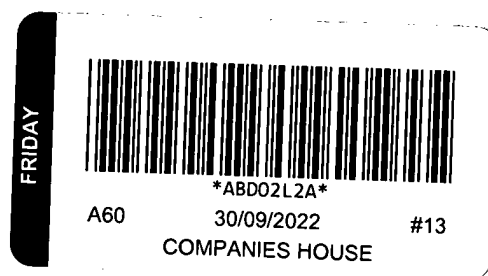


ESNT International Limited

Strategic report, Directors' report and financial statements

Registered number 1935353

31 December 2021



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Strategic report

for the year ended 31 December 2021

Principal activities and business review

The Company is a wholly owned subsidiary of Essentra plc and its principal activity during the year has been to act as a holding and investment company. Since the balance sheet date, steps have been taken to repair the shareholders deficit, including a capital reduction and a loan waiver of £70,000,000 from Essentra Finance Limited. The company has transferred several investments in subsidiaries to other Essentra group companies to establish a divisional Group legal structure as part of the strategic review of the Filters and Packaging divisions. Please refer to note 12 for more details.

As shown in the Company's Statement of comprehensive income on page 10, the Company reported a loss before taxation of £5,357,000 compared with a loss of £13,876,000 in the prior year. The decline in losses was primarily driven by a reduction to the interest payable on the intercompany loan with Essentra Finance Limited.

The balance sheet on page 11 of the financial statements shows the Company's financial position at the year end. The net liability position increased to £45,342,000 from £39,985,000 as a result of the reported loss for the year.

The activities of the Company are in line with the operational strategy of Essentra plc, of which ESNT International Limited is a subsidiary. Further details of Essentra plc's strategy can be found in the Group Business Review on pages 4 to 23 of the Strategic Report of the Essentra plc Annual Report 2021. The Essentra plc Annual Report 2021 does not form part of this report, but is referred to where relevant for the purposes of this report.

Principal risks and uncertainties

The principal risks and uncertainties of the Company are integrated with the principal risks of the Essentra group and are not managed separately. The principal risks and uncertainties of the Essentra group, which include those of the Company, are discussed on pages 45 to 59 of the Essentra plc Annual Report 2021.

The principal risks faced by the Company are of a financial nature due to its principal activities. The Company is exposed to credit risk, market price risk and liquidity risk.

Financial risk management

The Company's ultimate parent during the year, Essentra plc, managed the interest rate, price and liquidity risks associated with the whole group, details of which can be found in the financial risk management disclosure note on pages 182 to 188 of the Essentra plc Annual Report 2021.

Key performance indicators

During the year, the Directors of Essentra plc managed the group's operations on a group, and Divisional basis. For this reason, the Company's Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company.

Environment

The Company is committed to continuous improvement in its environmental performance and applies a structured approach to monitoring its environmental impact through a number of different processes, details of which can be found in the Corporate Responsibility Report of the Essentra plc Annual Report 2021 on pages 24 to 34.

Strategic report

for the year ended 31 December 2021 (continued)

Health and safety

The Company's overriding commitment in the workplace is to the health and safety of its employees and all those who visit the Company's operations. On pages 35 to 36 of the Essentra plc Annual Report 2021 are further details of the health and safety policies in place across the group and in the Company.

On behalf of the board



J Clarke
Director

Registered Office:
Langford Locks
Kidlington
Oxford
OX5 1HX
United Kingdom

29 September 2022

Directors' report

for the year ended 31 December 2021

The Directors present their Directors' report and the audited financial statements for the year ended 31 December 2021.

Results and dividends

The loss for the financial year was £5,357,000 (2020: loss of £13,436,000).

Dividend income in the year of £nil (2020: £1,849,000) was received from subsidiary undertakings.

During the year no dividends were paid to the holder of the ordinary share capital (2020: £nil). The Directors do not propose the payment of a final dividend (2020: £nil).

Stakeholder engagement

Section 172 of the Companies Act requires the Directors to have regard (amongst other matters) to:

- The likely consequences of any decision in the long term;
- The need to foster the Company's business relationships;
- The impact of the Company's operations on the community and environment;
- The desirability of the Company maintaining a reputation for high standards of business conduct; and
- The need to act fairly between members of the Company.

As the Company has no employees of its own with the exception of the Directors and is intrinsically linked to the rest of the Essentra Group, all provisions in relation to s172 are covered by Essentra Group's stakeholder engagement policy. Stakeholder engagement of the Essentra Group, which include those of the Company, are discussed on pages 15 to 19 of the Essentra plc Annual Report 2021.

Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were as follows:

J Green

L Liu (Resigned on 6 June 2022)

J Clarke (Appointed on 6 June 2022)

E Reid

Policy and practice on payment of creditors

The Company is responsible for agreeing the terms and conditions under which business transactions with its suppliers are conducted. It is the Company's policy that payments to suppliers are made in accordance with those terms, provided that suppliers also comply with all relevant terms and conditions.

