

Registered no: 03122084

Lafayette Healthcare Limited

Annual Report

For the period ended 30 September 2001



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For the Period Ended 30 September 2001

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Report of the directors for the period ended 30 September 2001

The directors present their report and the audited financial statements for the nine month period ended 30 September 2001.

Principal activity and review of the business

The company's principal activity during the year was the marketing and selling of radiological products.

On 15 December 2000, Lafayette Healthcare Inc. was acquired by Mallinckrodt Inc. which itself had been acquired by Tyco International Limited on 17 October 2000. As a result, the trade and assets of Lafayette Healthcare Limited were transferred to Mallinckrodt UK Ltd on 30 April 2001, and subsequently have been incorporated into that of Tyco Healthcare (UK) Commercial Limited since 1 June 2001.

Results and dividends

The profit for the nine month financial period, after taxation, amounted to £874 (year ended 31 December 2000: £68,161 profit). The accounting date was brought forward to 30 September 2001 to match the Tyco Healthcare group's year end. The directors do not recommend the payment of a dividend.

Directors

The directors of the company during the year were:

L H Swindells	(appointed 30 March 2001)
D R West	(appointed 30 March 2001)
T Settevik	(appointed 30 March 2001; resigned 14 January 2002)

H Hoebel, Ms L E Hamilton-Lang and H Sandhu resigned as directors on 30 March 2001.

Directors' interests in shares of the company

No director held a beneficial interest in the shares of the company or in the Mallinckrodt Medical Holdings (UK) Limited group of companies at 30 September 2001, or at any time during the period.

The Company has taken advantage of the exemption under Statutory Instrument 85/802 to not disclose details of directors' interests in shares or share options held in the ultimate parent company, Tyco International Limited, which is incorporated outside of the UK.

Auditors

The Company's auditors are PricewaterhouseCoopers.

Pursuant to section 386 of the Companies Act 1985, and Elective Resolution has been passed by the Company dispensing with the requirement to appoint auditors annually. Therefore PricewaterhouseCoopers are deemed to continue as auditors to the Company.

By order of the board



**L H Swindells
Director**

Statement of directors' responsibilities in respect of the financial statements

Company law requires the directors to prepare financial statements for each financial period which 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; 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 which disclose with reasonable accuracy at any time the financial position of the company and to 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.



L H Swindells
Director

Independent auditors' report to the members of Lafayette Healthcare Limited

We have audited the financial statements on pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies set out on pages 6 and 7.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

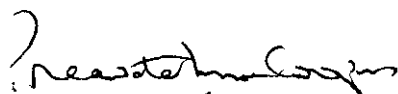
Basis of audit opinion

We conducted our audit in accordance with auditing standards 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.

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 of the state of the company's affairs at 30 September 2001 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Southampton

30 May 2002

**Profit and loss account
for the period ended 30 September 2001**

	Notes	9 month period ended 30 September 2001 £	Year ended 31 December 2000 £
Turnover	2	302,736	988,520
Cost of sales		(195,850)	(559,748)
Gross profit		106,886	428,772
Net operating expenses	3	(97,285)	(346,055)
Operating profit	4	9,601	82,717
Interest payable and similar charges	7	(97)	(5,698)
Profit on ordinary activities before taxation		9,504	77,019
Tax on profit on ordinary activities	8	(8,630)	(8,858)
Profit for the financial period	15	874	68,161

All operations are discontinued following the transfer of business to Mallinckrodt UK Limited from 30 April 2001.

There were no recognised gains and losses other than those included above.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the period stated above, and their historical cost equivalents.

Balance sheet as at 30 September 2001

	Notes	2001 £	2000 £
Tangible assets			
Intangible fixed assets	9	-	200,285
Tangible fixed assets	10	-	5,595
		-	205,880
Current assets			
Stock	11	-	245,995
Debtors	12	98,052	209,884
Cash at bank and in hand		-	48,341
		98,052	504,220
Creditors: amounts falling due within one year	13	-	(611,765)
Net current assets/(liabilities)		98,052	(107,545)
Total assets less current liabilities		98,052	98,335
Provisions for liabilities and charges	17	-	(1,157)
Net assets		98,052	97,178
Capital and reserves			
Called up share capital	14	90,000	90,000
Profit and loss account	15	8,052	7,178
Equity shareholders' funds	15	98,052	97,178

The financial statements on pages 4 to 12 were approved by the board of directors on
 ...30 MAY 2002... and were signed on its behalf by:



L H Swindells
Director

Notes to the financial statements for the period ended 30 September 2001

1 Accounting policies

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The company complies with accounting standard FRS 18 "Accounting Policies", which gives guidance relating to the selection, application and disclosure of accounting policies applied in financial statements.

