

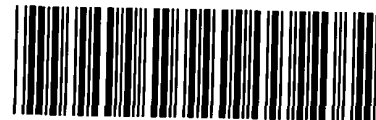
Company Registration No. 04036573

Covidien (UK) Manufacturing Limited

Annual Report and Financial Statements

For the year ended 28 April 2017

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Covidien (UK) Manufacturing Limited

Annual Report and Financial Statements for the year ended 28 April 2017

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Covidien (UK) Manufacturing Limited

Annual Report and Financial Statements For the year ended 28 April 2017

Officers and professional advisers

Directors

O Ellis
M Elsey (Appointed 1 November 2016)
J Fielding (Appointed 1 November 2016)
D Reynolds (Resigned 21 October 2016)

Company secretary

J Pascucci

Registered office

Building 9 Croxley Park
Hatters Lane
Watford
Hertfordshire
England
WD18 8WW

Bankers

Barclays Bank plc
London
United Kingdom

Independent auditors

PricewaterhouseCoopers LLP
10 Bricket Road
St Albans
Hertfordshire
AL1 3JX
United Kingdom

Covidien (UK) Manufacturing Limited

Strategic report

The Directors, in preparing this strategic report on the affairs of the Company for the year ended 28 April 2017, have complied with s414C of the Companies Act 2006.

Review of business

The company did not trade during the year ended 29 April 2016 to the year ended 28 April 2017. Although not operational, the company has recorded a profit for the financial year of £32,000 (2016: £46,000) which is mainly attributable to intercompany interest received. There is no recognised comprehensive income other than the profit for the financial year ended 28 April 2017.

Net liabilities of the company at the end of the year were £33,448 (2016: £33,480).

Key performance indicators

Given the straightforward nature of the business, the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the developments, performance or position of the business.

Principal risks and uncertainties

As the Company is non trading the Directors believe the only risk or uncertainty is in regards of the recoverability of the receivable due from other group companies.

Approved by the Board and signed on its behalf by:



M Elsey
Director

20 November 2017

Covidien (UK) Manufacturing Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 28 April 2017. The company is a subsidiary of Covidien UK Limited, a company incorporated in the United Kingdom.

Dividends

No dividend was paid (2016: £nil) and the directors do not recommend the payment of a dividend in respect of the year ended 28 April 2017.

Employees

As stated in note 4, the company has no direct employees (2016: nil).

Future developments

Covidien (UK) Manufacturing Limited will continue as a non-trading entity.

Financial risk management objectives and policies

The company's principal financial instrument is an intercompany cash pool balance. The company has no derivative instruments.

Cash flow risk

The company is part of a group cash pooling arrangement which mitigates cash flow risk.

Credit risk

The company's only financial assets are receivables due from group entities. The company has no liquid funds or derivative financial arrangements.

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.

Directors

The current directors are shown on page 1. The directors, who were in office during the year ended 28 April 2017 and up to the signing of the financial statements, were:

O Ellis

M Elsey (Appointed 1 November 2016)

J Fielding (Appointed 1 November 2016)

D Reynolds (Resigned 21 October 2016)

Employee consultation

The company has no employees.

Going concern

The directors believe that preparing the financial statements on a going concern basis is appropriate due to the continued financial support of Covidien International Finance SA. The directors have received confirmation that Covidien International Finance SA intends to support the Company for at least one year after these financial statements are signed.

Covidien (UK) Manufacturing Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting 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 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.

The directors 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.

Independent auditors

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

Approved by the Board and signed on its behalf by:



M Elsey
Director

20 November 2017

Independent auditors' report to the members of Covidien (UK) Manufacturing Limited

Report on the financial statements

Our opinion

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

- give a true and fair view of the state of the company's affairs as at 28 April 2017 and of its profit for the year 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 28 April 2017;
- the Statement of comprehensive income for the year then ended;
- the Statement of changes in equity for the year 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 United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

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.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' responsibilities set out on page 4, 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

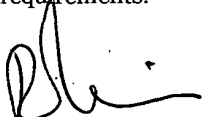
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Radek Vik (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
St Albans

20 November 2017

Covidien (UK) Manufacturing Limited

Statement of comprehensive income For the year ended 28 April 2017

	Note	Year ended 28 April 2017 £'000	Year ended 29 April 2016 £'000
Administrative expenses	2	(3)	(5)
Interest receivable and similar income	3	35	51
Profit before taxation	5	32	46
Tax on profit on ordinary activities	6	-	-
Profit for the financial year		32	46
Other comprehensive income		-	-
Total comprehensive income for the year		32	46

All income and expenditure in the current year and prior year are derived from discontinued operations.