Directors' report

for the year ended 31 December 2021 (continued)

Going concern

The Company participates in the Group centralised treasury arrangements and therefore shares banking arrangements with its parent and fellow UK subsidiaries. The Directors have no reason to believe that a material uncertainty exists that casts significant doubt about the ability of the Group to continue as a going concern or its ability to continue with the current banking arrangements. On the basis that the Group has agreed in writing to provide financial and other support to the Company for the twelve months from the date of approval of these financial statements, the Company's Directors have reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future and have therefore adopted the going concern basis of accounting in preparing the financial statements.

Since the balance sheet date, and as part of the going concern assessment, the Board has also considered a downside scenario that reflects the current uncertainty in the global economy and which management consider to be severe but plausible. The results of this scenario show that there is sufficient liquidity in the Group for a period of at least 12 months from the date of approval of these financial statements, and do not indicate any covenant breach during the test period. The scenario includes assumption for similar extent of disruptions as seen in 2021.

The severe but plausible scenario does not indicate a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern. Significant level of headroom remains in place with regard to liquidity and compliance with financial covenants. Therefore, the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Post balance sheet events

Please refer to note 12 of the financial statements for more details.

Future outlook

The investments in trading companies with an international presence is expected to continue in the Company.

On 26 October 2021, the Group announced the strategic goal to become a pure play Components business with the first step in this process being to review the full range of strategic options for the Filters business. On 26 November 2021, it was announced the Group had decided to commence a strategic review of the Packaging division. Further to the announcements regarding the strategic reviews, on 24 June 2022, the Essentra Group announced the proposed disposal of ESNT Packaging & Securing Solutions Limited and Essentra Packaging US Inc and their subsidiary entities which constitute the group's Packaging business. This transaction is expected to complete in the latter half of the year 2022. The Filters division of the Essentra Group is still undergoing strategic review.

For further details of the Group's outlook please refer to the Group Business Review section of the Essentra plc Annual Report 2021 on pages 4 to 9.

Directors' indemnities

During the financial year and at the date of this report, indemnities are in force under which the Company has agreed to indemnify the Directors and the Company Secretary to the extent permitted by law and the Company's Articles of Association, in respect of all losses arising out of or in connection with the execution of their powers, duties and responsibilities as a Director or officer of the Company.

Directors' statement as to disclosure of information to the independent auditors

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Directors' report

for the year ended 31 December 2021 (continued)

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an annual general meeting.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Strategic report, Directors' 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 101 "Reduced Disclosure Framework", and applicable law).

Under company law, 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 101 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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.

On behalf of the Board



J Clarke
Director

Registered Office:
Langford Locks
Kidlington
Oxford
OX5 1HX
United Kingdom

29 September 2022

Independent auditors' report to the members of ESNT International Limited

Report on the audit of the financial statements

Opinion

In our opinion, ESNT International Limited's financial statements:

- 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 (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Strategic report, Directors' report and financial statements (the "Annual Report"), which comprise: the Balance sheet as at 31 December 2021; the Statement of comprehensive income, and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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.

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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation and Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of journal entries to manipulate metrics relating to bank covenants and management bias in determining accounting estimates. Audit procedures performed by the engagement team included:

- Enquiries of management, walkthrough procedures to understand and evaluate the controls designed to prevent and detect irregularities and fraud, and consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations which result in an impact to metrics relevant to the banking covenants of Essentra plc Group; and
- Challenging judgements made by management in determining significant accounting estimates, in particular in relation to impairment of investments.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 auditors' report.

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

L Gartside

Lucy Gartside (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Milton Keynes

30 September 2022

Statement of comprehensive income

for the year ended 31 December 2021


	Note	2021 £000	2020 £000
Administrative expenses		(293)	(345)
Exchange differences on translation of foreign operations		-	(8)
Operating loss	3	(293)	(353)
Income from shares in group undertakings	5	-	1,849
Amounts written off investments	8	(1,039)	(1,917)
Reversal of impairment losses	8	2,091	-
Interest payable and similar expenses	6	(6,116)	(13,455)
Loss before taxation		(5,357)	(13,876)
Tax on loss	7	-	440
Loss and total comprehensive expense for the financial year		(5,357)	(13,436)

Balance sheet

at 31 December 2021

	Note	2021 £000	2020 £000
Fixed assets			
Investments	8	269,240	262,463
Other investments	8	1,494	1,494
		<u>270,734</u>	<u>263,957</u>
Current assets			
Debtors	9	16,930	12,246
Cash at bank and in hand		1	1
		<u>16,931</u>	<u>12,247</u>
Creditors: amounts falling due within one year	10	<u>(333,007)</u>	<u>(316,189)</u>
Net current liabilities		<u>(316,076)</u>	<u>(303,942)</u>
Net liabilities		<u>(45,342)</u>	<u>(39,985)</u>
Capital and reserves			
Called up share capital	11	58,438	58,438
Accumulated losses		(103,780)	(98,423)
Total Shareholders' deficit		<u>(45,342)</u>	<u>(39,985)</u>

The financial statements on pages 10 to 24 were approved by the board of Directors on 29 September 2022 and were signed on its behalf by:



