

Mallinckrodt Enterprises UK Limited

Reports and Financial Statements
for the financial period from
26 December 2020 to
31 December 2021

Registered no: 09090223



MALLINCKRODT ENTERPRISES UK LIMITED
REPORTS AND FINANCIAL STATEMENTS

CONTENTS	PAGE
DIRECTORS AND OTHER INFORMATION	3
DIRECTORS' REPORT	4 – 6
DIRECTORS' RESPONSIBILITIES STATEMENT	7
INDEPENDENT AUDITOR'S REPORT	8 – 10
PROFIT AND LOSS ACCOUNT	11
BALANCE SHEET	12
STATEMENT OF CHANGES IN EQUITY	13
NOTES TO THE FINANCIAL STATEMENTS	14 – 20

MALLINCKRODT ENTERPRISES UK LIMITED

DIRECTORS' REPORT

DIRECTORS

Mark Joseph Casey (Resigned 16 September 2022)
Toby Godrich (Appointed 16 September 2022)
Bryan Marlen Reasons (Resigned 27 September 2022)
Michael Norman (Appointed 27 September 2022)

SECRETARY

Intertrust (UK) Limited (Appointed 15 June 2021)
Stephanie Dorn Miller (Resigned 15 June 2021)

REGISTERED NUMBER

09090223

REGISTERED OFFICE

3 Lotus Park
The Causeway
Staines-upon-Thames
England
TW18 3AG

INDEPENDENT AUDITORS

Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House
29 Earlsfort Terrace
Dublin 2
Ireland

MALLINCKRODT ENTERPRISES UK LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements of the company for the financial period ended 31 December 2021.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is that of a holding company.

Mallinckrodt Enterprises UK Limited is part of Mallinckrodt Group, whose principal activity is to develop, manufacture, market and distribute specialty pharmaceutical products and therapies.

On 12 October 2020, Mallinckrodt plc and certain of its subsidiaries, including Mallinckrodt Enterprises UK Limited (the "Debtors") (voluntarily initiated proceedings (the "Chapter 11 Cases") under chapter 11 of title 11 ("Chapter 11") of the United States Code (the "Bankruptcy Code"). On March 2, 2022, the U.S. Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") entered an order confirming the fourth amended plan of reorganization (with technical modifications (the "Plan"). Subsequent to the filing of the Chapter 11 Cases, Chapter 11 proceedings commenced by a limited subset of the Debtors were recognized and given effect in Canada, and separately the High Court of Ireland made an order confirming a scheme of arrangement on 27 April 2022, which is based on and consistent in all respects with the Plan (the "Scheme of Arrangement"), that the Scheme of Arrangement would become effective concurrently with the Plan. On 8 June 2022, the Bankruptcy Court entered an order approving a minor modification to the Plan. The Plan and Scheme of Arrangement became effective on 16 June 2022 (the "Effective Date"), and on such date Mallinckrodt plc emerged from the Chapter 11 and Irish examinership proceedings. Further details of the chapter 11 process and examinership process in Ireland are set out in the group financial statements of Mallinckrodt plc.

The ultimate parent company of Mallinckrodt Enterprises UK Limited is Mallinckrodt plc; a company registered in Ireland and listed on the Over-the-Counter Exchange under the ticker symbol "MNKPF".

RESULTS FOR THE FINANCIAL PERIOD AND STATE OF AFFAIRS AT 31 DECEMBER 2021

The profit and loss account for the financial period ended 31 December 2021 and the balance sheet as at that date are set out on pages 11 and 12 respectively.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Directors has overall responsibility for the company's systems of internal control and risk management. The Board is also responsible for monitoring the effectiveness of these systems on an on-going basis. The system of internal control provides reasonable, but not absolute, assurance of:

- the safeguarding of assets against unauthorised use or disposition; and
- the maintenance of proper accounting records and the reliability of the financial information it produces.

As a holding company, Mallinckrodt Enterprise UK Limited is not exposed to significant credit or currency risks which could cause a material adjustment to the carrying amounts of assets in the future financial period.

