

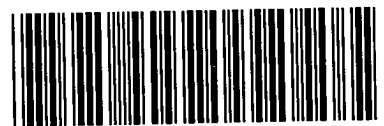
**Company Registration No. 06927127**

**Covidien Healthcare Holding UK Limited**

**Annual Report and Financial Statements**

**For the 52 weeks ended 26 September 2014**

**TUESDAY**



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# **Covidien Healthcare Holding UK Limited**

## **Annual report and financial statements for the 52 weeks ended 26 September 2014**

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# **Covidien Healthcare Holding UK Limited**

## **Annual report and financial statements For the 52 weeks ended 26 September 2014**

### **Officers and professional advisers**

#### **Directors**

D Reynolds  
M Stefani  
M Costantino

#### **Company secretary**

TMF Corporate Administration Services Limited

#### **Registered Office**

4500 Parkway  
Whiteley  
Fareham  
Hampshire  
PO15 7NY  
United Kingdom

#### **Bankers**

Barclays Bank plc  
London  
United Kingdom

#### **Auditor**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Southampton  
United Kingdom

# Covidien Healthcare Holding UK Limited

## Strategic report for the 52 week period ended 26 September 2014

The directors, in preparing this strategic report on the affairs of the company for the 52 weeks ended 26 September 2014, have complied with s414C of the Companies Act 2006.

### STRATEGIC REVIEW

The company acts as a holding company to Covidien (UK) Commercial Limited, accordingly the profit and loss account is presented on page 7. The intention is for the business to continue to act as a holding company for Covidien (UK) Commercial Limited.

The profit for the 52 week period ended 26 September 2014 was £19,381,749 (2013 £1,618,087 loss), primarily as a result of receiving a dividend of £21,000,000 from a subsidiary entity in the period. The directors have paid an interim dividend of £15,000,000 for the 52 weeks ended 26 September 2014 (2013: £nil). The directors do not recommend payment of a final dividend.

### KEY PERFORMANCE INDICATORS

The company suffered no investment impairment losses during the 52 weeks ended 26 September 2014 (2013: £nil).

### FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

#### *Cash flow risk*

The Company is part of a group cash pooling arrangement which mitigates the risk of foreign exchange rate fluctuations. 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 principal financial assets are cash and cash equivalents which represent the Group's maximum exposure to credit risk in relation to financial assets. This risk is mitigated the Group-wide cash pooling arrangement.

#### *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.

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

### FUTURE DEVELOPMENTS

The company will continue to act as holding company to Covidien (UK) Commercial Limited.

On June 15, 2014, Covidien Plc and Medtronic, Inc. entered into a definitive agreement pursuant to which Medtronic agreed to acquire Covidien. The consummation of the transaction is subject to certain conditions, including approvals by Medtronic and Covidien shareholders. In addition, the proposed transaction requires regulatory clearances in the United States, the European Union, China and certain other countries. The transaction is expected to close in early calendar 2015.

Approved by the Board and signed on its behalf by:



D Reynolds  
Director

19 December 2014

# Covidien Healthcare Holding UK Limited

## Directors' report for the 52 week period ended 26 September 2014

The directors present their annual report and audited financial statements for the 52 week period ended 26 September 2014.

### Principal activity

The company operates as a holding company. Future developments and dividends have been discussed within the strategic report.

### Going concern

It is the directors' intention that the company will continue as a holding company for the foreseeable future. The Company has net current assets of £716,228 (2013: £3,665,521 liabilities) which relate to inter-company balances. The directors of the business are satisfied that these balances are recoverable from within the group and have obtained a letter of comfort to confirm there is no current intention to call on the intercompany payables for a period of not less than 12 months from signing these financial statements. 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.

### Directors

The directors of the company who held office for the 52 week period ended 26 September 2014 and in the period to the date of signing were:

Mr M Stefani  
Mrs D Reynolds  
M Costantino

### Auditor

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

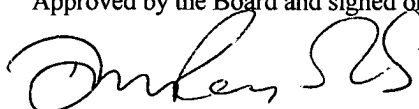
### Provision of information to the auditor

In the case of each of the persons who are directors of the company at the date when this report is approved:

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the company's auditor is unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information (as defined in the Companies Act 2006) and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Board and signed on its behalf by:



D Reynolds  
Director

19 December 2014

# **Covidien Healthcare Holding UK Limited**

## **Directors' responsibilities statement**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; 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 proper accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

We have audited the financial statements of Covidien Healthcare Holding UK Limited for the 52 week period ended 26 September 2014 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 15. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 26 September 2014 and of its profit for the 52 week period 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Directors' Report for the 52 week period for which the financial statements are prepared is consistent with the financial statements.

