

**Company Registration No. 06927127**

**Covidien Healthcare Holding UK Limited**

**Annual Report and Financial Statements**

**For the year ended 28 April 2017**



# **Covidien Healthcare Holding UK Limited**

## **Annual Report and Financial Statements for the year ended 28 April 2017**

| <b>Contents</b>                           | <b>Page</b> |
|---|-------------|
| <b>Officers and professional advisers</b> | <b>1</b>    |
| <b>Strategic report</b>                   | <b>2</b>    |
| <b>Directors' report</b>                  | <b>3</b>    |
| <b>Independent auditors' report</b>       | <b>5</b>    |
| <b>Statement of comprehensive income</b>  | <b>7</b>    |
| <b>Balance sheet</b>                      | <b>8</b>    |
| <b>Statement of changes in equity</b>     | <b>9</b>    |
| <b>Notes to the financial statements</b>  | <b>10</b>   |

# **Covidien Healthcare Holding UK Limited**

## **Annual Report and Financial Statements For the year ended 28 April 2017**

### **Officers and professional advisers**

#### **Directors**

D Reynolds (Resigned 21 October 2016)  
M Stefani (Resigned 1 November 2016)  
M Elsey (Appointed 1 November)  
J Fielding (Appointed 1 November)

#### **Company Secretary**

TMF Corporate Administration Services Limited

#### **Registered Office**

Building 9 Croxley Park  
Hatters Lane  
Watford  
Hertfordshire  
WD18 8WW  
England

#### **Bankers**

Barclays Bank plc  
London  
United Kingdom

#### **Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
10 Bricket Road  
St Albans  
Herts  
AL1 3JX

# **Covidien Healthcare Holding UK Limited**

## **Strategic report**

The directors, in preparing this Strategic report on the affairs of the company for the year ended 28 April 2017, have complied with s414C of the Companies Act 2006.

### **Principal Activity**

The principal activity of the company is to act as a holding company.

### **Review of business**

The loss for the financial period ended 28 April 2017 was £77,630 (2016: profit of £28,550,966). Net assets at year end are £28,260,524 (2016: £28,338,154). This is mainly due to the sale of its subsidiary, Covidien UK Commercial Limited, to Medtronic B.V. on 8<sup>th</sup> January 2016. All income and expenditure in the current year are derived from discontinued operations (prior period derived from continuing operations).

### **Principal risks and uncertainties**

As the Company is non-trading the Directors believe the only risk or uncertainty is in regards of the recoverability of the receivable due from other group companies.

### **Key performance indicators**

Given the straight forward nature of the business, the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the developments, performance or position of the business.

Approved by the Board and signed on its behalf by:



M Elsey  
Director

20 November 2017

# Covidien Healthcare Holding UK Limited

## Directors' report (continued)

The directors present their annual report and the audited financial statements for the year ended 28 April 2017.

### Dividends

No dividends were paid or received (2016: £nil) and the directors do not recommend the payment of a dividend in respect of the financial year ended 28 April 2017.

### Future developments

The company will continue as a non-trading entity in the foreseeable future.

### Employees

As stated in note 2, the company has no direct employees (2016: nil).

### Financial risk management objectives and policies

The directors consider the financial risks and uncertainties facing the company as follows:

#### *Cash flow risk*

The Company is part of a group cash pooling arrangement which mitigates cash flow risk. All debtors are part of the cash pool for which there is a letter of support from the parent Company.

#### *Credit risk*

The Company's only financial assets are receivables due from group companies. The company has no liquid funds or derivative financial arrangements.

#### *Liquidity risk*

In order to maintain liquidity to ensure that sufficient funds were available for ongoing operations, the company is part of a group cash pooling arrangement and is supported by its parent when needed.

The directors do not consider there to be any material risk with the company's financial instruments.

### Going concern

It is the directors' intention that the company will continue as a holding company for the foreseeable future. The Company has net assets of £28,260,524 (2016: £28,338,154) which relate to inter-company balances. The directors of the business are satisfied that these balances are recoverable from within the group. As a result, the directors are satisfied that the going concern principle is appropriate in preparing the financial statements.