J Clarke
Director

Statement of changes in equity
for the year ended 31 December 2021

<i>Note</i>	Called up share capital	Accumulated losses	Total shareholders' deficit
	£000	£000	£000
Balance at 1 January 2020	58,438	(84,987)	(26,549)
Loss for the financial year	-	(13,436)	(13,436)
Total comprehensive expense for the year	-	(13,436)	(13,436)
Balance at 31 December 2020	58,438	(98,423)	(39,985)
Loss for the financial year	-	(5,357)	(5,357)
Total comprehensive expense for the year	-	(5,357)	(5,357)
Balance at 31 December 2021	58,438	(103,780)	(45,342)

Notes to the financial statements

for the year ended 31 December 2021

1 Accounting policies

The Company is incorporated and domiciled in the United Kingdom under the Companies Act. The address of the registered office is Langford Locks, Kidlington, Oxford, OX5 1HX, England. The Company is a private company limited by shares.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of preparation

The Company is exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The Company's ultimate parent undertaking, Essentra plc, includes the Company in its consolidated financial statements. The consolidated financial statements of Essentra plc are prepared in accordance with International accounting standards in conformity with the requirements of the Companies Act 2006 and UK-adopted International Accounting, are available to the public, and may be obtained from the registered office of Essentra plc at Langford Locks, Kidlington, Oxford, OX5 1HX, United Kingdom.

On 31 December 2020, IFRS as adopted by the European Union at that date was brought into UK law and became UK-adopted International Accounting Standards, with future changes being subject to endorsement by the UK Endorsement Board. Essentra transitioned to UK-adopted International Accounting Standards in its consolidated financial statements on 1 January 2021. This change constitutes a change in accounting framework. However, there is no impact on recognition, measurement or disclosure in the period reported as a result of the change in framework.

These financial statements were prepared on a historical cost basis and in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 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 2.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- the requirements of paragraph 45(b) and 46-52 of IFRS 2 *Share-Based Payment*;
- the requirements of paragraphs 62, B64(b), B64(e), B64(g), B64(h), B64(j) to B64(m), b64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 *Business Combinations*;
- the requirement of IFRS 7 *Financial Instruments: Disclosures*;
- the requirement of paragraphs 91-99 of IFRS 13 *Fair Value Measurement*;
- the requirement in paragraph 38 of IAS 1 *Presentation of Financial Statements* to present comparative information in respect of paragraph 79(a)(iv) of IAS 1, paragraph 73(e) of IAS 16 *Property, Plant and Equipment* and paragraph 118(e) of IAS 38 *Intangible Assets*;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 *Presentation of Financial Statements*;
- the requirements of IAS 7 *Statement of Cash Flows*;
- the requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*;
- the requirements of paragraph 17 of IAS 24 *Related Party Disclosures*;
- the requirements in IAS 24 *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 *Impairment of Assets*.

Where required, equivalent disclosures are given in the consolidated financial statements of Essentra plc.

Notes to the financial statements

for the year ended 31 December 2021 (continued)

1 Accounting policies (continued)

Going concern

The Company participates in the Group centralised treasury arrangements and therefore shares banking arrangements with its parent and fellow UK subsidiaries. The Directors have no reason to believe that a material uncertainty exists that casts significant doubt about the ability of the Group to continue as a going concern or its ability to continue with the current banking arrangements. The uncertainty as to the future impact on the Company of the ongoing Covid-19 pandemic has been considered as part of the Company's adoption of the going concern basis, taking into account the experience during 2021 and the most recent circumstances. On the basis that the Group has agreed in writing to provide financial and other support to the Company for the twelve months from the date of approval of these financial statements, the Company's Directors have reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future and have therefore adopted the going concern basis of accounting in preparing the financial statements.

Since the balance sheet date, and as part of the going concern assessment, the Board has also considered a downside scenario that reflects the current uncertainty in the global economy and which management consider to be severe but plausible. The results of this scenario show that there is sufficient liquidity in the Group for a period of at least 12 months from the date of approval of these financial statements, and do not indicate any covenant breach during the test period. The scenario includes assumption for similar extent of disruptions as seen in 2021.

The severe but plausible scenario does not indicate a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern. Significant level of headroom remains in place with regard to liquidity and compliance with financial covenants. Therefore, the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

New standards, amendments and IFRS IC interpretations

During the year, there have been no new accounting standards, or amendments to accounting standards, or IFRS IC interpretations that are effective for the year ended 31 December 2021, that have had a material impact on these financial statements.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange at the balance sheet date and gains or losses on translation are included in the Statement of comprehensive income. Exchange differences arising from movements in spot rates are included in the Statement of comprehensive income as exchange gains or losses. These exchange gains or losses are included within administration expenses in the Statement of comprehensive income.

Exchange gains or losses arising from the interest differential elements of forward currency contracts are included within interest receivable/payable and similar income/expenses.

Interest income and expense

Interest income and expense is recognised in the Statement of comprehensive income as it accrues.