Patents and trademarks

The cost of trademarks and patents is capitalised and amortised through the profit and loss account over the estimated economic life of seven years. This is considered to be the useful life of the trademarks and patents based on the directors' best estimate of the period during which they expect future economic benefits to arise.

Licences

The costs of obtaining product licences for the Department of Health are capitalised as incurred and charged to the profit and loss account over a period of five years from the date the licence is granted. The five year period has been determined based on the renewal of licences every five years.

Cash flow statement

The company has taken advantage of the exemption granted by Financial Reporting Standard No. 1 (Revised) not to prepare a cash flow statement.

Tangible fixed assets

The cost of tangible fixed assets comprises their purchase price together with any incidental costs of acquisition.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value based on prices prevailing at the date of acquisition or revaluation, of each asset evenly over its expected useful life, as follows:

Plant and machinery	- 7 years
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Stocks

Stocks, comprising finished goods, are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition. Net realisable value is based on estimated selling prices less any further costs expected to be incurred prior to sale.

Pensions

The company operates a defined contribution personal pension scheme for its employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

Notes to the financial statements for the period ended 30 September 2001

Operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

Deferred taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences, to the extent that the liability will crystallise.

2 Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties and arises from the discontinued principal activity in the United Kingdom.

3 Net operating expenses

	9 month period ended 30 September 2001 £	Year ended 31 December 2000 £
Administrative expenses	64,606	295,699
Distribution expenses	32,679	50,356
	<hr/> 97,285	<hr/> 346,055

4 Operating profit

This is stated after charging:

	9 month period ended 30 September 2001 £	Year ended 31 December 2000 £
Depreciation of tangible fixed assets	362	1,242
Amortisation of intangible fixed assets	7,430	20,623
Auditor's remuneration - audit	3,000	8,000
Operating lease rentals	3,520	11,094

Notes to the financial statements for the period ended 30 September 2001

5 Directors' emoluments

No directors' emoluments were incurred by the company during 2001 or 2000. The directors are all employees of other Group companies and their emoluments and contributions to pension schemes are paid on their behalf by the other group companies.

6 Staff costs

	9 month period ended 30 September 2001 £	Year ended 31 December 2000 £
Wages and salaries	32,423	100,070
Social security costs	6,423	10,342
Other pension costs (note 18)	1,800	4,600
	40,646	115,012

The monthly average number of employees during the period was as follows:

	2001 No.	2000 No.
Selling and distribution	1	1
Administration	1	1
	2	2

7 Interest payable and similar charges

	9 month period ended 30 September 2001 £	Year ended 31 December 2000 £
Interest payable to group undertakings	-	5,698
Bank charges	97	-
	97	5,698

8 Tax on profit on ordinary activities

	9 month period ended 30 September 2001 £	Year ended 31 December 2000 £
UK corporation tax @ 30% (2000: 30%)	5,371	28,513
Corporation tax under/(over)provided in previous years	3,259	(19,655)
	8,630	8,858

Notes to the financial statements for the period ended 30 September 2001

9 Intangible fixed assets

	Licences £	Trademarks and patents £	Total £
Cost			
At 1 January 2001	207,242	65,000	272,242
Additions	-	-	-
Disposals	(207,242)	(65,000)	(272,242)
At 30 September 2001	-	-	-
Depreciation:			
At 1 January 2001	29,884	42,073	71,957
Provided during the period	4,720	2,710	7,430
Disposals	(34,604)	(44,783)	(79,387)
At 30 September 2001	-	-	-
Net book value:			
At 30 September 2001	-	-	-
At 31 December 2000	177,358	32,215	200,285

All intangible fixed asset disposals were in respect of transfers at net book value to Mallinckrodt UK Ltd on 30 April 2001 (note 19).