### Directors

The directors of the company who held office for the year ended 28 April 2017 and up to the date of signing the financial statements were:

D Reynolds (Resigned 21 October 2016)

M Stefani (Resigned 1 November 2016)

M Elsey (Appointed 1 November)

J Fielding (Appointed 1 November)

### Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

## Covidien Healthcare Holding UK Limited

### Directors' report (continued)

#### Statement of directors' responsibilities (continued)

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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.

The directors 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.

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the 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.

#### Independent auditors

PricewaterhouseCoopers LLP was appointed as auditors during the year and have expressed their willingness to continue in office. In accordance with s485 of the Companies Act 2006, a resolution is to be proposed at the Annual General meeting for the appointment of PricewaterhouseCoopers LLP as auditors of the company.

Approved by the Board and signed on its behalf by:



M Elsey  
Director

20 November 2017

# **Covidien Healthcare Holding UK Limited**

## ***Independent auditors' report to the members of Covidien Healthcare Holding UK Limited***

### **Report on the financial statements**

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#### **Our opinion**

In our opinion, Covidien Healthcare Holding UK Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 28 April 2017 and of its loss 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.
- 

#### **What we have audited**

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Balance sheet as at 28 April 2017;
- the Statement of comprehensive income for the year then ended;
- the Statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Strategic Report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

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### **Other matters on which we are required to report by exception**

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#### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

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#### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

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## Responsibilities for the financial statements and the audit

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### Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' responsibilities set out on pages 3-4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

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### What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Radek Vik (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
St Albans

20 November 2017



## Covidien Healthcare Holding UK Limited

### Statement of comprehensive income For the year ended 28 April 2017

|  |             | Year<br>ended<br>28 April<br>2017<br>£ | Year<br>ended<br>29 April<br>2016<br>£ |
|--|-------------|--|--|
|  | <b>Note</b> |  |  |
| Administrative expenses  |             | (378)                                  | (95)                                   |
| Income from sale in group undertakings                                   | 3           | -                                      | 29,599,000                             |
| <b>(Loss)/profit on ordinary activities before interest and taxation</b> |             | <b>(378)</b>                           | <b>29,598,905</b>                      |
| Interest receivable and similar income                                   | 4           | 1,456,264                              | 618,658                                |
| Interest payable and similar expenses                                    | 5           | (1,533,516)                            | (1,666,597)                            |
| <b>(Loss)/profit on ordinary activities before taxation</b>              | 6           | <b>(77,630)</b>                        | <b>28,550,966</b>                      |
| Tax on (loss)/profit on ordinary activities                              | 7           | -                                      | -                                      |
| <b>(Loss)/profit for the financial year/period</b>                       |             | <b>(77,630)</b>                        | <b>28,550,966</b>                      |
| Other comprehensive income   |             | -                                      | -                                      |
| <b>Total comprehensive (expense)/income for the year/period</b>          |             | <b>(77,630)</b>                        | <b>28,550,966</b>                      |

All income and expenditure in the current year are derived from discontinued operations (prior period derived from continuing operations). There are no material differences between the results shown for above and their historical cost equivalents.

The notes on pages 10 to 16 form part of the financial statements.

## Covidien Healthcare Holding UK Limited

### Balance sheet As at 28 April 2017

|  |      | 28 April<br>2017<br>£ | 29 April<br>2016<br>£ |
|--|------|-----------------------|-----------------------|
|  | Note |                       |                       |
| <b>Current assets</b>  |      |                       |                       |
| Debtors: amounts falling due within one year                   | 8    | 118,752,551           | 120,102,000           |
| <b>Total current assets</b>                                    |      | 118,752,551           | 120,102,000           |
| <b>Creditors: amounts falling due within one year</b>          | 9    | (476,521)             | (1,260,846)           |
| <b>Net current assets</b>                                      |      | 118,276,030           | 118,841,154           |
| <b>Creditors: amounts falling due after more than one year</b> | 10   | (90,015,506)          | (90,503,000)          |
| <b>Net assets</b>  |      | 28,260,524            | 28,338,154            |
| <b>Capital and reserves</b>                                    |      |                       |                       |
| Called up share capital  | 11   | 1,000                 | 1,000                 |
| Retained earnings  |      | 28,259,524            | 28,337,154            |
| <b>Total shareholders' funds / (deficit)</b>                   |      | 28,260,524            | 28,338,154            |

