

Covidien UK Holding Ltd

Report and financial statements for the period from 5 March 2008 to 30 September 2008

Registered Number 06524642



Covidien UK Holding Ltd

Report and financial statements for the period from 5 March 2008 to 30 September 2008

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Covidien UK Holding Ltd

Directors and advisors

Directors

Michelangelo Stefani
6 Montee Pilate
L-2336 Luxembourg
GD of Luxembourg

Jack Kapples
79 Ledgeways
Wellesley, MA 02481
USA

Larry Weiss
2 Battle Green Road
Lexington, MA 02421
USA

Secretary and registered office

Secretary
Jo Pascucci

Registered address
154 Fareham Road, Gosport,
Hampshire PO13 0AS, United Kingdom

Auditors

Deloitte LLP
Chartered Accountants and Registered Auditors
Southampton, United Kingdom

Covidien UK Holding Ltd

Director's report for the period from 5 March 2008 to 30 September 2008

The directors present their annual report and audited financial statements for the period from 5 March 2008 to 30 September 2008. This directors' report has been prepared in accordance with the special provisions relating to small companies under Section 246(4) of the Companies Act 1985.

Principal activities and review of the business

The Company was incorporated on 5 March 2008. The principle activity of the Company is the holding of investment. The directors do not anticipate a change in the business activity in the foreseeable future.

On 2 April 2008, the Company acquired 100% of the share capital of Tissue Science Laboratories Plc.

Going concern

The Company is a holding company and thus is not cash generating. Going concern of the Company is therefore dependent on the support from the Group. The company has received a letter of support as evidence.

On this basis, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Results and dividends

The company made a loss of £1,612,412 during the period from 5 March 2008 to 30 September 2008. The directors are unable to recommend the payment of a dividend.

Directors

The directors of the Company who served throughout the period, and up to the date of this report, were

J Kapples (resigned 15 February 2010)

M Stefani

L Weiss (resigned 15 February 2010)

Erik De Gres (appointed 15 February 2010)

Auditors

Each of the persons who is a director at the date of approval of this report confirms that

- 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

Covidien UK Holding Ltd

Director's report for the period from 5 March 2008 to 30 September 2008 (continued)

Auditors (continued)

- the director 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 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 Section 234 ZA of the Companies Act 1985

On 1 December 2008 Deloitte and Touche LLP changed its name to Deloitte LLP. Accordingly, Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

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 those 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 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

By order of the Board

26 April 2010



Jo Pascucci
Secretary

Covidien UK Holding Ltd

Independent auditors' report to the members of Covidien UK Holding Ltd

We have audited the financial statements of Covidien UK Holding Limited for the period from 5 March 2008 to 30 September 2008 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 14. 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 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 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 judgements 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.

Covidien UK Holding Ltd

Independent auditors' report to the members of Covidien UK Holding Ltd (continued)

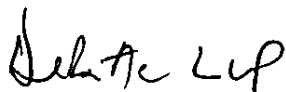
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 September 2008 and of its loss for the period 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

27 April 2010



Deloitte LLP

**Chartered Accountants and Registered Auditors
Southampton, United Kingdom**

Covidien UK Holding Ltd

Profit and loss account for the period from 5 March 2008 to 30 September 2008

| | | Period from 5 March 2008 to 30 September 2008 |
|---|-------|---|
| | Notes | £ |
| Administration expenses | 3 | (524,000) |
| OPERATING LOSS | | (524,000) |
| Interest receivable and similar income | 4 | 290,779 |
| Interest payable and similar charges | 5 | (1,379,191) |
| LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION | 3 | (1,612,412) |
| Tax on loss on ordinary activities | 6 | - |
| LOSS FOR THE FINANCIAL PERIOD | 11 | (1,612,412) |
| All result derive from continuing operations | | |

Covidien UK Holding Ltd

Statement of total recognised gains and losses for the period from 5 March 2008 to 30 September 2008

| | | Period from 5 March 2008 to 30 September 2008 |
|---|--------------|--|
| | Notes | £ |
| Loss for the financial period | 11 | <u>(1,612,412)</u> |
| Total recognised gains and losses recognised since the incorporation | | <u>(1,612,412)</u> |