## **Independent auditor's report to the members of Covidien Healthcare Holding UK Limited (continued)**

### **Matters on which we are required to report by exception**

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

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



Gregory Culshaw ACA (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Southampton, United Kingdom  
19 December 2014



# Covidien Healthcare Holding UK Limited

## Profit and loss account

For the 52 weeks ended 26 September 2014

		52 weeks ended 26 September 2014 £	52 weeks ended 27 September 2013 £
	Notes		
Administrative expenses		(413)	(5,129)
Income from shares in group undertakings - dividend received	3	21,000,000	-
<b>Profit / (loss) on ordinary activities before interest and taxation</b>		<b>20,999,587</b>	<b>(5,129)</b>
Interest receivable and similar income	4	311	-
Interest payable and similar charges	5	(1,618,149)	(1,612,958)
<b>Profit / (loss) on ordinary activities before taxation</b>	6	<b>19,381,749</b>	<b>(1,618,087)</b>
Tax on profit / (loss) on ordinary activities	7	-	-
<b>Profit / (loss) on ordinary activities after taxation</b>	12, 13	<b>19,381,749</b>	<b>(1,618,087)</b>

The company has no recognised gains and losses other than those included in the losses above, and therefore a statement of total recognised gains and losses has not been presented.

All income and expenditure in the current period is derived from continuing operations.

# Covidien Healthcare Holding UK Limited

## Balance sheet As at 26 September 2014

	Notes	26 September 2014 £	27 September 2013 £
<b>Fixed assets</b>			
Investments	8	90,503,000	90,503,000
<b>Current assets</b>			
Debtors: amounts falling due within one year	9	716,228	-
<b>Creditors: amounts falling due within one year</b>	10	-	(3,665,521)
<b>Total assets less current liabilities</b>		91,219,228	86,837,479
<b>Creditors: amounts falling due after more than one year</b>	11	(90,503,000)	(90,503,000)
<b>Net assets / (liabilities)</b>		716,228	(3,665,521)
<b>Capital and reserves</b>			
Called-up share capital	12	1,000	1,000
Profit and loss account	13	715,228	(3,666,521)
<b>Shareholder's funds / (deficit)</b>	14	716,228	(3,665,521)

The financial statements of Covidien Healthcare Holding UK Limited, registered number 06927127 on pages 7 to 13 were approved and authorised for issue by the board of directors on ~~19 December~~ 2014 and were signed on its behalf by:



D Reynolds  
Director

# **Covidien Healthcare Holding UK Limited**

## **Notes to the financial statements For the 52 weeks ended 26 September 2014**

### **1. Principal accounting policies**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards in the United Kingdom and have been applied consistently in the current and preceding periods. A summary of the principal accounting policies is set out below.

#### **Going concern**

The Company has net current assets of £716,228 (2013: £3,665,521 liabilities) which relate to inter-company balances. The directors of the business are satisfied that these balances are recoverable from within the group and have obtained a letter of comfort to confirm there is no current intention to call on the intercompany payables for the foreseeable future. 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.

#### **Cash flow statement**

The company has taken advantage of the exemption in FRS 1 (Revised) from the requirement to produce a cash flow statement on the grounds that the ultimate parent company, Covidien Plc, has prepared a consolidated cash flow statement including the cash flows of the company.

#### **Taxation**

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.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### **Subsidiary undertakings and group accounts**

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, Covidien Plc, a company incorporated in Ireland.

#### **Investments**

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

### **2. Directors' emoluments and employee information**

The remuneration of D Reynolds is paid by Covidien (UK) Commercial Limited and the remuneration of M Stefani and M Costantino are paid for by Covidien SARL and Covidien Italia Spa respectively, 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 in the current or preceding period.

# Covidien Healthcare Holding UK Limited

## Notes to the financial statements (continued) For the 52 weeks ended 26 September 2014

### 3. Dividends received

	52 weeks ended 26 September 2014 £	52 weeks ended 27 September 2013 £
Dividend received from Covidien (UK) Commercial Ltd - July 2014	<u>21,000,000</u>	<u>-</u>

### 4. Interest receivable and similar income

	52 weeks ended 26 September 2014 £	52 weeks ended 27 September 2013 £
On loans to group undertakings	<u>311</u>	<u>-</u>

### 5. Interest payable and similar charges

	52 weeks ended 26 September 2014 £	52 weeks ended 27 September 2013 £
On loans from group undertakings	(1,586,972)	(1,588,619)
On loans from fellow subsidiary undertakings	(31,177)	(24,339)
	<u>(1,618,149)</u>	<u>(1,612,958)</u>

### 6. Profit / (loss) on ordinary activities before taxation

The operating profit / (loss) does not include any amounts for auditor's remuneration. Auditor's remuneration for Covidien Healthcare Holding UK Limited for the 52 weeks ended 26 September 2014 was paid by Covidien (UK) Commercial Limited to the value of £3,347 (2013: £3,250). There were no non-audit fees charged by the company's auditor in the current or preceding period.