The financial statements of Covidien Healthcare Holding UK Limited, registered number 06927127 on pages 7 to 16 were approved and authorised for issue by the board of directors on 20 November 2017 and were signed on its behalf by:



M Elsey  
Director

## Covidien Healthcare Holding UK Limited

### Statement of changes in equity For the year ended 28 April 2017

| Note                                      | Called up<br>share capital<br>£ | (Accumulated<br>losses) /<br>retained<br>earnings<br>£ | Total<br>shareholders'<br>(deficit) /<br>funds<br>£ |
|---|---------------------------------|--|---|
| Balance as at 25 April 2015               | 1,000                           | (213,812)  | (212,812)   |
| Profit for the financial period           |                                 | 28,550,966   | 28,550,966  |
| Other comprehensive income for the period | -                               | -  | -   |
| Total comprehensive income for the period | -                               | 28,550,966   | 28,550,966  |
| Balance as at 29 April 2016               | 1,000                           | 28,337,154   | 28,338,154  |
| Loss for the financial year               | -                               | (77,630)   | (77,630)  |
| Other comprehensive income for the year   | -                               | -  | -   |
| Total comprehensive expense for the year  | -                               | (77,630)   | (77,630)  |
| Balance as at 28 April 2017               | 1,000                           | 28,259,524   | 28,260,524  |

# Covidien Healthcare Holding UK Limited

## Notes to the financial statements For the year ended 28 April 2017

### 1. Principal accounting policies

#### General information

Covidien Healthcare Holding UK Limited is a private company limited by shares and it is incorporated in United Kingdom. The address of its registered office is Building 9 Croxley Park, Hatters Lane, Watford, Hertfordshire, WD18 8WW, England.

The Company operates as a non-trading company.

#### Statement of compliance

The individual financial statements of Covidien Healthcare Holding UK Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

#### Summary of significant accounting policies

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.

#### (a) Basis of preparation

The financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

#### (b) Going concern

The Company has net assets of £28,260,524 (2016: 28,338,154) which relate to inter-company balances. The directors of the business are satisfied that these balances are recoverable from within the group. The loans are recoverable through intergroup commitments. As a result the directors are satisfied that the going concern principle is appropriate in preparing the financial statements.

#### (c) Exemption for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, if certain conditions have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. The Company is a qualifying entity as its results are consolidated into the financial statements of Medtronic Plc. which are publicly available.

As a qualifying entity, the Company has taken advantage of the following exemptions:

- (i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
- (ii) from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;

#### (d) Consolidated financial statements

The financial statements contain information about Covidien Healthcare Holding UK Limited as an individual company and do not contain consolidated financial information as the parent of a group. Covidien Healthcare Holding UK Limited is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included in the consolidated financial statements of its ultimate parent and controlling party, Medtronic Plc, a company incorporated in Ireland which are publicly available.

## Covidien Healthcare Holding UK Limited

### Notes to the financial statements (continued) For the year ended 28 April 2017

#### 1. Principal accounting policies (continued)

##### (e) Taxation

Taxation expense for the year/period comprises current and deferred tax recognised in the reporting year/period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised directly in equity. In this case tax is also recognised directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

##### (i) Current tax

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

##### (ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year/period end and that are expected to apply to the reversal of the timing difference.

##### (f) Impairment of non-financial assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset.

##### (g) Impairment of non-financial assets (continued)

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the statement of comprehensive income, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the statement of comprehensive income.

If an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the statement of comprehensive income.

# Covidien Healthcare Holding UK Limited

## Notes to the financial statements (continued) For the year ended 28 April 2017

### 1. Principal accounting policies (continued)

#### (h) Investments

Fixed asset investments are shown at cost less provision for impairment.