There are no material differences between the results shown for above and their historical cost equivalents.

The notes on pages 10 to 16 form part of the financial statements.

Covidien (UK) Manufacturing Limited

Balance sheet As at 28 April 2017

	Note	28 April 2017 £'000	29 April 2016 £'000
Current assets			
Debtors	7	12,105	12,073
		<hr/> 12,105	<hr/> 12,073
Creditors: amounts falling due within one year	8	(45,553)	(45,553)
Net current liabilities		<hr/> (33,448)	<hr/> (33,480)
Total assets less current liabilities		<hr/> (33,448)	<hr/> (33,480)
Capital and reserves			
Called up Share capital	9	-	-
Accumulated losses		(33,448)	(33,480)
Total shareholders' deficit		<hr/> (33,448)	<hr/> (33,480)

The financial statements of Covidien (UK) Manufacturing Limited, registered number 04036573 on pages 7 to 16 were authorised and approved by the Board of Directors on **20** November 2017 and were signed on its behalf by:



M Elsey
Director

Covidien (UK) Manufacturing Limited

Statement of changes in equity For the year ended 28 April 2017

Note	Called up Share capital £'000	Accumulated losses £'000	Total shareholders' deficit £'000
Balance as at 25 April 2015	-	(33,526)	(33,526)
Profit for the financial year	-	46	46
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	-	-
Balance as at 29 April 2016	-	(33,480)	(33,480)
Profit for the financial year	-	32	32
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	32	32
Balance as at 28 April 2017	-	(33,448)	(33,448)

Covidien (UK) Manufacturing Limited

Notes to the financial statements For the year ended 28 April 2017

1. Principal accounting policies

General information

Covidien (UK) Manufacturing Limited is a private company limited by shares and it is incorporated in United Kingdom. The address of its registered office is Building 9 Croxley Park, Hatters Lane, Watford, Hertfordshire, WD18 8WW, England.

The Company has not traded during the year.

Statement of compliance

The individual financial statements of Covidien (UK) Manufacturing Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation and going concern

The financial statements are prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

The directors of the business are satisfied that debtors' balances are recoverable from within the group and have obtained a letter of comfort from Covidien International Finance SA to confirm there is no current intention to call on the intercompany payables for the foreseeable future. As a result the directors are satisfied that the going concern principle is appropriate in preparing the financial statements.

(b) Exemption for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, if certain conditions have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. The Company is a qualifying entity as its results are consolidated into the financial statements of Medtronic Plc. which are publicly available.

As a qualifying entity, the Company has taken advantage of the following exemptions:

- (i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
- (ii) from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;

(c) Operating results

The operating results include transactions up to and including the Friday nearest to 29 April of each year. Accordingly as required by Section 390(3) of the Companies Act 2006 the financial statements refer to the year to 28 April 2017 (2016: year to 29 April 2016).

Covidien (UK) Manufacturing Limited

Notes to the financial statements (continued) **For the year ended 28 April 2017**

1. Principal accounting policies (continued)

(d) Taxation

Taxation expense for the year/period comprises current and deferred tax recognised in the reporting year. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised directly in equity. In this case tax is also recognised directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

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.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

(e) Contingencies

Contingent liabilities are not recognised. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

(f) Financial instruments

The Company has chosen to adopt the sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets including other debtors are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the statement of comprehensive income.

Covidien (UK) Manufacturing Limited

Notes to the financial statements (continued) For the year ended 28 April 2017

1. Principal accounting policies (continued)

(f) Financial instruments (continued)

(i) Financial assets (continued)

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including other creditors and loans from fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

The Company does not hold or issue derivative financial instruments.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle to liability simultaneously.

(g) Related party transactions

The company has taken advantage of the exemptions from disclosing related party transactions with wholly owned entities that are part of the Medtronic Plc. There are no other related party transactions.

(h) Future amendments to FRS 102

Amendments to FRS 102 were issued in July 2015 as a result of changes in the EU- directives and UK Companies Regulation. The amendments are mandatory for periods beginning on or after 1 January 2016, with early adoption permitted for periods beginning on or after 1 January 2015. None of these have a significant effect on the financial statements of the Company.