Covidien UK Holding Ltd

Balance sheet accounts as of 30 September 2008

| | | 2008 |
|---|-------|---------------------|
| | Notes | £ |
| FIXED ASSETS: | | |
| Investments | 7 | 37,727,165 |
| | | <u>37,727,165</u> |
| CURRENT ASSETS | | |
| Cash at bank and in hand | | 86,398 |
| CREDITORS - amounts falling due within one year | 8 | (39,424,975) |
| NET CURRENT LIABILITIES | | <u>(39,338,577)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>(1,611,412)</u> |
| CREDITORS - amounts falling due after more than one year | | - |
| NET LIABILITIES | | <u>(1,611,412)</u> |
| CAPITAL AND RESERVE | | |
| Called up share capital | 10 | 1,000 |
| Profit and loss account | 11 | (1,612,412) |
| Shareholders' deficit | | <u>(1,611,412)</u> |

The financial statements of Covidien UK Holding Limited, registered number 06524642, on pages 6 to 14 were approved by the board of directors and authorised for issue on 18 February 2010 and were signed on its behalf by

Date 26 April 2010


Michelangelo Stefani
Director

Covidien UK Holding Ltd

Notes to the Financial Statements as of 30 September 2008

1. Accounting Policies

The financial statements are prepared under the historical cost convention and in accordance with the Companies Act 1985 and applicable United Kingdom accounting standards. The principal accounting policies adopted, which have been applied consistently in the current and preceding year, are described below.

Basis of preparation

The Directors have prepared these financial statements on the basis that the business is a going concern. Details of the directors' assessment relating to going concern can be found in the Directors Report (page 2).

Basis of consolidation

The Company is exempt from the requirement to prepare group accounts under section 228 of the Companies Act 1985 as its ultimate parent company, Covidien Limited, a company incorporated in Bermuda, prepared group accounts which incorporate the results of the Company and are publicly available. The financial statements therefore contain information about Covidien UK Holding Ltd as an individual company, not as a group.

Investments

Investments held as fixed assets are stated at cost less provision for any impairment in value.

Taxation

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

Deferred tax is provided in full on timing differences, which 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.

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. Translation differences arising are dealt with in the profit and loss account.

Cash flow statement

As permitted by Financial Reporting Standard No 1 (Revised 1996) "Cash Flow Statements", the company has not included a cash flow statement as part of its financial statements because the consolidated accounts of its ultimate parent undertaking, Covidien Limited, are publicly available.

Related party transactions

Under the provisions of Financial Reporting Standard No 8 "Related Party Disclosures" the company has not disclosed details of related party transactions with other group companies as its ultimate parent company prepares publicly available consolidated financial statements which include the company.

2 Directors and employees

The emoluments of Michelangelo Stefani, Jack Kapples and Larry Weiss are borne by Covidien Group Sarl (Michelangelo Stefani) and Covidien, Mansfield (Jack Kapples, Larry Weiss). Their services as directors of this company are considered insignificant in the context of their overall services to the Group and therefore no allocation of remuneration to this subsidiary is made. Details of their total remuneration are publicly available in the accounts of Covidien Group Sarl, a company incorporated in Luxembourg and Covidien, Corporate Office, Mansfield, MA, USA. The company had no employees during the period ended 30 September 2008.

Covidien UK Holding Ltd

Notes to the Financial Statements as of 30 September 2008

3. Loss on ordinary activities before taxation

Period from 5 March
2008 to 30
September 2008
£

Loss on ordinary activities before taxation is stated after charging

| | |
|--|----------------|
| Professional fees | 523 659 |
| Bank fees | 24 |
| Audit Fees | 2,000 |
| Net gain on foreign currency translation | (1,682) |
| | 524,000 |

The Company has not incurred any costs in relation to non-audit services

4. Interest receivable and similar income

Period from 5 March
2008 to 30
September 2008
£

| | |
|--|----------------|
| Interest receivable from group companies | 141,464 |
| Bank interest receivable | 149,315 |
| | 290,779 |

5. Interest payable and similar charges

Period from 5 March
2008 to 30
September 2008
£

| | |
|-------------------------------------|------------------|
| Interest payable to group companies | 1 375 799 |
| Other interest | 3,392 |
| | 1,379,191 |

Covidien UK Holding Ltd

Notes to the Financial Statements as of 30 September 2008

6. Tax on loss on ordinary activities

Period from 5 March
2008 to 30
September 2008

| | |
|---|---|
| UK Corporate tax charges for the period | £ |
| | - |

The tax assessed for the year is different to the standard rate of corporation tax in the UK of 29%
The difference are explained below