#### (i) Financial instruments

The Company has chosen to adopt the sections 11 and 12 of FRS 102 in respect of financial instruments.

##### (i) *Financial assets*

Basic financial assets including loans to fellow group undertakings are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

##### (ii) *Financial liabilities*

Basic financial liabilities, including loans from fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

The Company does not hold or issue derivative financial instruments.

##### (iii) *Offsetting*

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle to liability simultaneously.

#### (j) Related party transactions

The company has taken advantage of the exemptions from disclosing related party transactions with wholly owned entities that are part of the Medtronic Plc. There are no other related party transactions.

#### (k) Future amendments to FRS 102

Amendments to FRS 102 were issued in July 2015 as a result of changes in the EU- directives and UK Companies Regulation. The amendments are mandatory for periods beginning on or after 1 January 2016, with

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## **Covidien Healthcare Holding UK Limited**

### **Notes to the financial statements (continued)** **For the year ended 28 April 2017**

early adoption permitted for periods beginning on or after 1 January 2015. None of these have a significant effect on the financial statements of the Company.

# Covidien Healthcare Holding UK Limited

## Notes to the financial statements (continued) For the year ended 28 April 2017

### 2. Directors' emoluments and employee information

Directors were paid by other entities within the group, in both the current and preceding periods. The remuneration of these directors is disclosed within these companies' financial statements. The directors represent a number of Covidien Healthcare entities and it is neither feasible nor practical to separate the services they perform for Covidien Healthcare Holding UK Limited from their total remuneration.

There were no employees of Covidien Healthcare Holding UK Limited in the current or preceding period.

### 3. Income from sale in Group undertakings

|   | Year ended<br>28 April<br>2017<br>£ | Year ended<br>29 April<br>2016<br>£ |
|---|-------------------------------------|-------------------------------------|
| Gain from disposal of investment in Covidien (UK)<br>Commerical Limited | -                                   | 29,599,000                          |

In January 2016 Covidien Healthcare Holdings UK Limited sold its investment in Covidien Commercial (UK) Limited for £120,102,000 to Medtronic BV. Consideration was in the form of a promissory note which is accruing interest at 1.64%. The profit on the sale of the investment was £29,599,000.

### 4. Interest receivable and similar income

|                                | Year ended<br>28 April<br>2017<br>£ | Year ended<br>29 April<br>2016<br>£ |
|--------------------------------|-------------------------------------|-------------------------------------|
| On loans to group undertakings | 1,456,264                           | 618,658                             |

There are no securities for non-trading amounts. This interest is on the promissory note detailed above in Note 3.

### 5. Interest payable and similar expenses

|                                  | Year ended<br>28 April<br>2017<br>£ | Year ended<br>29 April<br>2016<br>£ |
|----------------------------------|-------------------------------------|-------------------------------------|
| On loans from group undertakings | (1,533,516)                         | (1,666,597)                         |
|                                  | <u>(1,533,516)</u>                  | <u>(1,666,597)</u>                  |



## Covidien Healthcare Holding UK Limited

### Notes to the financial statements (continued) For the year ended 28 April 2017

#### 6. (Loss) / Profit before taxation

The operating (loss) / profit does not include any amounts for auditors' remuneration. Audit fees for Covidien Healthcare Holding UK Limited for the year ended 28 April 2017 were paid by Covidien (UK) Commercial Limited to the value of £3,713 (2016: £3,605). There were £nil non-audit fees for the transition of FRS 102, charged by the company's auditors in the current year (2016: £3,800).