Taxation

Income tax in the Statement of comprehensive income comprises current and deferred tax. Income tax is recognised in the Statement of comprehensive income except to the extent that it relates to items recognised in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Notes to the financial statements

for the year ended 31 December 2021 (continued)

1 Accounting policies (continued)

Taxation (continued)

Deferred tax is provided, using the balance sheet liability method, on temporary differences arising between the tax bases and the carrying amounts of assets and liabilities in the financial statements. The following temporary differences are not provided for: goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries to the extent that they will not reverse in the foreseeable future. Deferred tax is determined using tax rates that are expected to apply when the related deferred tax asset or liability is settled, using the applicable tax rates enacted or substantively enacted at the balance sheet dates.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against liabilities and when they relate to income taxes levied by the same tax authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Investment in subsidiary undertakings

Investment in subsidiary undertakings is held at cost less any provision for impairment. The Company assesses at each balance sheet date whether the investment in its subsidiaries has been impaired.

Impairment

The carrying amounts of the entity's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the Statement of comprehensive income.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Financial assets

Financial assets with fixed or determinable payments that are not quoted in an active market are included in current assets, except for those with maturities greater than 12 months after the end of the reporting period which are classified as non-current assets. The Company's financial assets at amortised cost comprise receivables in the balance sheet.

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Interest income is recognised accordingly using the effective interest method.

Impairment assessments of financial assets are compliant with IFRS 9 expected credit loss models, which requires expected credit losses and changes to expected credit losses at each reporting date to reflect changes in credit risk since initial recognition.

Notes to the financial statements

for the year ended 31 December 2021 (continued)

1 Accounting policies (continued)

Financial liabilities

Interest bearing loans and borrowings and other financial liabilities (excluding derivatives) are initially recognised at fair value net of transaction costs incurred. They are subsequently held at amortised cost using the effective interest method.

Dividends

Dividends are recognised as a liability in the period in which they are approved by the shareholders of the Company (final dividend) or paid (interim dividend).

Dividends from subsidiary undertakings and associated undertakings are accounted for in the period in which the shareholders' right to receive payment has been established and when, in the Directors' opinion, sufficient funds are available for payment. Dividends receivable are shown net of any underlying overseas taxation.

2 Critical accounting judgements and estimates

The following provides information on the policy that management considers critical because of the level of judgement and estimation required which often involves assumptions regarding future events which can vary from what is anticipated. The Directors believe that the financial statements reflect appropriate judgements and estimates and provide a true and fair view of the Company's performance and financial position.

Impairment

The Company has tested investments in subsidiary undertakings and intercompany loan receivable balances for impairment which requires judgement when determining the recoverable amount. In determining the recoverable amount of the investment in subsidiary undertakings and intercompany loan receivable balances it is necessary to make a series of assumptions to estimate the present value of future cash flows. When the carrying amount of the net assets held by the subsidiary undertaking or the group company that is party to the loan are higher than the present value of its future cash flows, this value is deemed to be the recoverable amount. The assumptions have been made by management reflecting past experience and are consistent with relevant external sources of information.

Tests for impairment are based on discounted cash flows and assumptions (including discount rates, timing and growth prospects) which are inherently subjective. Key assumptions and applied discount rates of the Essentra Group, which include those of the Company, are discussed on pages 112 of the Essentra plc Annual Report 2021.

3 Operating loss

Auditors' remuneration:

	2021 £000	2020 £000
Audit of these financial statements	5	5

4 Remuneration of Directors, staff numbers and costs

The Company had no employees in either the current or prior years and the Directors did not receive any fees or emoluments from the Company directly attributable to their position within the Company. All Directors' fees or emoluments were paid by Essentra International Limited and Essentra Pte. Limited (a Company based and incorporated in Singapore) and the amount attributable to the qualifying services provided by the Directors to the Company cannot be reliably estimated. No recharge has been made in the current or prior years for the services of the Directors.

Notes to the financial statements

for the year ended 31 December 2021 (continued)

5 Income from shares in group undertakings

	2021 £000	2020 £000
Income from shares in Essentra Filter Products Srl	-	1,269
Income from shares in Essentra Components sro	-	580
	<hr/>	<hr/>
Income from shares in group undertakings	-	1,849
	<hr/>	<hr/>

6 Interest payable and similar expenses

	2021 £000	2020 £000
Payable to group undertakings	6,116	13,455
	<hr/>	<hr/>

7 Tax on loss

a) Amounts credited / (charged) in the Statement of comprehensive income

	2021 £000	2020 £000
Adjustments in respect of prior years	-	440
	<hr/>	<hr/>
Tax credit on loss	-	440
	<hr/>	<hr/>

b) Factors affecting the tax credit for the year

The total tax credit on loss before taxation differs to the theoretical amount that would arise using the standard rate of corporation tax in the UK of 19% (2020: 19%). The tax credit is lower than (2020: credit lower than) the standard rate and the differences are explained below:

	2021 £000	2020 £000
Loss before taxation	(5,357)	(13,876)
	<hr/>	<hr/>
Tax credit on loss at 19% (2020: 19%)	1,018	2,636
Effects of:		
Non taxable dividend income	-	351
Non taxable impairment reversals	200	-
Expenses not deductible for tax purposes	-	(364)
Group relief surrendered for nil payment	(1,218)	(2,623)
Adjustments in respect of prior years	-	440
	<hr/>	<hr/>
Total tax credit reported in the Statement of comprehensive income (see above)	-	440
	<hr/>	<hr/>

Notes to the financial statements

for the year ended 31 December 2021 (continued)

7 Tax on loss (continued)

c) Change in corporation tax rate

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2021 (on 24 May 2021). These include an increase of the main rate of corporation tax to 25% from 1 April 2023.