DIVIDENDS AND RESERVES

The loss for the period, after taxation, amounted to \$17,876 (2020: loss \$18,774). The directors do not recommend the payment of a dividend (2020: \$nil).

FUTURE DEVELOPMENTS

The company does not expect any significant changes in its activities in the foreseeable future.

MALLINCKRODT ENTERPRISES UK LIMITED

DIRECTORS' REPORT

REPORTING PERIOD

These financial statements report on the twelve-month period ended 31 December 2021. The period ended 25 December 2020 reflect the twelve-month results of the prior period.

DIRECTORS' AND SECRETARY'S INTERESTS IN SHARES

No director held an interest in shares of the company at 31 December 2021, or at any time during the period.

DIRECTORS AND SECRETARY

The directors, who served at any time during the financial period except as noted, were as follows:

Directors:

Mark Joseph Casey (Resigned 16 September 2022)
Toby Godrich (Appointed 16 September 2022)
Bryan Marlen Reasons (Resigned 27 September 2022)
Michael Norman (Appointed 27 September 2022)

Secretary:

Intertrust (UK) Limited (Appointed 15 June 2021)
Stephanie Dorn Miller (Resigned 15 June 2021)

POST BALANCE SHEET EVENTS

On 12 October 2020 (the "Petition Date"), Mallinckrodt plc, and certain of its subsidiaries (voluntarily initiated proceedings (the "Chapter 11 Cases") under chapter 11 of title 11 ("Chapter 11") of the United States Code (the "Bankruptcy Code"). On 2 March 2022, the U.S. Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") entered an order confirming the fourth amended plan of reorganization (with technical modifications (the "Plan"). Subsequent to the filing of the Chapter 11 Cases, Chapter 11 proceedings commenced by a limited subset of the Debtors were recognized and given effect in Canada, and separately the High Court of Ireland made an order confirming a scheme of arrangement on 27 April 2022, which is based on and consistent in all respects with the Plan (the "Scheme of Arrangement"), that the Scheme of Arrangement would become effective concurrently with the Plan. On 8 June 2022, the Bankruptcy Court entered an order approving a minor modification to the Plan. The Plan and Scheme of Arrangement became effective on 16 June 2022 (the "Effective Date"), and on such date the Company Mallinckrodt plc emerged from the Chapter 11 and Irish examinership proceedings.

The above proceedings had the impact of reducing the group's external debt to allow the Group to continue to trade as a going concern. Further details of the chapter 11 process and examinership process in Ireland are set out in the group financial statements of Mallinckrodt plc.

There were no post balance sheet events which required an adjustment to the financial statements.

GOING CONCERN

The Directors are preparing the financial statements on a going concern basis. Further details are provided in note 3.2.

MALLINCKRODT ENTERPRISES UK LIMITED

DIRECTORS' REPORT

STATEMENT OF RELEVANT AUDIT INFORMATION

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

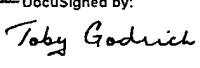
- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

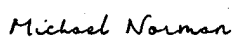
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

AUDITORS

The auditors, Deloitte Ireland LLP, Chartered Accountants and Statutory Audit Firm have expressed their willingness to continue in office as auditor and their re-appointment was approved by board resolution.

Approved by the Board and signed on its behalf by:

DocuSigned by:

AF28823186BF487...
Toby Godrich
Director

DocuSigned by:

548A662363B64C9...
Michael Norman
Director

Date 22 October 2022

MALLINCKRODT ENTERPRISES UK LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the annual report and the audited financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare audited 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102")'. Under Company law the directors must not approve the financial statements unless satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these audited financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the audited 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 to enable them to ensure that the audited financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of Mallinckrodt Enterprises UK Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Mallinckrodt Enterprises UK Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 13, including a summary of the significant accounting policies as set out in Note 3.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Reports and Financial Statements for the financial period from 26 December 2020 to 31 December 2021, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

- In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and Tax Law and others that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or avoid a material penalty such as the European Patent Convention.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.



Report on other legal and regulatory requirements

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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.

A handwritten signature in black ink, appearing to read "Richard Howard".

