

Registered no: 2285007

CDK UK Limited
Annual Report
For The Year Ended 30 September 2008

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CDK UK Limited

Annual Report and Financial Statements for the year ended 30 September 2008

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Officers and Professional Advisors

Directors

The directors of the company who held office during the year ended 30 September 2008 and in the period to date (unless otherwise stated) were:

D R West
L Iglesias-Fernandez
O Millet (resigned 16 January 2009)
C Blebta (resigned 1 December 2006)
D Reynolds (appointed 16 January 2009)

Secretary

D R West

Registered Office

154 Fareham Road
Gosport
Hampshire
PO13 0AS

Actuaries and Consultants

Buck Consultants Ltd
Manchester
United Kingdom

PricewaterhouseCoopers LLP
Southampton
United Kingdom

Auditors

Deloitte LLP
Chartered Accountants and Registered Auditors
Southampton
United Kingdom

Report of the directors for the year ended 30 September 2008

The directors present their report and the audited financial statements for the year ended 30 September 2008 which has been prepared in accordance with the special provisions relating to small companies under s246(4) of the Companies Act 1985.

Principal activity

The principal activity of the company is as holding company of Tyco Healthcare UK Limited, the principal activity of which is to act as holding company to Tyco Healthcare (UK) Manufacturing Limited and Covidien (UK) Commercial Limited (formerly known as Tyco Healthcare (UK) Commercial Limited).

Review of business, future developments and going concern.

The profit and loss account for the year is set out on page 7. The intention is for the business to continue as a holding company for the UK Covidien trading group. The company has net assets of £54.4m (2007: £54.4m) which relates mainly to inter-company receivables and payables. 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 payable for the foreseeable future. As a result the directors are satisfied that the going concern principle is appropriate in preparing the financial statements.

Results and dividends

The profit for the financial year was £nil (2007: £nil). The directors have paid no dividend for the year ended 30 September 2008 (2007: £nil).

Directors' interests in shares of the company

The directors who served the company in the year and the period to date are listed on page 1. No director held a beneficial interest in the shares of the CDK UK Limited group of companies at 30 September 2008, or at any time during the year.

Auditors

On 1 December 2008, Deloitte & Touche LLP changed their name to Deloitte LLP. Pursuant to section 386 of the Companies Act 1985, an elective resolution was passed on 20 September 2004 by the company, dispensing with the requirement to appoint auditors annually. Therefore, Deloitte LLP are deemed to continue as auditors.

**Report of the directors
for the year ended 30 September 2008 (continued)**

Provision of information to auditors

Each of the directors, at the time when the directors' report is approved, confirm that:

(a) so far as the director is aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the company's auditors are unaware, and

(b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information (as defined in the Companies Act 1985) and to establish that the company's auditors are aware of that information.

This confirmation is given and shall be interpreted in accordance with the provision of s234ZA of the Companies Act 1985.

By order of the board:

A handwritten signature in black ink, appearing to read 'D Reynolds', followed by a flourish.

D Reynolds
Director
29 July 2009

Statement of directors' responsibilities

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 judgments and 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the members of CDK UK Limited

We have audited the financial statements of CDK UK Limited for the year ended 30 September 2008 which comprise Profit and Loss Account, the Balance Sheet and the related notes 1 to 17. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members in accordance with section 235 of the Companies Act 1985. 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 auditors' 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

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

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 September 2008 and of its result for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Deloitte LLP

Deloitte LLP
Chartered Accountants and Registered Auditors
Southampton, United Kingdom
30 July 2009

**Profit and loss account
for the year ended 30 September 2008**

| | Notes | 2008 £'000 | 2007 £'000 |
|--|--------|---------------|---------------|
| Interest receivable and similar income | 4 | 4,281 | 3,751 |
| Interest payable and similar charges | 5 | (4,281) | (3,751) |
| Profit on ordinary activities before taxation | | - | - |
| Tax charge on profit on ordinary activities | 6 | - | - |
| Profit on ordinary activities after taxation | 13, 14 | - | - |

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

All income and expenditure in the current and preceding year is derived from continuing activities.

Balance sheet as at 30 September 2008

| | Notes | 2008 £'000 | 2007 £'000 |
|---|-------|---------------|---------------|
| Fixed Assets | | | |
| Investments | 7 | 375 | 375 |
| Current assets | | | |
| Debtors: amounts falling due within one year | 8 | 54,122 | 54,122 |
| Total assets less current liabilities | | 54,497 | 54,497 |
| Debtors: amounts falling due after more than one year | 9 | 57,833 | 57,833 |
| Creditors: amounts falling due after more than one year | 10 | (57,833) | (57,833) |
| Net assets | | 54,497 | 54,497 |
| Capital and reserves | | | |
| Called up share capital | 12 | 49,453 | 49,453 |
| Share premium | | 5,621 | 5,621 |
| Profit and loss account – deficit | 13 | (577) | (577) |
| Shareholders' funds | 14 | 54,497 | 54,497 |

The financial statements on pages 7 to 17 were approved by the board of directors on 29 July 2009 and were signed on its behalf by:



D Reynolds
Director

Notes to the financial statements for the year ended 30 September 2008

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 year. A summary of the principal accounting policies is set out below. As discussed in the Director's Report the directors have continued to adopt the going concern basis 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 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 year ended 30 September 2008 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.