2. Administrative expenses

	Year ended 28 April 2017 £'000	Year ended 29 April 2016 £'000
Total administrative expenses	(3)	(5)

Covidien (UK) Manufacturing Limited

Notes to the financial statements (continued) For the year ended 28 April 2017

3. Interest receivable and similar income

	Year ended 28 April 2017 £'000	Year ended 29 April 2016 £'000
Intercompany interest receivable	35	51

4. Directors' emoluments and employee information

Directors' emoluments

No directors were remunerated by Covidien (UK) Manufacturing Limited in either the year ended 29 April 2016 to the year ended 28 April 2017.

Employee information

No one was employed by the company during the current year or prior year.

5. Profit before taxation

	Year ended 28 April 2017 £'000	Year ended 29 April 2016 £'000
Profit before taxation is stated after charging:		
Intercompany balance write off	-	-
Audit fees (see note below)	(4)	(4)
Bank charges	-	-

Auditors' remuneration

	Year ended 28 April 2017 £'000	Year ended 29 April 2016 £'000
Fees payable to the company's auditors for the audit of the company's annual financial statements	4	4
Fees payable to the company's auditors for other services	-	4

The fee of £4,224 (2016: £4,120) was paid to the auditors for the audit of Covidien (UK) Manufacturing Limited.

There was £nil remunerated to statutory auditors during the year in respect of non-audit services for the transition to FRS102 (2016: £3,800).

Covidien (UK) Manufacturing Limited

Notes to the financial statements (continued) For the year ended 28 April 2017

6. Tax on profit

There is no current or deferred tax payable in the year (2016: £nil). Tax assessed for the period is lower (2016: lowest) than the standard rate of corporation tax in the UK.

Differences between the total tax shown and the amount calculated by applying the standard rate of UK corporation tax to profit on ordinary activities before taxation are as follows:

	Year ended 28 April 2017 £'000	Year ended 29 April 2016 £'000
Profit before taxation	32	46
Tax on profit at standard UK corporation tax rate of 20.00% (2016: 20.00%)	6	9
Group relief	(6)	(9)
Total tax for the year/period	-	-

Further reductions to the UK main rate were included in the Finance Act 2015, lowering the rate to 19.00% from 1 April 2017 and to 18.00% from 1 April 2020. A decrease to 17.00% with effect from 1 April 2020 was also announced in the UK 2016 Budget. These further reductions had not been substantively enacted at the balance sheet date and their effects are therefore not included in these financial statements.

7. Debtors

	28 April 2017 £'000	29 April 2016 £'000
Amounts falling due within one year:		
Amounts owed by group undertakings	12,105	12,073

Amounts owed by Group undertakings represents cash pool credit balance which is unsecured and repayable on demand. Interest is received at a one month LIBOR rate with a weighted average interest rate of 0.293% (2016: 0.4080%).

Covidien (UK) Manufacturing Limited

Notes to the financial statements (continued) For the year ended 28 April 2017

8. Creditors: amounts falling due within one year

	28 April 2017 £'000	29 April 2016 £'000
Amounts falling due within one year:		
Amounts owed to group undertakings	6,314	6,314
Amounts owed to parent company	39,236	39,236
Accruals and deferred income	3	3
	<u>45,553</u>	<u>45,553</u>

Creditors falling due within one year were not subject to interest in either the current year or previous year. The balances are unsecured and repayable on demand.

Amounts owed to group undertakings represents the balance between Covidien (UK) Manufacturing Limited and Medtronic Limited.

9. Called up Share capital

	28 April 2017 £	29 April 2016 £
Authorised		
100,000,000 (2016: 100,000,000) ordinary shares of £1 each	<u>100,000,000</u>	<u>100,000,000</u>
Allotted, issued and fully-paid		
1 (2016: 1) ordinary share of £1 each	<u>1</u>	<u>1</u>

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and repayment of capital.

10. Financial commitments

Lease commitments

The company had no future minimum lease payments in respect of non-cancellable operating leases in either the current year or prior year.

Covidien (UK) Manufacturing Limited

Notes to the financial statements (continued) **For the year ended 28 April 2017**

11. Contingent liabilities

The company is included in the Covidien (UK) Commercial Limited VAT 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 (2016: £20,000) in respect of certain Customs and Excise duties secured by a floating charge over stock and debtors of the group.

12. Ultimate parent company and controlling party

The company is a wholly owned subsidiary of Covidien UK Limited, which in turn is a wholly owned subsidiary of CDK (U.K.) Limited, a company registered in England and Wales.

The directors regard Medtronic plc, a company incorporated in Ireland, as the ultimate parent company and controlling party. Medtronic plc is the parent of the largest and smallest group to consolidate these financial statements.

Covidien (UK) Manufacturing Limited is included in the publicly available financial statements of Medtronic plc which are available from www.medtronic.com.