10 Tangible fixed assets

	Plant and machinery £
Cost	
At 1 January 2001	10,099
Additions	-
Disposals	(10,099)
At 30 September 2001	-
Depreciation	
At 1 January 2001	4,504
Provided during the period	362
Disposals	(4,866)
At 30 September 2001	-
Net book value	
At 30 September 2001	-
At 31 December 2000	5,595

All tangible fixed asset disposals were in respect of transfers at net book value to Mallinckrodt UK Ltd on 30 April 2001 (note 19).

Notes to the financial statements for the period ended 30 September 2001

11 Stock

	At 30 September 2001 £	At 31 December 2000 £
Finished goods	-	245,995

12 Debtors

	At 30 September 2001 £	At 31 December 2000 £
Trade debtors	-	190,142
Other taxation and social security	-	18,134
Amount receivable from related company	98,052	-
Other debtors	-	1,608
	98,052	209,884

13 Creditors: amounts falling due within one year

	At 30 September 2001 £	At 31 December 2000 £
Trade creditors	-	42,537
Amounts owed to group undertakings	-	405,539
Due to immediate parent undertaking	-	75,000
Corporation tax	-	28,513
Other taxes and social security costs	-	31,751
Accruals and deferred income	-	28,425
	-	611,765

14 Share capital

Authorised, allotted, called up and fully paid	At 30 September 2001 £	At 31 December 2000 £
Ordinary shares of £1 each	90,000	90,000

Notes to the financial statements for the period ended 30 September 2001

15 Reconciliation of shareholders' funds and movement on reserves

	Share capital £	Profit and loss account £	Total shareholders' funds £
At 1 January 2001	90,000	7,178	97,178
Profit for the period	-	874	874
At 30 September 2001	90,000	8,052	98,052

16 Financial commitments

At 30 September 2001 the company had no commitments under non-cancellable operating leases as these were transferred to Tyco Healthcare (UK) Commercial Limited.

	At 31 December 2000 £
Operating leases which expire:	
Within one year	7,042
In two to five years	-
In over five years	-
	7,042

17 Provisions for liabilities and charges

Deferred taxation	2001 Provided £	2001 Unprovided £	2000 Provided £	2000 Unprovided £
Excess of capital allowances over depreciation	-	-	1,157	-

18 Pension obligations

The company operates a defined contribution pension scheme for its employees. Contributions payable during the period were £1,800 (2000: £4,600).

Notes to the financial statements for the period ended 30 September 2001

19 Sale of net assets from Lafayette Healthcare Limited to Mallinckrodt UK Ltd

On 30 April 2001, the assets and liabilities of Lafayette Healthcare Limited were transferred to Mallinckrodt UK Limited. Proceeds were determined at the net book value at the date of transfer. Details of the net assets transferred are as follows:

	Book value and fair value £
Intangible fixed assets	192,855
Tangible fixed assets	5,233
Current assets	499,248
Current liabilities	(524,550)
Long term liabilities	(76,624)
Deferred taxation	(1,157)
Net assets	95,005
Consideration	(95,005)
Gain/(loss) on disposal	-

The consideration takes the form of an inter-company loan from Mallinckrodt UK Ltd to Lafayette Healthcare Limited.

20 Related party transactions

The company has taken advantage of the exemption granted by FRS 8 not to disclose details of related party transactions with other undertakings within the Tyco International group and Mallinckrodt Inc. groups.

21 Parent undertaking and controlling party

The parent undertaking of the group of which the company is a subsidiary company is Lafayette Pharmaceuticals Inc, incorporated in the US. Copies of the company's financial statements are available from 22699 1d Canal Road, Yorba Linda, CA92887. The ultimate parent undertaking is Tyco International Ltd (Bermuda). Tyco International Limited is the parent of the largest group to consolidate these financial statements.

Copies of the consolidated financial statements of Tyco International Limited are available from the Company Secretary, Tyco Healthcare UK Limited 154 Fareham Road, Gosport, Hampshire, PO13 0AS.