#### 7. Tax on (loss) / profit on ordinary activities

There is no current or deferred tax payable in the year. Tax assessed for the year is higher (2016: higher) than the standard rate of corporation tax in the UK. Differences between the total tax shown and the amount calculated by applying the standard rate of UK corporation tax to (loss) / profit on ordinary activities before taxation are as follows:

|   | Year ended<br>28 April<br>2017<br>£ | Year ended<br>29 April<br>2016<br>£ |
|---|-------------------------------------|-------------------------------------|
| (Loss) / Profit on ordinary activities before tax   | (77,630)                            | 28,550,966                          |
| Tax on (loss) / profit on ordinary activities at standard<br>UK corporation tax at average rate 19.92% (2016: 20.89%) | (15,467)                            | 5,710,193                           |
| Income not taxable  | -                                   | (5,919,800)                         |
| Group relief surrendered  | 15,467                              | 209,607                             |
| <b>Total tax for the year/period</b>  | <b>-</b>                            | <b>-</b>                            |

#### Deferred taxation

The unrecognised amount of deferred tax asset is calculated at 18% (2016: 18%) and analysed as follows:

|                    | 28 April<br>2017<br>£ | 29 April<br>2016<br>£ |
|--------------------|-----------------------|-----------------------|
| Deferred tax asset | -                     | 290,408               |

The deferred tax asset above has not been recognised as it is considered more likely than not that it will not be utilised in the foreseeable future. The deferred tax asset can be utilised if sufficient suitable future profits are made from the same trade. Any losses are subject to agreement by HM Revenue & Customs.

Further reductions to the UK main rate were included in the Finance Act 2015, lowering the rate to 19.00% from 1 April 2017 and to 18.00% from 1 April 2020. A decrease to 17.00% with effect from 1 April 2020 was also announced in the UK 2016 Budget. These further reductions had not been substantively enacted at the balance sheet date and their effects are therefore not included in these financial statements.

## Covidien Healthcare Holding UK Limited

### Notes to the financial statements (continued) For the year ended 28 April 2017

#### 8. Debtors: amounts falling due within one year

|                                    | 28 April<br>2017<br>£ | 29 April<br>2016<br>£ |
|------------------------------------|-----------------------|-----------------------|
| Amounts owed by group undertakings | 118,752,551           | 120,102,000           |

The promissory note receivable from Medtronic Holding BV for the purchase of Covidien (UK) Commercial Limited which was accruing interest at 1.64% was settled on 04 October 2016. The Company then entered into new agreement with Covidien Group S.a.r.l which is accruing interest at 1 month LIBOR rate. This is unsecured and repayable on demand.

#### 9. Creditors: amounts falling due within one year

|                                    | 28 April<br>2017<br>£ | 29 April<br>2016<br>£ |
|------------------------------------|-----------------------|-----------------------|
| Amounts owed to group undertakings | 476,521               | 1,260,846             |

This relates to cash pooling, which is unsecured and repayable on demand. Interest is payable at a one month LIBOR rate.

#### 10. Creditors: amounts falling due after more than one year

|                                    | 28 April<br>2017<br>£ | 29 April<br>2016<br>£ |
|------------------------------------|-----------------------|-----------------------|
| Amounts owed to group undertakings | 90,015,506            | 90,503,000            |

The total amount owed to group undertakings after more than one year has a maturity date of 12 September 2021. Interest is charged upon this loan on a 3 month LIBOR rate plus 1.2%. The loan was drawn down on 23 September 2011 and the weighted average LIBOR rate for the year end 28 April 2017 was 0.293% (2016: 0.408%).

#### 11. Called up share capital

|  | 28 April<br>2017<br>£ | 29 April<br>2016<br>£ |
|--|-----------------------|-----------------------|
| <b>Allotted, issued and fully-paid</b>         |                       |                       |
| 1,000 (2016: 1,000) ordinary shares of £1 each | 1,000                 | 1,000                 |

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and repayment of capital.

## **Covidien Healthcare Holding UK Limited**

### **Notes to the financial statements (continued) For the year ended 28 April 2017**

#### **12. Ultimate parent company and controlling party**

The company is a wholly owned subsidiary of CDK (UK) Limited, a company registered in England and Wales.

The directors regard Medtronic Plc, a company incorporated in Ireland, as the ultimate parent company and controlling party since its purchase of Covidien Plc, on 26 January 2015. Medtronic Plc is the parent of the largest and smallest group to consolidate these financial statements. Copies of the consolidated financial statements of Medtronic Plc are available from [www.medtronic.com](http://www.medtronic.com).