8 Investments and other investments

	Investments in subsidiary undertakings £000	Other investments £000	Total £000
Cost			
At beginning of year	561,292	1,494	562,786
Acquisition	5,725	-	5,725
Disposals	(1,059)	-	(1,059)
At end of year	565,958	1,494	567,452
Provisions for impairment			
At beginning of year	298,829	-	298,829
Impairment charge	1,039	-	1,039
Reversal of impairment losses	(2,091)	-	(2,091)
Disposals	(1,059)	-	(1,059)
At end of year	296,718	-	296,718
At 31 December 2021	269,240	1,494	270,734
At 31 December 2020	262,463	1,494	263,957

During the year, the Company acquired shareholdings in Essentra Components (Pty) Limited at a consideration of £790,000 and increased its investments in Essentra Overseas Limited by £4,935,000. In addition, Essentra (Kilmarnock) Limited, with an investment amount of £1,059,000, was dissolved during the year.

During the year, an impairment charge of £1,039,000 was made to investment in Essentra Malaysia Sdn Bhd based on its recoverable value. Reversal of impairment losses of £1,183,000 and £908,000 were made to Essentra Pty Limited and Essentra Industria E Commercio LTDA, respectively, based on their recoverable value.

During the year, US LLC 2, LLC and Essentra St Petersburg Limited, with investment amounts of £nil, were dissolved.

The subsidiary companies in which the Company's interest at the year end is more than 20% of the ordinary share capital are as follows:

Subsidiary undertakings	Country of incorporation	Principal activity	Address of registered office
Essentra (Bangor) Limited	UK	Manufacturing	Langford Locks, Kidlington, Oxford, OX5 1HX, United Kingdom
Essentra Packaging Limited	UK	Manufacturing	Langford Locks, Kidlington, Oxford, OX5 1HX, United Kingdom
Essentra Overseas Limited	UK	Holding Company	Langford Locks, Kidlington, Oxford, OX5 1HX, United Kingdom
Essentra (Northampton) Limited	UK	Non-trading	Langford Locks, Kidlington, Oxford, OX5 1HX, United Kingdom
*ESNT Components Limited	UK	Dormant	Langford Locks, Kidlington, Oxford, OX5 1HX, United Kingdom
*Essentra Components Inc.	US	Distribution	Two Westbrook Corporate Center, Suite 200, Westchester IL 60154, United States

Notes to the financial statements

for the year ended 31 December 2021 (continued)

8 Investments and other investments (continued)

Subsidiary undertakings	Country of incorporation	Principal activity	Address of registered office
Essentra Components Japan Inc.	US	Distribution	Two Westbrook Corporate Center, Suite 200, Westchester IL 60154, United States
ESNT Holdings Inc.	US	Holding Company	Two Westbrook Corporate Center, Suite 200, Westchester IL 60154, United States
*ESNT Components Inc.	US	Non-trading	Two Westbrook Corporate Center, Suite 200, Westchester IL 60154, United States
*Essentra Components B.V.	Netherlands	Distribution	Dragonder 3, 5554 GM Valkenswaard Netherlands
*Essentra Packaging B.V.	Netherlands	Distribution	Celsiusweg 37, 8912 AM, Leeuwarden, Netherlands
Blue NewCo 1 B.V.	Netherlands	Holding Company	Beatrixstraat 7, Buitenpost, 9285 TV, Netherlands
*Blue NewCo 2 B.V.	Netherlands	Holding Company	Beatrixstraat 7, Buitenpost, 9285 TV, Netherlands
*Blue NewCo 3 B.V.	Netherlands	Holding Company	Beatrixstraat 7, Buitenpost, 9285 TV, Netherlands
*Blue NewCo 4 B.V.	Netherlands	Holding Company	Beatrixstraat 7, Buitenpost, 9285 TV, Netherlands
*ESNT Holdings Cooperatie 1 W.A.	Netherlands	Holding Company	Celsiusweg 37, 8912 AM, Leeuwarden, Netherlands
Essentra B.V.	Netherlands	Holding Company	Beatrixstraat 7, 9285 TV, Buitenpost, Netherlands
*ESNT Holdings Cooperatie 2 W.A.	Netherlands	Non-trading	Beatrixstraat 7, 9285 TV, Buitenpost, Netherlands
*Fijnmechanica Surhuisterveen B.V.	Netherlands	Non-trading	Beatrixstraat 7, 9285 TV, Buitenpost, Netherlands
*Linde Vouwkartonnage B.V.	Netherlands	Non-trading	Beatrixstraat 7, 9285 TV, Buitenpost, Netherlands
*Richco Benelux B.V.	Netherlands	Non-trading	Dragonder 3, 5554 GM Valkenswaard Netherlands
*Skiffy B.V.	Netherlands	Non-trading	Dragonder 3, 5554 GM Valkenswaard Netherlands
Essentra Packaging Ireland Limited	Ireland	Manufacturing	8 Airways , Industrial Estate, Dublin 17, Ireland
*ESNT (Cherry Orchard) Holdings Limited	Ireland	Holding Company – strike off listed	Unit 629 Ida Industrial Park Northern Extension, Old Kilmeaden Road, Watherford, Ireland
*C.B. Packaging Limited	Ireland	Non-trading - strike off listed	8 Airways Industrial Estate, Dublin 17, Ireland
*ESNT (Cherry Orchard) Limited	Ireland	Non-trading – strike off listed	8 Airways Industrial Estate, Dublin 17, Ireland
Essentra Pty Limited	Australia	Treasury activities	503-505 Victoria Street, Wetherill Park, NSW, 2145, Australia
Essentra Industria E Comercio LTDA	Brazil	Manufacturing	Room 7, No 1000 Avenida Emilio Marconato, Centro Comercial, Chacara Primavera, Jaguariuna, Sao Paulo, 13.916-074, Brazil
*Essentra Hengzhu Precision Components Co., Limited	China	Manufacturing	No. 12 Jingfa Avenue, Yichun, Economic and Technological, Development Zone, Yichun City, Jiangxi Province, China
Essentra Precision Machinery Components (Ningbo) Co. Ltd.	China	Manufacturing	99 Huanghai Road, Beilun District, Ningbo, Zhejiang Province, China
*Essentra Trading (Ningbo) Co. Limited	China	Distribution	No.99 Huanghai Road, Beilun District, Ningbo, Zhejiang Province, China
*Essentra Components International Trading (Shanghai) Co Limited	China	Holding Company	Room 347, Xinmao Building, 2 Taizhong South Road, China

