

**Company Registration No. 02285007**

**CDK UK Limited**

**Annual Report and Financial Statements**

**For the 52 weeks ended**

**26 September 2014**

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# **CDK UK Limited**

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

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# **CDK UK Limited**

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

### **Officers and professional advisers**

#### **Directors**

D Reynolds  
M Costantino

#### **Company Secretary**

TMF Corporate Administration Services Limited  
J Pascucci

#### **Registered Office**

4500 Parkway  
Whiteley  
Fareham  
Hampshire  
PO15 7NY  
England

#### **Bankers**

Barclays Bank plc  
London  
United Kingdom

#### **Actuaries and Consultants**

Buck Consultants Ltd  
Manchester  
United Kingdom

PricewaterhouseCoopers LLP  
Southampton  
United Kingdom

#### **Auditor**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Southampton  
United Kingdom

# CDK UK Limited

## Strategic report

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 principal activity of the company is to be a holding company of Covidien Healthcare Holding UK Limited and Covidien UK Limited; the principal activities of these companies being to act as holding companies to Covidien (UK) Commercial Limited and Covidien (UK) Manufacturing Limited respectively.

The profit and loss account for the period is set out on page 7. The directors have paid a dividend of £26m and received a dividend of £26m during the 52 weeks ended 26 September 2014 (52 weeks ended 27 September 2013: paid £8m and received £30m).

The intention is for the business to continue as a holding company for the UK Covidien trading group.

### KEY PERFORMANCE INDICATORS

The company suffered no investment impairment losses during the 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.

#### *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 the parent.

### EMPLOYEES

As stated in note 2, the company has no direct employees (2013: nil).

### FUTURE DEVELOPMENTS

The company will continue to act as holding company to Covidien Healthcare Holding UK Limited and Covidien UK 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

# CDK UK Limited

## Directors' report

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

### Principal activity

The company operates as a holding company and has not traded during the period. Future developments and dividends have been discussed within the strategic report.

### Directors

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

D Reynolds  
M Costantino

### Going concern

The company has net assets of £77m (2013: £77m) which relate mainly to inter-company receivables. 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.

### 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.

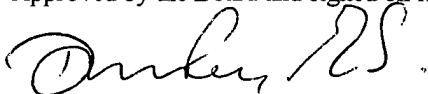
### Provision of information to the auditor

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

# **CDK 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Independent auditor's report to the members of CDK UK Limited**

We have audited the financial statements of CDK UK Limited for the 52 week period ended 26 September 2014 which comprises the profit and loss account, the balance sheet and the related notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors**

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 for the 52 week period ended 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**

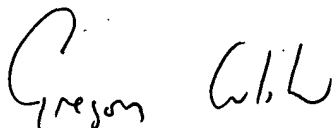
In our opinion the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

## **Independent auditor's report to the members of CDK 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.

A handwritten signature in black ink, appearing to read 'Gregory C.L.'.

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



## CDK UK Limited

### Profit and loss account For the 52 weeks ended 26 September 2014

		52 weeks ended 26 September 2014 £'000	52 weeks ended 27 September 2013 £'000
	Notes		
Administrative Expenses		(3)	-
Income from shares in group undertakings – dividend Received		26,000	30,000
<b>Profit on ordinary activities before interest and taxation</b>		<u>25,997</u>	<u>30,000</u>
Interest receivable and similar income	4	264	236
<b>Profit on ordinary activities before taxation</b>		<u>26,261</u>	<u>30,236</u>
Tax charge on profit on ordinary activities	5	-	-
<b>Profit on ordinary activities after taxation</b>	10	<u><u>26,261</u></u>	<u><u>30,236</u></u>

The company has no recognised gains and losses other than those recorded above, and therefore no separate statement of total recognised gains and losses has been presented.

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

# CDK UK Limited

## Balance sheet As at 26 September 2014

	Notes	26 September 2014 £'000	27 September 2013 £'000
<b>Fixed assets</b>			
Investments	7	376	376
<b>Current assets</b>			
Debtors: amounts falling due within one year	8	77,018	76,757
<b>Total assets less current liabilities</b>		<u>77,394</u>	<u>77,133</u>
<b>Net assets</b>		<u>77,394</u>	<u>77,133</u>
<b>Capital and reserves</b>			
Called up share capital	9	49,453	49,453
Share premium	10	5,621	5,621
Profit and loss account	10	22,320	22,059
<b>Shareholders' funds</b>	11	<u>77,394</u>	<u>77,133</u>

The financial statements of CDK U.K. Limited, registered number 02285007 on pages 7 to 13 were authorised and approved by the Board of Directors on 19 December 2014 and were signed on its behalf by:



D Reynolds  
Director

# **CDK 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 current and prior period. A summary of the principal accounting policies is set out below.

#### **Going concern**

The intention is for the business to continue as a holding company for the UK Covidien trading group. The company has net assets of £77m (2013: £77m) which relate mainly to inter-company receivables. 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, despite the current uncertain economic climate.