Period from 5 March
2008 to 30
September 2008

| | |
|---|-------------|
| Loss on ordinary activities before tax | £ |
| | (1,612,412) |
| Tax on loss on ordinary activities at standard rate | (467,600) |
| Factors affecting credit for the period | |
| Expenses not deductible for tax | - |
| Losses not utilised | (467,600) |
| Group relief surrendered not paid | - |
| Total amount of current tax | - |

The standard rate of corporation tax in the UK changed from 30% to 28% with effect from 1 April 2008. Accordingly the company's profits are taxed at an effective rate of 29% and will be taxed at 28% in the future

7. Investments held as fixed assets

Period from 5 March
2008 to 30
September 2008

Shares in group undertakings

| | |
|----------------------|------------|
| Additions | 37,727,165 |
| At 30 September 2008 | 37,727,165 |

Impairment

| | |
|----------------------|---|
| Impairment charge | - |
| At 30 September 2008 | - |

Net Book Value

| | |
|----------------------|------------|
| At 30 September 2008 | 37,727,165 |
|----------------------|------------|

Covidien UK Holding Ltd

Notes to the Financial Statements as of 30 September 2008

7. Investments held as fixed assets *(continued)*

| Name | Country of Incorporation | Principal Activity | % of nominal value of ordinary shares |
|-------------------------------------|-----------------------------|--------------------|--|
| Tissue Science Laboratories Plc | | | 100% |
| Tissue Science Laboratories Ltd (*) | | | 100% |

(*) Investment held by subsidiary undertaking

Group accounts are not prepared since the company is a wholly owned subsidiary of Covidien Limited, incorporated in Bermuda. Consequently these accounts present information about the Company as an entity rather than its group.

On 2 April 2008, the company acquired 100% of the ordinary share capital of Tissues Science Laboratories Plc.

8. Creditors - amounts falling due within one year

| | Period from 5 March 2008 to 30 September 2008 £ |
|-----------------------------------|--|
| Amount owed to group undertakings | 39,422,975 |
| Audit fees | 2,000 |
| | 39,424,975 |

Amounts owed to group undertakings include

- a loan of £ 28,545,770.97 which is unsecured, repayable on demand and bears interest at LIBOR + 1%
- a loan of £ 10,328,686.27 which is unsecured, repayable on demand and bears interest at LIBOR + 1%

9 Deferred taxation

The unrecognised amount of deferred tax asset is analysed as follows

| | Period from 5 March 2008 to 30 September 2008 £ |
|--------|--|
| Losses | (467,600) |

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

Covidien UK Holding Ltd

Notes to the Financial Statements as of 30 September 2008

10. Called up share capital

Period from 5 March
2008 to 30
September 2008

£

Alloted, called up and fully paid
1,000 ordinary shares of £1 each

1,000

11. Profit and loss account

£

Loss for the financial period (1,612,412)

30 September 2008 (1,612,412)

12. Reconciliation of movements in shareholder's deficit

Period from 5 March
2008 to 30
September 2008

£

Loss for the financial year (1,612,412)

Net increase in shareholder's deficit (1,612,412)

Opening shareholder's deficit -

Closing shareholder's deficit (1,612,412)

13 Ultimate parent company

At 30 September 2008, the company's immediate parent company is Covidien Group Sarl, a company incorporated in Luxembourg

The directors regard Covidien Limited, a Company incorporated in Bermuda, as the ultimate parent company and controlling party for the period 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

Covidien UK Holding Ltd

Notes to the Financial Statements as of 30 September 2008

13. Ultimate parent company (continued)

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.

14. Acquisition of subsidiary note

The Company acquired 100% of the shares of Tissue Science Laboratories Plc on 2 April 2008. The Company paid £37,727,165 in cash for the acquisition.

| | Book & Fair value on 2 April 2008 |
|----------------------------|--------------------------------------|
| Fixed Assets | |
| Intangible | 31,452,140 |
| Tangible | 4,491,252 |
| Current Assets | |
| Stocks | 6,071,455 |
| Debtors | 10,604,481 |
| Cash | (374,765) |
| Total Assets | 52,244,563 |
| Creditors | |
| Bank loans | 1,665,866 |
| Trade Creditors | 9,739,448 |
| Accruals | 3,989,961 |
| Provisions | |
| Pensions | |
| Taxation | |
| Total Liabilities | 15,395,275 |
| Net Assets Acquired | 36,849,288 |
| Goodwill | 877,877 |
| Total consideration | 37,727,165 |