Richard Howard FCA (Senior Statutory Auditor)
For and on behalf of Deloitte Ireland LLP
Statutory Auditor
Earlsfort Terrace
Dublin 2

Date: 24 October 2022

MALLINCKRODT ENTERPRISES UK LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE FINANCIAL PERIOD FROM 26 DECEMBER 2020 TO 31 DECEMBER 2021**

		Period from 26/12/2020 to 31/12/2021 \$'000	Period from 28/12/2019 to 25/12/2020 \$'000
	<i>Notes</i>		
Administration expenses		(11)	(13)
Operating Loss		(11)	(13)
Interest payable and similar charges	6	(7)	(6)
Loss on ordinary activities before taxation		(18)	(19)
Tax on loss on ordinary activities	7	-	-
Loss for the financial period		(18)	(19)

There was no turnover reported during the current financial period or during the prior financial period. There are no recognised gains or losses in the financial period other than those dealt with in the profit and loss account. All results are derived from continuing operations.

As the company has no items of other comprehensive income, no statement of comprehensive income has been presented.

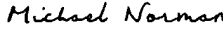
MALLINCKRODT ENTERPRISES UK LIMITED**BALANCE SHEET
AS AT 25 DECEMBER 2021**

		31/12/2021	25/12/2020
		\$'000	\$'000
	<i>Notes</i>		
Current Assets			
Cash and cash equivalents		289	301
		<u>289</u>	<u>301</u>
Creditors: Amounts falling due within one year	8	(154)	(148)
		<u>(154)</u>	<u>(148)</u>
Net Current Assets		135	153
		<u>135</u>	<u>153</u>
Total Assets Less Current Liabilities		135	153
		<u>135</u>	<u>153</u>
Net Assets		135	153
		<u>135</u>	<u>153</u>
Capital and reserves			
Called up share capital presented as equity	9	21,690	21,690
Share premium		871,728	871,728
Retained earnings		(893,283)	(893,265)
		<u>21,135</u>	<u>21,153</u>
Total Equity		135	153
		<u>135</u>	<u>153</u>

The financial statements were approved and authorised for issue by the Board of Directors on 20 October 2022 and signed on its behalf by:

DocuSigned by:

 AF28823186BF487...
 Toby Godrich
 Director

DocuSigned by:

 548A662363B64C9...
 Michael Norman
 Director

Mallinckrodt Enterprises UK Limited
 Registered No: 09090223

MALLINCKRODT ENTERPRISES UK LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD FROM 26 DECEMBER 2020 TO 31 DECEMBER 2021**

	Called Up Share Capital \$'000	Share Premium \$'000	Profit & Loss Account \$'000	Total \$'000
Balance at 28 December 2019	21,690	871,428	(893,246)	(128)
Proceeds from shares issued during the period	-	300	-	300
Loss for the financial period	-	-	(19)	(19)
Balance at 25 December 2020	<u>21,690</u>	<u>871,728</u>	<u>(893,265)</u>	<u>153</u>
Balance at 26 December 2020	21,690	871,728	(893,265)	153
Loss for the financial period	-	-	(18)	(18)
Balance at 31 December 2021	<u>21,690</u>	<u>871,728</u>	<u>(893,283)</u>	<u>135</u>

MALLINCKRODT ENTERPRISES UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD FROM 26 DECEMBER 2020 TO 31 DECEMBER 2021

1. General information

Mallinckrodt Enterprises UK Limited ('the company') is an investment holding company.

The company is a private company limited by shares and is incorporated, registered and domiciled in England. The address of its registered office is 3 Lotus Park, The Causeway, Staines-upon-Thames, England, TW18 3AG.

2. Statement of compliance

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

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. They have been applied consistently throughout all the years presented.

3.1 Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

3.2 Going concern

As outlined in note 13, the Group emerged from a chapter 11 process in the US and Irish examinership proceedings subsequent to year end. These proceedings had the impact of reducing the group's external debt to allow the Group to continue to trade as a going concern.

Having reviewed cashflow forecasts prepared by management and approved by the Board, the Board has a reasonable expectation that the Company will be able to continue as a going concern and are satisfied to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would be required if the Company were unable to continue as a going concern.

