was transferred, from Bristol-Myers Squibb Holdings Limited to Zimmer Limited. On 10 September 2001 the name was changed to Zimmer Trustees Limited. The capital and reserves of Zimmer Trustees Limited at 31 December 2001 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

	2001 £'000	2000 £'000
Finished goods and goods for resale	12,607	8,065
Deferred charges	2,815	1,565
	15,422	9,630

13 Debtors

	2001	2000 restated
	£'000	£'000
Trade debtors	14,677	13,237
Amounts owed by group undertakings	4,393	5,940
Corporation tax recoverable	-	650
Other debtors	313	665
Deferred tax (note 16)	2,721	3,640
Prepayments and accrued income	11	1
	22,115	24,133

14 Creditors – Amounts falling due within one year

	2001	2000
	£'000	£'000
Trade creditors	710	684
Amounts owed to group undertakings	7,736	29,135
Corporation tax payable	551	-
Other taxation and social security	316	46
Other creditors	350	-
Accruals and deferred income	3,351	2,553
	13,014	32,418

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% per annum and is due for repayment on 20 October 2002.

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 2001	159	1,057	1,460	350	3,026
Transferred to other creditors	-	(350)	-	-	(350)
Utilised during the year	-	(48)	(198)	(120)	(366)
Released to the profit and loss account	(9)	(227)	(563)	-	(799)
At 31 December 2001	150	432	699	230	1,511

Future lease rentals

Provisions for future lease rentals represent the discounted amount of residual commitments in respect of the closed manufacturing site in Swindon and will be utilised over the remaining lease term of nine years.

Note 15 Provisions for liabilities and charges (continued)**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.

On 7 August 2001, existing Bristol-Myers Squibb Company options were transferred to the newly formed Zimmer Holdings Inc. share option scheme.

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 £385,000 (2000: £1,051,000) has been calculated based upon a market value at 31 December 2001 of \$30.54 per share (2000: Bristol-Myers Squibb Company share price of \$74.161).

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 2001 was £47,000 (2000: £6,000).

Other provisions

Other provisions represent the best estimate of expenditure required to settle obligations 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

	2001 £'000
The movement on the deferred taxation asset recognised is as follows:	
As at 1 January as previously reported	(99)
Prior year adjustment – FRS 19	(3,541)
As at 1 January (restated)	(3,640)
Recognised for the year (Note 8)	919
As at 31 December	(2,721)

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

	Amount not recognised		Amount recognised	
	2001	2000 (restated)	2001	2000 (restated)
	£'000	£'000	£'000	£'000
Accelerated capital allowances	-	-	(2,666)	(3,541)
Short term timing differences	-	-	(55)	(99)
	-	-	(2,721)	(3,640)

17 Called up share capital

	2001 £'000	2000 £'000
Authorised, allotted and fully paid:		
107,713,000 (2000: 1,713,000) ordinary shares of 25p each	26,928	428

On 19 July 2001 106,000,000 ordinary shares of 25p each were issued at par for cash.

18 Reserves

	Share premium account £'000	Profit and loss account £'000
At 1 January 2001 as previously stated	89	4,933
Prior year adjustments	-	(6,070)
At 1 January 2001 as restated	89	(1,137)
Profit for the financial year	-	6,639
Dividends	-	(7,500)
At 31 December 2001	89	(1,998)

Prior year adjustments

The prior year adjustments relate to the implementation of FRS 19 'Deferred Tax' and the change in accounting policy for instruments.

The adoption of FRS 19 has resulted in a increase in the tax charge of £872,000 (2000: decrease of £447,000) and decrease in the profit on ordinary activities after taxation of £872,000 (2000: increase of £447,000)

As of 1 January 2001, instruments are written off upon despatch from Zimmer Limited. Previously the instruments were depreciated over their useful economic life of between three and five years. The effect of this change in accounting policy on the prior year's results is a reduction in the profit on ordinary activities before taxation of £2,076,000. The effect on the results for the current year of implementing the new policy is a reduction in the profits on ordinary activities before taxation of £3,390,000.

Analysis of prior year adjustments

	FRS 19 £'000	Instruments £'000	Total £'000
Adjustment to opening reserves at 1 January 2000	3,094	(7,535)	(4,441)
Adjustment to profit and loss for the year ended 31 December 2000	447	(2,076)	(1,629)
Adjustment to statement of total recognised gains and losses for the year ended 31 December 2000	-	-	-
	3,541	(9,611)	(6,070)

19 Reconciliation of movements in shareholders' funds/(deficit)

	2001	2000 (restated)
	£'000	£'000
Profit for the year	6,639	6,353
Dividends	(7,500)	(15,159)
Proceeds from issue of ordinary share capital	26,500	-
Net addition/(reduction) in shareholders' funds	25,639	(8,806)
Shareholders' (deficit)/funds at 1 January (originally £5,450,000 before deducting prior year adjustment of £6,070,000)	(620)	8,186
Shareholders' funds/(deficit) at 31 December	25,019	(620)

20 Pension costs

The company participates in defined benefit pension schemes operated by its former immediate parent undertaking Bristol-Myers Squibb Holdings Limited. These schemes are financed through a separately administered fund and cover the majority of employees. The assets of the scheme are held separately from those of the company. Contributions to the schemes are charged to the profit and loss account so as to spread the cost of pensions over employees working lives with the company. The levels of funding are determined by a qualified actuary on the basis of triennial valuations using the projected unit method.

The most recent actuarial valuation dated 1 January 2000 showed that the total market value of the schemes assets was £163.2 million and that the actuarial value of these assets represented 106% of the benefits that had accrued to members after allowing for expected future increases in earnings. The contributions of the company and employees for the year are £253,000 (2000 : £141,000).

The pension charge for the year was £182,000 (2000: £360,000) after crediting £nil (2000: £44,000) in respect of the amortisation of the above surplus. An amount of £150,000 (2000: £214,000) 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 2001, 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 2001 equals the market value of the assets and therefore there is no surplus or deficit on the new Zimmer Limited scheme at 31 December 2001.

Additional disclosure information required under the transitional arrangements of FRS 17 'Retirement Benefits' has not been given in respect of the Bristol-Myers Squibb pension scheme, as employees of Zimmer Limited ceased to participate in this scheme with effect from 31 December 2001.

Furthermore the additional disclosure information required under the transitional arrangements of FRS 17 'Retirement Benefits' has not been given in respect of the Zimmer Limited pension scheme, as this is a new scheme with no surplus or deficit at 31 December 2001 and the principal assumptions to be used have not yet been determined.

21 Financial commitments

At 31 December 2001 the company had annual commitments under non-cancellable operating leases expiring as follows:

	Land and buildings		Other operating leases	
	2001	2000	2001	2000
	£'000	£'000	£'000	£'000
Within one year	11	23	35	110
Within two to five years	168	184	65	100
After five years	210	210	-	-
	389	417	100	210

22 Related party transactions

On 7 August 2001, the Zimmer Group demerged from the Bristol-Myers Squibb Group. The transactions with Bristol-Myers Squibb Group companies during the year are as follows:

	Sales to related party	Purchases from related party
	£'000	£'000
Bristol-Myers Squibb Japan	2,215	-
Bristol-Myers Squibb Australia	2	-
Bristol-Myers Squibb Russia	68	-
Bristol-Myers Squibb Belgium	98	1,521
Bristol-Myers Squibb Company	-	605

No amounts were outstanding at 31 December 2001.

23 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.