

**Company Registration No. 02285007**

**CDK UK Limited**

**Annual Report and Financial Statements**

**For the 30 weeks ended 24 April 2015**

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# **CDK UK Limited**

## **Annual Report and Financial Statements for the 30 weeks ended 24 April 2015**

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# **CDK UK Limited**

## **Annual Report and Financial Statements For the 30 weeks ended 24 April 2015**

### **Officers and professional advisers**

#### **Directors**

D Reynolds  
M Costantino (Resigned 28<sup>th</sup> June 2015)  
O Ellis (Appointed 26<sup>th</sup> June 2015)

#### **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

#### **Independent Auditors**

Pricewaterhouse Coopers LLP  
Chartered Accounts and Statutory Auditor  
Oceana House  
34-49 Commercial Road  
Southampton  
S015 1GA

# CDK UK Limited

## Strategic report

The directors, in preparing this Strategic report on the affairs of the company for the 30 weeks ended 24 April 2015, 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 company has net assets of £77.6m (2014: 77.4m) which relate mainly to intercompany receivables.

The profit and loss account for the period is set out on page 7. The directors have paid a dividend of £nil and received a dividend of £nil during the 30 weeks ended 24 April 2015 (52 weeks ended 26 September 2014: paid £26m and received £26m).

As disclosed in the prior period financial statements, on 15 June 2014 Covidien Plc and Medtronic Inc entered into a definitive agreement pursuant to which Medtronic agreed to acquire Covidien. Following the consummation of the transactions on 26 January 2015, Medtronic Inc and Covidien became subsidiaries of Medtronic Plc. In connection with the consummation of the transactions, Medtronic re-registered as a public limited company organised under the laws of Ireland. Medtronic Plc is then considered the ultimate parent company and controlling party.

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 30 weeks ended 24 April 2015 (2014: £nil).

There are no ongoing KPIs for the company.

### 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 arrangement.

#### *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.

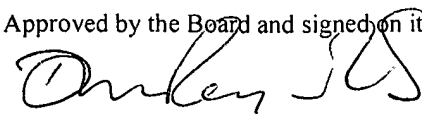
### EMPLOYEES

As stated in note 2, the company has no direct employees (2014: nil).

### FUTURE DEVELOPMENTS

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

Approved by the Board and signed on its behalf by:



D Reynolds  
Director

18 December 2015

# CDK UK Limited

## Directors' report

The directors present their annual report and the audited financial statements for the 30 weeks ended 24 April 2015.

### Principal activities

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, along with financial risk management objectives and policies.

### Directors

The directors of the company who held office during the 30 week period ended 24 April 2015 and up to the date of signing the financial Statements were

D Reynolds

M Costantino (resigned 28<sup>th</sup> June 2015)

O Ellis (Appointed 26<sup>th</sup> June 2015)

### Going concern

The company has net assets of £77.6m (2014: £77.4m) 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.

### Statement of directors' responsibilities

The directors are responsible for preparing the Strategic report, Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

### Provision of information to the auditors

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 auditors are 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 auditors are aware of that information.

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

# **CDK UK Limited**

## **Directors' report**

### **Independent auditors**

. 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. PricewaterhouseCoopers LLP were appointed as auditors during the year and have expressed their willingness to continue in office

Approved by the Board and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'D Reynolds', is written over the printed name.

D Reynolds  
Director

18 December 2015

## **CDK UK Limited**

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

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

#### **Our opinion**

In our opinion, CDK UK Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 24 April 2015 and of its profit for the 30 week period (the "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.

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

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

- the Balance sheet as at 24 April 2015;
- the Profit and loss account for the period 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 applicable law and United Kingdom Accounting Standards (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.

#### **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.

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

##### **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.

#### **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.

## **CDK UK Limited**

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

#### **Responsibilities for the financial statements and the audit**

##### **Our responsibilities and those of the directors**

As explained more fully in the Directors' responsibilities statement set out on page 3, 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.

##### **What an audit of financial statements involves**

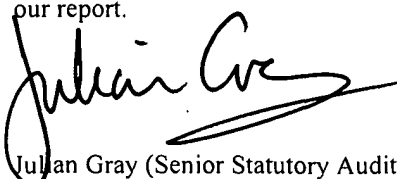
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.



Julian Gray (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Southampton

18 December 2015



## CDK UK Limited

### Profit and loss account For the 30 weeks ended 24 April 2015

		30 weeks ended 24 April 2015 £'000	52 weeks ended 26 September 2014 £'000
Administrative Expenses		-	(3)
Income from shares in group undertakings		-	26,000
<b>Profit on ordinary activities before interest and taxation</b>	3	-	25,997
Interest receivable and similar income	4	182	264
<b>Profit on ordinary activities before taxation</b>		182	26,261
Tax on profit on ordinary activities	5	-	-
<b>Profit for the financial period</b>	10	182	26,261

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 period and preceding year is derived from continuing operations.

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical costs equivalent.