Further details of the chapter 11 process and examinership process in Ireland are set out in the group financial statements of Mallinckrodt plc.

MALLINCKRODT ENTERPRISES UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL PERIOD FROM 26 DECEMBER 2020 TO 31 DECEMBER 2021****3. Summary of significant accounting policies (continued)****3.3 Exemptions for qualifying entities under FRS 102**

FRS 102 allows a qualifying entity certain disclosure exemptions to a member of a group where that parent of that group prepares publicly available consolidated financial statements which are intended to give a true and fair view (of the assets, liabilities, financial position and profit or loss) and that member is included in the consolidation. The company is a qualifying entity and has taken advantage of the below disclosure exemptions:

- Exemption from the requirements of Section 7 of FRS 102 and FRS 102 paragraph 3.17(d) to present a statement of cash flows
- Exemption contained in Section 33.1A of FRS 102 from disclosing transactions with wholly owned subsidiaries within the same group
- Exemption from the financial instrument disclosure requirements of 11 paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(b), 11.48 (c) and section 12 paragraph 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A of FRS 102.
- Exemption from the requirement of FRS 102 paragraph 33.7 to disclose key management personnel compensation in total.

3.4 Impairment of non-financial assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the profit and loss account.

If an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

3.5 Financial instruments

Basic financial liabilities, including trade and other payables and amounts owed to group undertakings 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 payments discounted at a market rate of interest.

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

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. 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. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

MALLINCKRODT ENTERPRISES UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL PERIOD FROM 26 DECEMBER 2020 TO 31 DECEMBER 2021**

3. Summary of significant accounting policies (continued)

3.6 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is US Dollar.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

3.7 Taxation

Tax expense for the period comprises current tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax assets and liabilities are not discounted.

Current tax is the amount of income tax payable in respect of the taxable profit for the period. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

3.8 Share capital

Ordinary shares are classified as equity.

3.9 Distributions to equity holders

Dividends and other distributions to the company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the company's shareholders. These amounts are recognised in the statement of changes in equity.

4. Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

At the balance sheet date, there were no material areas of estimate and judgement that would cause a material adjustment to the reports balance sheet.

MALLINCKRODT ENTERPRISES UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL PERIOD FROM 26 DECEMBER 2020 TO 31 DECEMBER 2021****5. Operating Loss**

	Period from 26/12/2020 to 31/12/2021 \$'000	Period from 28/12/2019 to 25/12/2020 \$'000
Is stated after charging;		
Auditors remuneration	5	5
	<hr/>	<hr/>

The company had no employees during the financial period ended 31 December 2021 or 25 December 2020.

There were no amounts remunerated to the statutory auditors for the financial periods in respect of other assurance, tax advisory or non-audit services.

No remuneration was paid to the directors of the company during the financial periods ended 31 December 2021 or 25 December 2020.

6. Interest payable and similar charges

	Period from 26/12/2020 to 31/12/2021 \$'000	Period from 28/12/2019 to 25/12/2020 \$'000
Interest payable to group companies	7	6
	<hr/>	<hr/>
	7	6
	<hr/>	<hr/>

MALLINCKRODT ENTERPRISES UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL PERIOD FROM 26 DECEMBER 2020 TO 31 DECEMBER 2021****7. Taxation on loss on ordinary activities**

	Period from 26/12/2020 to 31/12/2021 \$'000	Period from 28/12/2019 to 25/12/2020 \$'000
Current financial period taxation:		
Corporation tax charge - current period	-	-
	-	-
	-	-

The current tax charge for the financial year is different than the current charge that would result from applying the standard rate of UK corporation tax to profit on ordinary activities.

The differences are explained below:

	Period from 26/12/2020 to 31/12/2021 \$'000	Period from 28/12/2019 to 25/12/2020 \$'000
Loss on ordinary activities before taxation	(18)	(19)
Tax on loss on ordinary activities at effective corporation tax rate 19% (2020: 19%)	(3)	(4)
Effects of:		
Deferred tax not provided	3	4
	-	-
Tax on loss on ordinary activities	-	-

Deferred tax arising on losses is not recognised on the basis that it is not likely the company will be in a position to utilise brought-forward losses in the future.