Pension costs

The company participates in a number of multi-employer pension schemes, the assets and liabilities of which are held independently from the group. In the case of defined benefit pension schemes, FRS 17 "Retirement Benefits" requires the expected cost of providing pensions, as calculated periodically by a professionally qualified independent actuary, is charged to the profit and loss account so as to spread the cost over the service lives of the employees in the scheme in such a way that the pension cost is a substantially level percentage of current and expected future pensionable payroll. This is based on the cost of providing pensions across all participating group companies. The defined benefits schemes are valued every three years by a professionally qualified independent actuary.

The company is unable to identify its share of the underlying assets and liabilities of the schemes. Therefore the cost of providing pensions is not determined for each individual company, and thus the schemes are accounted for as if they were defined contribution schemes. See note 11 for the summary of key details of the group pension scheme.

In the case of defined contribution schemes, the costs are charged to the profit and loss account in the period in which they are incurred.

Notes to the financial statements for the year ended 30 September 2008 (continued)

1 Principal accounting policies (continued)

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 228 of the Companies Act 1985 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included in the consolidated financial statements of its parent ultimate parent and controlling party, Covidien Plc, a company incorporated in Ireland.

2 Directors' emoluments and employee information

The remuneration of the directors of CDK UK Limited was paid for by either Covidien UK Commercial Limited (formerly known as Tyco Healthcare (UK) Commercial Limited) or Tyco Healthcare AG in both the current and previous financial years, and disclosed accordingly within these company's financial statements. The directors represent a number of Tyco 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.

3 Profit on ordinary activities before interest and taxation

Auditors' remuneration for CDK UK Limited for the year ended 30 September 2008 will be paid by and recorded in the accounts of Covidien UK Commercial Limited (formerly known as Tyco Healthcare (UK) Commercial Limited) at £3,625 (2007: £3,500). There were no non-audit fees charged by the company's auditors in the current year.

4 Interest receivable and similar income

| | 2008 £'000 | 2007 £'000 |
|-------------------------------------|---------------|---------------|
| On loans to subsidiary undertakings | 4,281 | 3,751 |

5 Interest payable and similar charges

| | 2008 £'000 | 2007 £'000 |
|--|---------------|---------------|
| On loans from immediate parent company | 4,281 | 3,751 |

Notes to the financial statements for the year ended 30 September 2008 (continued)

6 Tax on profit on ordinary activities

| | 2008 £'000 | 2007 £'000 |
|---|---------------|---------------|
| United Kingdom corporation tax at average rate of 29% (2007: 30%) | | |
| Current | - | - |
| Total current tax charge | - | - |
| Deferred tax | | |
| Adjustments to estimated recoverable DT assets from prior periods | - | - |
| Total deferred tax charge | - | - |
| Tax charge for the year | - | - |

The differences between the total current tax shown and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax are as follows:

| | 2008 £'000 | 2007 £'000 |
|--|---------------|---------------|
| Profit on ordinary activities before tax | - | - |
| Tax on profit on ordinary activities at standard UK corporation tax average rate of 29% | - | - |
| Expenses not deductible for tax purposes | - | 42 |
| Group relief (claimed) | - | (42) |
| Current tax charge for the year | - | - |

7 Fixed asset investments

Interests in group undertakings

CDK UK Limited owns 100% (£375,000) of the issued share capital of Tyco Healthcare UK Limited, which is incorporated in England and Wales.

Tyco Healthcare UK Limited's principal activity is as a holding company of Covidien (UK) Commercial Limited and Tyco Healthcare Manufacturing Limited. Tyco Healthcare (UK) Commercial Limited's principal activity is the distribution of surgical, medical and continence care products. Tyco Healthcare Manufacturing Limited's principal activity is the manufacture of surgical and medical products. The retained profit and net assets of these companies for the year ended 30 September 2008 were as follows;

| Name of company | Profit/(loss) on ordinary activities after taxation £'000 | Net assets/(liabilities) £'000 |
|--|---|--------------------------------------|
| Tyco Healthcare (UK) Limited | (1,739) | (7,647) |
| Covidien (UK) Commercial Limited | 8,806 | 20,636 |
| Tyco Healthcare (UK) Manufacturing Limited | (7,544) | (28,744) |

Notes to the financial statements for the year ended 30 September 2008 (continued)