# Covidien Healthcare Holding UK Limited

## Notes to the financial statements (continued) For the 52 weeks ended 26 September 2014

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

There is no current or deferred tax payable in the period. There is no difference between the tax shown and the amount calculated by applying the standard rate of UK corporation tax to the result of the year.

	52 weeks ended 26 September 2014 £	52 weeks ended 27 September 2013 £
Profit / (loss) on ordinary activities before tax	19,381,749	(1,618,087)
Tax on profit / (loss) on ordinary activities at standard UK corporation tax at average rate 22.01% (2013: 23.5%)	4,266,640	(380,361)
Income / Expenses not deductible for tax purposes	(4,622,877)	102,725
Group relief surrendered	356,237	277,636
<b>Current tax for the period</b>	<b>-</b>	<b>-</b>

The Finance Act 2013, which provides for a reductions in the main rate of corporation tax from 23% to 21% effective from 1 April 2014 and to 20% effective from 1 April 2015, was substantively enacted on 2 July 2013. These rate reductions have been reflected in the calculation of deferred tax at the balance sheet date."

### 8. Fixed asset investments

#### Interests in group undertakings

Covidien Healthcare Holding UK Limited owns 100% (£1,000) of the ordinary share capital of Covidien (UK) Commercial Limited, which is incorporated in England and Wales, and holds an investment in the entity of £90,503,000 (2013: £90,503,000).

Covidien (UK) Commercial Limited's principal activity is the distribution of surgical and medical products. The retained profit and net assets of this company for the 52 weeks ended 26 September 2014 were as follows:

Name of company	Profit on ordinary activities after taxation £	Net assets £
Covidien (UK) Commercial Limited	7,844,426	10,108,024

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

	26 September 2014 £	27 September 2013 £
Amounts owed by group undertakings	716,228	-

# Covidien Healthcare Holding UK Limited

## Notes to the financial statements (continued) For the 52 weeks ended 26 September 2014

### 10. Creditors: amount falling due within one year

	52 weeks ended 26 September 2014 £	52 weeks ended 27 September 2013 £
Amounts owed to fellow subsidiaries	-	3,665,521

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

	52 weeks ended 26 September 2014 £	52 weeks ended 27 September 2013 £
Amounts owed to group undertakings	90,503,000	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 interest rate for the 52 week period 26 September 2014 was 1.75% (2013: 2.13%).

### 12. Called-up share capital

	52 weeks ended 26 September 2014 £	52 weeks ended 27 September 2013 £
Allotted, called-up and fully-paid 1,000 ordinary shares of £1 each	1,000	1,000

# Covidien Healthcare Holding UK Limited

## Notes to the financial statements (continued) For the 52 weeks ended 26 September 2014

### 13. Reserves

	Profit and loss account £
At 27 September 2013	(3,666,521)
Profit for the period	19,381,749
Dividends paid	(15,000,000)
At 26 September 2014	<u>715,228</u>

### 14. Reconciliation of movements in shareholder's deficit

	26 September 2014 £	27 September 2013 £
Opening shareholder's deficit	(3,665,521)	(2,047,434)
Profit / (loss) for the period	19,381,749	(1,618,087)
Dividends paid	(15,000,000)	-
Closing shareholder's funds / (deficit)	<u>716,228</u>	<u>(3,665,521)</u>

### 15. 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 Covidien Plc, a company incorporated in Ireland, as the ultimate parent company and controlling party. Covidien Plc is the parent of the largest and smallest group to consolidate these financial statements. Copies of the consolidated financial statements of Covidien Plc are available from the Company Secretary, Covidien (UK) Commercial Ltd, 4500 Parkway, Whiteley, Fareham, Hampshire, PO15 7NY.

### 16. Related party transactions

In accordance with the exemption allowed by FRS 8(c) "Related Party Disclosures", transactions with other 100% owned undertakings within the Covidien Plc group have not been shown in the financial statements of Covidien Healthcare Holding UK Limited.