MALLINCKRODT ENTERPRISES UK LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL PERIOD FROM 26 DECEMBER 2020 TO 31 DECEMBER 2021****8. Creditors: Amounts falling due within one year**

	Period from 26/12/2020 to 31/12/2021 \$'000	Period from 28/12/2019 to 25/12/2020 \$'000
Amounts owed to group entities	144	137
Accruals	10	11
	<u>154</u>	<u>148</u>

On 7 December 2015 the company entered a cash management agreement with Mallinckrodt Group S.a.r.l., a fellow group company, which comprises a \$200,000 credit facility. Interest is charged at the Daily Effective Federal Funds rate and the loan is repayable on demand. At 31 December 2021, the balance of the loan was \$143,717 (2020: \$137,105). At 31 December 2021, the principal and accrued interest values were \$143,080 and \$637 respectively (2020: \$136,617 and \$488).

9. Called up share capital presented as equity

	Period from 26/12/2020 to 31/12/2021 \$'000	Period from 28/12/2019 to 25/12/2020 \$'000
Allotted, called-up and fully paid:		
21,690,271 ordinary share of \$1.00 each (2020: 21,690,271 ordinary share of \$1.00 each)	21,690	21,690
	<u>21,690</u>	<u>21,690</u>

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

10. Reserves**Share premium**

There were no new ordinary shares issued during the year ended 31 December 2021. During the year ended 25 December 2020, there were 2 ordinary shares issued, for total proceeds \$300,000 resulting in an increase in share premium of \$299,998.

Profit and loss account

The profit and loss account represents accumulated comprehensive income for the financial period and prior financial periods less dividends paid.

MALLINCKRODT ENTERPRISES UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL PERIOD FROM 26 DECEMBER 2020 TO 31 DECEMBER 2021**

11. Commitments and guarantees

The company has provided security and guarantees in respect of certain group borrowings. The security includes (but is not limited to) fixed and floating charges granted pursuant to English law security documents in favour of both Deutsche Bank AG, New York Branch and Wilmington Savings Fund Society, FSB (each as collateral agents) over certain of the company's assets. These security and guarantee arrangements form part of the group's financing arrangements with various secured lenders and secured noteholders

12. Company information, ultimate controlling party & related party transactions

The immediate parent undertaking is MUSHI UK Holdings Limited, a company incorporated in the UK.

The ultimate parent undertaking and ultimate controlling party is Mallinckrodt Plc, a company incorporated in Ireland. Mallinckrodt Plc is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the group financial statements are available from Mallinckrodt plc, College Business and Technology Park, Cruiserath, Blanchardstown, Dublin 15.

The company has taken the exemption contained in Section 33.1A of FRS 102 from disclosing related party transactions.

13. Post balance sheet events

On 12 October 2020 (the "Petition Date"), Mallinckrodt plc, and certain of its subsidiaries (voluntarily initiated proceedings (the "Chapter 11 Cases") under chapter 11 of title 11 ("Chapter 11") of the United States Code (the "Bankruptcy Code"). On 2 March 2022, the U.S. Bankruptcy Court for the District of Delaware (the "Bankruptcy Court") entered an order confirming the fourth amended plan of reorganization (with technical modifications (the "Plan"). Subsequent to the filing of the Chapter 11 Cases, Chapter 11 proceedings commenced by a limited subset of the Debtors were recognized and given effect in Canada, and separately the High Court of Ireland made an order confirming a scheme of arrangement on 27 April 2022, which is based on and consistent in all respects with the Plan (the "Scheme of Arrangement"), that the Scheme of Arrangement would become effective concurrently with the Plan. On 8 June 2022, the Bankruptcy Court entered an order approving a minor modification to the Plan. The Plan and Scheme of Arrangement became effective on 16 June 2022 (the "Effective Date"), and on such date Mallinckrodt plc emerged from the Chapter 11 and Irish examinership proceedings.

The above proceedings had the impact of reducing the group's external debt to allow the Group to continue to trade as a going concern. Further details of the chapter 11 process and examinership process in Ireland are set out in the group financial statements of Mallinckrodt plc.