8 Debtors: amounts falling due within one year

| | 2008 £'000 | 2007 £'000 |
|---|---------------|---------------|
| Amounts falling due within one year: | | |
| Amounts owed by subsidiary undertakings | 54,122 | 54,122 |

9 Debtors: amounts falling due after more than one year

| | 2008 £'000 | 2007 £'000 |
|---|---------------|---------------|
| Amounts owed by subsidiary undertakings | 57,833 | 57,833 |

10 Creditors: amounts falling due after more than one year

| | 2008 £'000 | 2007 £'000 |
|--|---------------|---------------|
| Amounts owed to immediate parent company | 57,833 | 57,833 |

The total amount owed to the immediate parent company has no fixed repayment date and the group companies have confirmed that repayment will not be demanded in the 12 months from the date of signing the financial statements. Interest is charged upon this loan based on a three month LIBOR rate. The weighted average interest charge for the year was 7.09% (2007: 6.70%).

Notes to the financial statements for the year ended 30 September 2008 (continued)

11 Pension commitments

The company participates in two multi employer company pension schemes for which the cost of providing pensions cannot be determined for each individual company. These schemes are accounted for as defined contribution schemes within the accounts of CDK(UK) Limited.

The Tyco UK Group Pension Scheme is a hybrid scheme with a defined contribution and defined benefit element. The scheme was set up for certain employees effective from 1 September 1998. The company is currently contributing to the schemes at a rate of between 3% and 12% of pensionable salaries depending upon the age of the member. The assets of this scheme are held in separate trustee-administered funds. Some members of this scheme participate in a best benefit guarantee, the liability and deferred tax asset in relation to this are set out above.

Contributions to the schemes for the period were £612,000 (2007: £530,000). The latest actuarial valuations as at 1 October 2005 were updated by the actuary on an FRS 17 basis as at 30 September 2008. The Tyco Healthcare UK Defined Benefit Scheme and the Tyco UK group pension scheme have a combined deficit of £6,141,000 at 30 September 2008 (2007: £6,968,000).

Tyco Healthcare UK Defined Benefit Scheme

The major assumptions used by the actuary on this scheme were in nominal terms:

| | 2008 | 2007 | 2006 |
|--|-------|-------|-------|
| Tyco Healthcare UK Defined Benefit Scheme | | | |
| Rate of increase in salaries | 4.25% | 4.25% | 4.25% |
| Expected return on assets | 6.82% | 6.86% | 6.56% |
| Discount rate | 6.75% | 5.75% | 5.00% |
| Inflation assumption | 3.25% | 3.25% | 3.00% |

Notes to the financial statements for the year ended 30 September 2008 (continued)

11 Pension commitments (continued)

Tyco Healthcare UK Defined Benefit Scheme (continued)

| | 2008 Long term rate of return expected | 2008 Value £'000 | 2007 Long term rate of return expected | 2007 Value £'000 | 2006 Long term rate of return expected | 2006 Value £'000 |
|-------------------------------------|--|------------------------|--|------------------------|--|------------------------|
| Equities | 8.20% | 6,493 | 8.00% | 8,117 | 7.95% | 7,523 |
| Bonds | 6.00% | 2,616 | 5.55% | 2,653 | 4.85% | 2,651 |
| Government stock | 4.43% | 2,836 | 4.80% | 2,725 | 4.45% | 2,649 |
| Other | 5.00% | 36 | 5.40% | 79 | 4.95% | 85 |
| Total market value of assets | | 11,981 | | 13,574 | | 12,908 |
| Present value of insured annuities | | 14 | | 15 | | 14 |
| Present value of scheme liabilities | | (17,995) | | (20,856) | | (21,009) |
| Deficit in scheme | | (6,000) | | (7,267) | | (8,087) |
| Related deferred tax asset | | 1,800 | | 2,180 | | 2,426 |
| Net pension liability | | (4,200) | | (5,087) | | (5,661) |

| Analysis of the movement in the scheme deficit during the year | 2008 £'000 | 2007 £'000 | 2006 £'000 |
|--|---------------|---------------|---------------|
| Opening deficit in the scheme | (7,267) | (8,087) | (7,119) |
| Current service cost | (132) | (151) | (158) |
| Past service costs | (66) | - | (95) |
| Contributions | 612 | 530 | 633 |
| Curtailment gain | - | - | - |
| Other finance income | (259) | (199) | (175) |
| Actuarial gains/(losses) | 1,112 | 640 | (1,172) |
| Closing deficit in the scheme | (6,000) | (7,267) | (8,086) |

The actuarial valuations at 30 September 2008 showed a decrease in the deficit from £7,267,000 to £6,000,000, with contributions increasing to £612,000 from £530,000.