Notes to the financial statements

for the year ended 31 December 2021 (continued)

8 Investments and other investments (continued)

Subsidiary undertakings	Country of incorporation	Principal activity	Address of registered office
*Essentra Plastic Trading (Ningbo) Co. Limited	China	Holding Company	99 Huanghai Road, Beilun District, Ningbo, Zhejiang, China
Essentra Components sro	Czech Republic	Distribution	Vídenská 101/119, Brno - Dolní Heršpice, 619 00, Czech Republic
*Essentra Packaging S.a.r.l.	France	Holding Company	F-27200, Sarreguemines, Rue Guillaume, Schoettke, France
Essentra Components SAS	France	Non-trading	280 rue de la Belle Étoile - 95700 Roissy en, France
*Essentra International GmbH	Germany	Holding Company	Filmstr. 5, 06766, Bitterfeld-Wolfen, Germany
*Essentra Components GmbH	Germany	Manufacturing	3, Montel-Allee, Nettetal, 41334, Germany
Essentra Components Kft	Hungary	Distribution	1113, Nagyszolos ut 11-15, Budapest, Hungary
*Abric Encode Sdn Bhd	Malaysia	Manufacturing	Unit 1110 Block A, Pusat Dagangan Phileo Damansara II, 15 Jalan 16/11 Off Jalan Damansara, 46350 Petaling Jaya, Selangor Darul Ehsan, Malaysia
Essentra Malaysia Sdn Bhd	Malaysia	Non-trading	Unit 1110 Block A, Pusat Dagangan Phileo Damansara II, 15 Jalan 16/11 Off Jalan Damansara, 46350 Petaling Jaya, Selangor, Malaysia
Essentra Asia Sdn Bhd	Malaysia	Non-trading	Unit D - 3A - 10, 4th Floor, Greentown Square, Jalan Dato' Seri Ahmed Said, 30450 Ipoh, Perak, Malaysia
Essentra Components SEA (M) Sdn Bhd	Malaysia	Non-trading	D5-5-6, Solaris Dutamas 1, Jalan, Dutamas 1, 50480, Kuala Lumpur, Malaysia
Essentra Products S.A.	Paraguay	Distribution	Calle 12, Acacary, Ciudad del Este, Paraguay
*Boxes Prestige Poland Sp. z o.o.	Poland	Dormant	Tokarska 25, 20-210, Lublin, Poland
*Essentra Packaging Spółka z o.o.	Poland	Manufacturing	Tokarska 25, 20-210, Lublin, Poland
Essentra Co., Limited	Republic of Korea	Distribution	5th Floor, One IFC 10, Gukjegeumyung-ro, Youngdeungpo-gu, Seoul 07326, Republic of Korea
Essentra Components SRL	Romania	Distribution	Bucuresti Sectorul 1, Strada Polana, Nr. 68-72, Etaj 2, Biroul NR.5, Romania
Essentra Components (Pty) Limited	South Africa	Distribution	Unit 2 Sage Corporate Park, CNR Suni and Tsessebe Streets, South Midrand, Gauteng, 1683, South Africa
*Essentra Components S.L.U	Spain	Distribution	Calle Roure Gros 1-11, Poligono Industrial Mas d'En Cisa, 08181, Spain
*Essentra Packaging SA	Spain	Manufacturing	Carrer dels Fusters 18-20, Poligono Industrial Can Cuyas, Montcada I Reixac, 08110, Barcelona, Spain
*Nekicesa Global Packaging SL	Spain	Non-trading	Ctra. De Navalcarnero a Chinchon km., 21,2 Grinon, 28971, Madrid, Spain
*Nekicesa Packaging SL	Spain	Manufacturing	Ctra. De Navalcarnero a Chinchon km., 21,2 Grinon, 28971, Madrid, Spain
*ESNT Holdings S.A.U.	Spain	Holding Company	Carrer dels Fusters 18-20, Poligono Industrial Can Cuyas, Montcada I Reixac, 08110, Barcelona, Spain
Essentra Components AB	Sweden	Manufacturing	Askims Verkstadsväg 13Sweden, 436 34 Askim, Vastra Gotalands lan, Goteborg kommun, Sweden