# CDK UK Limited

## Balance sheet As at 24 April 2015

	Note	24 April 2015 £'000	26 September 2014 £'000
<b>Fixed assets</b>			
Investments	7	376	376
<b>Current assets</b>			
Debtors	8	77,200	77,018
<b>Total assets less current liabilities</b>		<u>77,576</u>	<u>77,394</u>
<b>Net assets</b>		<u>77,576</u>	<u>77,394</u>
<b>Capital and reserves</b>			
Called up share capital	9	49,453	49,453
Share premium account	10	5,621	5,621
Profit and loss account	10	22,502	22,320
<b>Total Shareholders' funds</b>	11	<u>77,576</u>	<u>77,394</u>

The financial statements of CDK UK Limited, registered number 02285007 on pages 7 to 13 were authorised and approved by the Board of Directors on 18 December 2015 and were signed on its behalf by:



D Reynolds  
Director

# CDK UK Limited

## Notes to the financial statements For the 30 weeks ended 24 April 2015

### 1. Principal accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom and have been applied consistently in current and prior year. 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 £77.6m (2014: £77.4m) 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.

#### Operating results

The operating results prior to Medtronic plc's acquisition of Covidien plc include transactions up to and including the Friday nearest to 30 September of each year. Under Medtronic plc's financial calendar, operating results include transactions up to and including the last Friday nearest to 30 April of each year. Accordingly as required by Section 390(3) of the Companies Act 2006 the financial statements refer to the 30 week period to 24 April 2015 (2014: 52 weeks ended 26 September 2014).

#### 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 Medtronic Plc. The ultimate parent company has prepared a consolidated cash flow statement including the cash flows of the company, which are publicly available.

#### 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, Medtronic Plc, a company incorporated in Ireland which are publicly available.

#### 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 30 weeks ended 24 April 2015

### 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 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 year.

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

Auditors' remuneration for CDK UK Limited for the 30 weeks ended 24 April 2015 was paid by Covidien UK Commercial Limited at £5,150 (2014: £4,928). There were no non-audit fees charged by the company's auditor in the current period or preceding year.

### 4. Interest receivable and similar income

	30 weeks ended 24 April 2015 £'000	52 weeks ended 26 September 2014 £'000
On loans to group undertakings	182	264

### 5. Tax on profit on ordinary activities

There is no current or deferred tax payable in the period (2014: £nil). There is no difference (2014: 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.

	30 weeks ended 24 April 2015 £'000	52 weeks ended 26 September 2014 £'000
Profit on ordinary activities before tax	182	26,261
Tax on profit on ordinary activities at standard UK corporation tax average rate of 20.89% (2014: 22.01%)	38	5,781
Income not taxable	-	(5,724)
Group relief	(38)	(57)
<b>Current tax charge for the period</b>	<b>-</b>	<b>-</b>

The standard rate of corporation tax in the UK changed from 21% to 20% with effect from 1 April 2015. Accordingly, the company's profits for this accounting period are taxed at an effective rate of 20%.

In the summer budget of July 2015, the chancellor announced legislation to further reduce the rate of Corporation tax to 19% effective from 1 April 2017 and to 18% from 1 April 2020.

# CDK UK Limited

## Notes to the financial statements (continued) For the 30 weeks ended 24 April 2015

### 6. Dividends

	30 weeks ended 24 April 2015 £'000	52 weeks ended 26 September 2014 £'000
Final dividend paid of £nil (2014 £0.52575) per £1 ordinary share	-	26,000

### 7. Investments

#### Interests in group undertakings

CDK UK 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 30 weeks ended 24 April 2015 were as follows:

Name of company	Profit/(loss) on ordinary activities after taxation £'000	Net assets/ (liabilities) £'000
Covidien UK Limited	(1,628)	10,879
Covidien (UK) Commercial Limited (indirect holding)	9,481	17,970
Covidien (UK) Manufacturing Limited (indirect holding)	349	(33,526)
Covidien Healthcare Holding UK Limited	(929)	(213)

The directors believe that the carrying value of the investment is supported by their underlying net assets.

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

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

	24 April 2015 £'000	26 September 2014 £'000
Amounts owed by group undertakings	77,200	77,018

# CDK UK Limited

## Notes to the financial statements (continued) For the 30 weeks ended 24 April 2015

### 8. Called up share capital

	30 weeks ended 24 April 2015 £'000	52 weeks ended 26 September 2014 £'000
<b>Allotted, called up and fully paid</b>		
(2014: 1,900,000) redeemable ordinary shares of £1 each	1,900	1,900
(2014: 47,552,830) ordinary shares of £1 each	47,553	47,553
	<u>49,453</u>	<u>49,453</u>

### 9. Reserves

	Share Premium account £'000	Profit and Loss account £'000
At 27 September 2014	5,621	22,320
Profit for the financial period	-	182
Dividends paid	-	-
<b>At 26 September 2014</b>	<u>5,621</u>	<u>22,502</u>

### 10. Reconciliation of movements in shareholders' funds

	30 weeks ended 24 April 2015 £'000	52 weeks ended 26 September 2014 £'000
Opening shareholders' funds	77,394	77,133
Profit for the financial period	182	26,261
Dividends paid	-	(26,000)
<b>Closing shareholders' funds</b>	<u>77,576</u>	<u>77,394</u>

### 11. 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 (2014: £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 30 weeks ended 24 April 2015**

#### **12. 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 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 the Company Secretary, Covidien (UK) Commercial Ltd, 4500 Parkway, Whiteley, Fareham, Hampshire, PO15 7NY.

#### **13. Related party transactions**

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