Notes to the financial statements for the year ended 30 September 2007 (continued)

11 Pension commitments (continued)

Tyco UK Group Pension Scheme (Defined Benefit Section)

The major assumptions used by the actuary on this scheme were in nominal terms:

| | 2008 | 2007 | 2006 |
|--------------------------------------|-------|-------|-------|
| Tyco UK Group Pension Scheme | | | |
| Rate of increase in salaries | 4.25% | 4.25% | 4.25% |
| Expected return on assets - equities | 8.20% | 8.00% | 7.95% |
| - cash | 5.00% | 6.00% | 4.95% |
| Discount rate - pre retirement | 6.75% | 5.75% | 5.00% |
| - post retirement | 3.50% | 3.70% | 3.00% |
| Inflation assumption | 3.25% | 3.25% | 3.00% |

| | 2008 Value £'000 | 2007 Value £'000 | 2006 Value £'000 |
|--|------------------------|------------------------|------------------------|
| Equities | 2,078 | 2,408 | 3,175 |
| Government stock | 1,424 | 1,604 | - |
| Cash | 585 | 214 | 182 |
| Total market value of assets | 4,087 | 4,226 | 3,357 |
| Present value of scheme assets/(liabilities) | 4,228 | 3,927 | (4,491) |
| (Deficit)/surplus in scheme | (141) | 299 | (1,134) |

| Analysis of the movement in the scheme (deficit)/surplus during the year | 2008 £'000 | 2007 £'000 | 2006 £'000 |
|---|---------------|---------------|----------------|
| Opening surplus / (deficit) in the scheme | 299 | (1,134) | 172 |
| Current service cost | (245) | (321) | (246) |
| Contributions | 609 | 951 | 546 |
| Other finance (expense) / income | (198) | 53 | 83 |
| Actuarial (losses) / gains | (606) | 751 | (1,689) |
| Closing (deficit)/surplus in the scheme | (141) | 299 | (1,134) |

History of experience gains and losses

| | 2008 £'000 | 2007 £'000 | 2006 £'000 |
|---|------------------|----------------|---------------|
| Difference between the expected and actual return on scheme assets: | | | |
| Percentage of scheme assets | (617) (15.1%) | (46) (1.1%) | 204 6.6% |
| Experience of gains and losses arising on the scheme liabilities | 1 | 188 | 664 |
| Percentage of present value of scheme liabilities | 0.0% | 4.8% | 14.8% |

Notes to the financial statements for the year ended 30 September 2008 (continued)

12 Share capital

| | 2008 £'000 | 2007 £'000 |
|---|---------------|---------------|
| Authorised | | |
| 1,900,000 redeemable ordinary shares of £1 each | 1,900 | 1,900 |
| 47,553,447 ordinary shares of £1 each | 47,553 | 47,553 |
| | 49,453 | 49,453 |
| Allotted, called up and fully paid | | |
| 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 |
| | 49,453 | 49,453 |

13 Reserves

| | Share Premium account £'000 | Profit and loss account deficit £'000 |
|---|-----------------------------------|--|
| At 1 October 2007 and 30 September 2008 | 5,621 | (577) |

14 Reconciliation of movements in shareholders' funds

| | 2008 £'000 | 2007 £'000 |
|------------------------------------|---------------|---------------|
| Opening shareholders' funds | 54,497 | 54,497 |
| Profit for the year | - | - |
| Closing shareholders' funds | 54,497 | 54,497 |

15 Contingent liabilities

The company is included in the Covidien (UK) Commercial Limited grouping which covers the Tyco Healthcare UK Limited statutory group. Under this arrangement, Tyco Healthcare UK Limited has indemnified its banker to the amount of £20,000 (2007: £20,000) in respect of certain Customs and Excise duties secured by a floating charge over stock and debtors of the group.

Notes to the financial statements for the year ended 30 September 2008 (continued)

16 Ultimate parent company and controlling party

The directors regard Covidien Group S.A.R.L., a company registered in Luxembourg, as the immediate controlling party by virtue of its 67% holding in the share capital of the company. The remaining 33% is held by Tyco Holdings VII (Denmark) APS, a company registered in Denmark.

The directors regard Covidien Limited, a company incorporated in Bermuda, as the ultimate parent company and controlling party for the year ending 30 September 2008. At that point Covidien Limited was the parent of the largest group to consolidate these financial statements. Copies of the consolidated financial statements of Covidien Limited are available from the Company Secretary, Tyco Healthcare UK Limited, 154 Fareham Road, Gosport, Hampshire, PO13 0AS.

On 4 June 2009 Covidien Plc, a company registered in Dublin, Ireland, purchased Covidien Limited. Therefore the directors now regard Covidien Plc as the ultimate parent company and controlling party. Covidien Plc is the parent of the largest 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, 154 Fareham Road, Gosport, Hampshire, PO13 0AS.

17 Related party transactions

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