Notes to the financial statements

for the year ended 31 December 2021 (continued)

8 Investments and other investments (continued)

Subsidiary undertakings	Country of incorporation	Principal activity	Address of registered office
*Essentra Eastern Limited	Thailand	Non-trading	111/5 Moo 2 Tambon Makamku, Amphur Nikom Pattana, Rayong Province, Thailand
Mesan Kilit A.S.	Turkey	Distribution	Ilitelli Organzie Sanayi , , Bolgesi Metal Is San,Sit.7.Blok No24 Basaksehir, Istanbul, Turkey

* indicates shares held indirectly

The investments in the companies above relate to ordinary shares or common stock. The principal country in which each company operates is the country of incorporation.

All entities above are wholly owned subsidiaries of the Essentra plc group except Essentra Products S.A. and Essentra Filter Products Srl which are 99.926% and 25% owned respectively by the Company through holding of ordinary shares in these companies.

During the year the Company acquired 100% of the ordinary shares in Essentra Components (Pty) Limited, and indirectly acquired 73% of the ordinary shares in Essentra Hengzhu Precision Components Co., Limited otherwise the shareholding position for the subsidiaries listed above is consistent at the balance sheet date with the comparative year.

In the opinion of the Directors, the investments in and the amounts owed by the Company's subsidiary undertakings at the year end are worth at least the amount at which they are stated in the balance sheet.

Other investments were as follows:

Other investments	Country of registration or incorporation	Principal activity	Class and percentage of shares	Address of registered office
Essentra Packaging GmbH	Germany	Manufacturing	10% Ordinary shares	Filmstrasse. 5, D-06766, Edisonstrasse, Wolfen, Germany

9 Debtors

	2021 £000	2020 £000
Amounts due from group undertakings	16,930	12,246
	<u>16,930</u>	<u>12,246</u>

On 30 November 2021 two loan notes were issued by the company to Mesan Kilit A.S., for TRY 15,330,000 and EUR 1,000,000. At the balance sheet date £847,000 presents the loan note denominated in TRY and £840,000 represents the loan note denominated in EUR.

Included in the amounts owed by group undertakings are £15,074,000 (2020: £11,733,000) owed by Essentra International Limited.

The remaining balance of £169,000 (2020: £513,000) is due from Abric Encode Sdn Bhd, is valued in the reported UK Sterling currency after conversation from the dominated currency of Malaysian Ringgit, using appropriate rates of exchange.

All amounts due from group undertakings are balances held under normal commercial terms and interest is not charged. These undertakings are unsecured and repayable on demand.

Notes to the financial statements

for the year ended 31 December 2021 (continued)

10 Creditors: amounts falling due within one year

	2021	2020
	£000	£000
Amounts owed to group undertakings	332,858	315,755
Accruals and deferred income	149	434
	<u>333,007</u>	<u>316,189</u>

Included in amounts owed to group undertakings is an amount of £332,627,000 (2020: £315,302,000) owed to Essentra Finance Limited, which carries on the business of group financing for Essentra plc, the Company's ultimate parent company. The balance is repayable on demand, unsecured and interest is charged at a rate set with reference to the interest rate benchmark, Sterling Overnight Index Average ("SONIA") (2020: London Inter-bank Offered Rate ("LIBOR")). The Company adopted SONIA from 1 January 2021 following the adoption of the Interest Rate Benchmark Reform. Other amounts owed to group undertakings are trading balances under normal commercial terms and interest is not charged.

11 Called up share capital

	2021	2020
	£000	£000
Ordinary shares of £1 (2020: £1) each	<u>1</u>	<u>1</u>
	2021	2020
	No.	No.
Number of ordinary shares in issue	1,000	1,000
At beginning and end of year	<u>1,000</u>	<u>1,000</u>
	2021	2020
	£000	£000
Ordinary shares of £58,437,000 (2020: £58,437,000) each	<u>58,437</u>	<u>58,437</u>
	2021	2020
	No.	No.
Number of ordinary shares in issue	1	1
At beginning and end of year	<u>1</u>	<u>1</u>

12 Post balance sheet events

On 26 October 2021, the Essentra plc ("the Group") announced the strategic goal to become a pure play Components business with the first step in this process being to review the full range of strategic options for the Filters business. On 26 November 2021, it was announced the Group had decided to commence a strategic review of the Packaging division. After the balance sheet date, the Group is still undergoing such a strategic review.