#### **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 it is a wholly owned subsidiary of Covidien Limited. The ultimate parent company has prepared a consolidated cash flow statement including cash flows of this company for the 52 weeks ended 26 September 2014 and comparative period.

#### **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 consolidation**

The financial statements contain information about CDK UK Limited as an individual company and do not contain consolidated financial information as the parent of a group. CDK 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 carried at cost. The underlying value of the investments are reviewed annually and, if required, impaired.

# CDK UK Limited

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

### 2. Directors' emoluments and employee information

The remuneration of the director D Reynolds was paid for by Covidien (UK) Commercial Limited and M Costantino by Covidien Italia Spa in both the current and preceeding periods and disclosed accordingly within those 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 CDK UK Limited from their total remuneration.

There are no employees of CDK UK Limited in the current or previous financial period.

### 3. Profit on ordinary activities before interest and taxation

Auditor's remuneration for CDK UK Limited for the 52 weeks ended 26 September 2014 was paid by Covidien UK Commercial Limited at £4,928 (2013: £6,617). There were no non-audit fees charged by the company's auditor in the current or preceding period.

### 4. Interest receivable and similar income

	52 weeks ended 26 September 2014 £'000	52 weeks ended 27 September 2013 £'000
On loans to group undertakings	264	236

### 5. Tax on profit on ordinary activities

There is no current or deferred tax payable in the period (2013: £nil). 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 period.

	52 weeks ended 26 September 2014 £'000	52 weeks ended 27 September 2013 £'000
Profit on ordinary activities before tax	26,261	30,236
Tax on profit on ordinary activities at standard UK corporation tax average rate of 22.01% (2013: 23.51%)	5,781	7,107
Income not taxable	(5,724)	(7,052)
Group relief	(57)	(55)
<b>Current tax charge for the period</b>	<b>-</b>	<b>-</b>

The Finance Act 2013, which provides for 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.

# CDK UK Limited

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

### 6. Dividends

	52 weeks ended 26 September 2014 £'000	52 weeks ended 27 September 2013 £'000
Final dividend paid of £0.52575 (2013 £0.1655) per £1 ordinary share	26,000	8,183

### 7. Fixed asset investments

#### Interests in group undertakings

CDK U.K. Limited owns 100% (£375,000) of the ordinary share capital of Covidien UK Limited and 100% (£1,000) of the ordinary share capital of Covidien Healthcare Holdings UK Limited, which are both incorporated in England and Wales.

Covidien UK Limited's principal activity is as a holding company for Covidien (UK) Manufacturing Limited which ceased trade in 2011. Covidien Healthcare Holdings UK Limited principal activity is as a holding company for Covidien (UK) Commercial Limited whose principal activity is the distribution of surgical and medical products. The retained profit and net assets of these companies for the 52 weeks ended 26 September 2014 were as follows:

Name of company	Profit/(loss) on ordinary activities after taxation £'000	Net assets/ (liabilities) £'000
Covidien UK Limited	(1,460)	12,507
Covidien (UK) Commercial Limited (indirect holding)	7,844	10,108
Covidien (UK) Manufacturing (indirect holding)	37	(33,874)
Covidien Healthcare Holding UK Ltd	19,382	716

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

	26 September 2014 £'000	27 September 2013 £'000
Amounts owed by subsidiary undertakings	77,018	76,757

# CDK UK Limited

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

### 9. Share capital

	52 weeks ended 26 September 2014 £'000	52 weeks ended 27 September 2013 £'000
<b>Allotted, called up and fully paid</b>		
1,900,000 redeemable ordinary shares of £1 each	1,900	1,900
47,552,830 ordinary shares of £1 each	47,553	47,553
	<u>49,453</u>	<u>49,453</u>

### 10. Reserves

	Share Premium account £'000	Profit and Loss account £'000
At 27 September 2013	5,621	22,059
Profit for the period	-	26,261
Dividends paid	-	(26,000)
<b>At 26 September 2014</b>	<u>5,621</u>	<u>22,320</u>

### 11. Reconciliation of movements in shareholder's funds

	52 weeks ended 26 September 2014 £'000	52 weeks ended 27 September 2013 £'000
Opening shareholder's funds	77,133	55,080
Profit for the period	26,261	30,236
Dividends paid	(26,000)	(8,183)
<b>Closing shareholder's funds</b>	<u>77,394</u>	<u>77,133</u>

### 12. Contingent liabilities

The company is included in the Covidien (UK) Commercial Limited grouping which covers the Covidien UK Limited statutory group. Under this arrangement, Covidien UK Limited has indemnified its banker to the amount of £20,000 (2013: £20,000) in respect of certain Customs and Excise duties secured by a floating charge over stock and debtors of the group.

## **CDK UK Limited**

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

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

The company is a wholly owned subsidiary of Covidien Group SARL, a company registered in Luxembourg.

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.

#### **14. Related party transactions**

In accordance with the exemption allowed by FRS 8 "Related Party Disclosures", transactions with other 100% owned undertakings within the Covidien Plc group have not been disclosed in these financial statements.