Further to the announcements regarding the strategic reviews, on 24 June 2022, the Group announced the proposed disposal of ESNT Packaging & Securing Solutions Limited and Essentra Packaging US Inc and their subsidiary entities which constitute the group's Packaging business. This transaction is expected to complete in the latter half of the year 2022. Whilst the Company has balances with fellow group entities which are impacted by this transaction, these balances are expected to be settled in the normal course of business and/or the completion process.

Notes to the financial statements

for the year ended 31 December 2021 (continued)

12 Post balance sheet events (continued)

In the interim financial statements of Essentra Plc for the period ended 30 June 2022 an impairment of goodwill allocated to the Packaging division of £181,600,000 was recorded as a result of the sale of the Packaging division, which included certain entities owned by the Company. The impact on investments held by the Company is not currently known, but it is likely that this will give rise to an impairment of investments or loss on disposal in the period ended 31 December 2022.

On 2 February 2022, intercompany balance owed to Essentra Finance Limited by the Company of £317,512,595 was formalised as an interest free loan via the issuance of two separate unilateral debt instruments £70,000,000 and £247,512,595. On 3 February 2022, Essentra Finance Limited then released the obligation of the Company to settle the intercompany loan balance of £70,000,000.

Equity movement

On 26 January 2022, the Company undertook a share capital reduction, reducing its share capital from £58,437,585 to £58 via the reduction of the nominal value of the shares in issue from £1 to £0.000001 and the amount of such reduction be credited to the Company's distributive reserves.

On 29 June 2022, Essentra International Limited subscribed for 791,887 ordinary shares of £0.000001 (with £0.999999 premium per share) in the Company.

Investments and acquisitions

On 19 April 2022, the Company incorporated a Singapore company, Essentra Components Products Pte. Limited ("Singapore NewCo"). On 29 June 2022, ESNT International Limited subscribed for 1,338,289 SGD 1.00 ordinary shares in the Singapore NewCo.

On 7 June 2022, the Company acquired 100% shareholding in Essentra Components Limited from Essentra International Limited by issuing 482,204,000 ordinary shares of £0.000001 each with a share premium £0.999999 per share (£482,203,518 in aggregate).

On 2 March 2022, the Company incorporated a Brazil company, Essentra Participacoes Ltda. ("Brazil NewCo"), with 850,000 BRL 1.00 shares. On 7 June 2022, Brazil NewCo changed its name to Essentra Filters do Brasil Ltda. On 17 June 2022, Essentra International Limited and the Company drew down USD3,388,000 and USD1,012,000, respectively, under their existing facility agreements with Essentra Finance Limited. Essentra International Limited and the Company then subscribed for 17,448,200 and 5,211,800 ordinary shares in Brazil NewCo, respectively, in proportion to their existing 77% and 23% shareholding.

On 11 August 2022, the Company drew down cash of USD2,750,000 under its existing facility with Essentra Finance Limited. On 12 August 2022, ESNT International Limited subscribed for 13,976,325 BRL 1 quotas in Brazil NewCo for cash consideration using the funds drawn down from Essentra Finance Limited.

Disposals

On 14 April 2022, the Company has transferred several investments in subsidiaries to other Essentra group companies to establish a divisional group legal structure after the balance sheet date. The Company sold its 100% shareholding in Essentra Packaging Ireland Limited to ESNT Packaging and Securing Solutions Limited ("Essentra Packaging") for £12,217,081. The Company sold its investments in Essentra Packaging Limited to ESNT Packaging Limited at a consideration of £48,197,782. The Company sold its 100% shareholding in Essentra (Bangor) Limited to ESNT Packaging at a consideration of £1,680,575. The Company sold its 99.93% of shareholding in Essentra Products S.A. to Essentra Pte. Limited ("Essentra Singapore") at a consideration of £275,402.

On 29 April 2022, the Company declared a dividend in specie of £199,700 to Essentra International Limited by the transfer of the Company's 25% shareholdings (i.e. Euro5,000 quota) in Essentra Filter Products S.r.l.

On 12 May 2022, the Company sold its 100% of shareholding in Essentra Co. Limited ("Essentra Korea") to Essentra Singapore at a consideration of £65,819.

On 4 June 2022, the Company sold its 10% shareholding in Essentra Packaging GmbH to ESNT Packaging and Securing Solutions Limited at a consideration of £2,035,600.

Notes to the financial statements

for the year ended 31 December 2021 (continued)

12 Post balance sheet events (continued)

On 30 August 2022, the Company sold its 100% of shareholding in of the shares of Brazil NewCo to Essentra Singapore at a consideration of £2,379,020.

13 Ultimate parent company and parent undertaking of larger group of which the Company is a member

The Company's immediate parent undertaking is Essentra International Limited, a company incorporated in England and Wales.

The ultimate parent company is Essentra plc, a company incorporated in England and Wales. This is the only group in which the results of the Company are consolidated.

The consolidated financial statements of Essentra plc are available to the public and may be obtained from the registered office of Essentra plc at Langford Locks, Kidlington, Oxford, OX5 1HX, United Kingdom.