

ESNT International Limited

Strategic report, Directors' report and financial statements

Registered number 1935353

31 December 2022

Registered number 1935353

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Strategic report

for the year ended 31 December 2022

Principal activities and business review

The Company is a wholly owned subsidiary of Essentra plc ("the Group") and its principal activity during the year has been to act as a holding and investment company. During the year steps were taken to remove the shareholders deficit, including a capital reduction and a loan waiver of £70,000,000 from Essentra Finance Limited. During the year the company has transferred several investments in subsidiaries to other Essentra group companies to establish a Components Group legal structure as part of the strategic review of the Filters and Packaging divisions.

As shown in the Company's Statement of comprehensive income on page 6, the Company reported a loss before taxation of £27,202,000 compared with a loss of £5,357,000 in the prior year. The losses were primarily driven by a £92,424,000 impairment of investments following changes to the Essentra group legal structure as part of the strategic review. This was then offset by a loan waiver of £70,000,000 from Essentra Finance Limited.

The balance sheet on page 7 of the financial statements shows the Company's financial position at the year end. The net liability position changes to a net asset position which is mainly due to an issue of new shares of £482,995,000.

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 20 of the Strategic Report of the Essentra plc Annual Report 2022. The Essentra plc Annual Report 2022 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 52 to 65 of the Essentra plc Annual Report 2022.

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 173 to 177 of the Essentra plc Annual Report 2022.

Key performance indicators

During the year, the Directors of Essentra plc managed the group's operations on a group 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 2022 on pages 22 to 29.

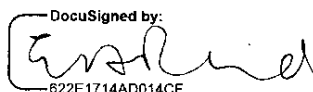
Strategic report

for the year ended 31 December 2022 (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 page 30 of the Essentra plc Annual Report 2022 are further details of the health and safety policies in place across the group and in the Company.

On behalf of the board

DocuSigned by:

622E1714AD014CF ..
Emma Reid
Director

Registered Office:
Langford Locks
Kidlington
Oxford
OX5 1HX
England

27 September 2023

Directors' report

for the year ended 31 December 2022

The Directors present their Directors' report and the financial statements for the year ended 31 December 2022.

Results and dividends

The loss for the financial year was £27,202,000 (2021: loss of £5,357,000).

Dividend income in the year of £nil (2021: £nil) was received from subsidiary undertakings.

During the year dividends of £199,700 were paid to the holder of the ordinary share capital (2021: £nil). The Directors do not propose the payment of a final dividend (2021: £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 38 to 39 of the Essentra plc Annual Report 2022.

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 (Resigned 25 January 2023)

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 (continued)**for the year ended 31 December 2022** (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 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.

Future outlook

The investments in trading companies with an international presence is expected to continue in the Company. For further details of the Group's outlook please refer to the Strategic Report section of the Group Annual Report 2022 on pages 4 to 5 and 10 to 13.

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' report (continued)

for the year ended 31 December 2022 (continued)

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.

The members have not required the Company to obtain an audit of its financial statements for the year ended 31 December 2022 in accordance with section 476 of the Companies Act 2006, audit exemption for a subsidiary company.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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).

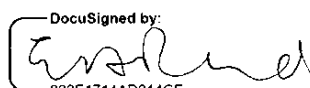
Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- 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

DocuSigned by:

822E1714AD014CF ...
Emma Reid
Director

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

27 September 2023

Statement of comprehensive income

for the year ended 31 December 2022

	Note	2022 £000	2021 £000
Administrative expenses and charges		(1,039)	(293)
Operating loss	3	(1,039)	(293)
Amounts written off investments	7	(92,424)	(1,039)
Loss on disposal of investments less gains	7	(1,900)	-
Reversal of impairment losses	7	-	2091
Amounts written off debtors	8	(1,839)	-
Interest payable and similar expenses	5	-	(6,116)
Waiver of loan payables	9	70,000	-
Loss before taxation		(27,202)	(5,357)
Tax on loss	6	-	-
Loss and total comprehensive expense for the financial year		(27,202)	(5,357)

Balance sheet

at 31 December 2022

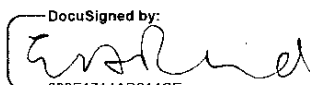
	Note	2022 £000	2021 £000
Fixed assets			
Investments	7	608,877	209,240
Other investments	7	-	1,494
		<u>608,877</u>	<u>270,734</u>
Current assets			
Debtors	8	64,472	16,930
Cash at bank and in hand		10	1
		<u>64,482</u>	<u>16,931</u>
Creditors: amounts falling due within one year	9	<u>(263,107)</u>	<u>(333,007)</u>
Net current liabilities		<u>(198,625)</u>	<u>(316,076)</u>
Net assets/ (liabilities)		<u>410,252</u>	<u>(45,342)</u>
Capital and reserves			
Called up share capital	10	1	58,438
Share premium		482,995	-
Accumulated losses		<u>(72,744)</u>	<u>(103,780)</u>
Total Shareholders' deficit		<u>410,252</u>	<u>(45,342)</u>

For the year ended 31 December 2022 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors responsibilities:

- The members have not required the Company to obtain an audit of its financial statements for the period in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements on pages 6 to 19 were approved by the board of Directors on 27 September 2023 and were signed on its behalf by:

DocuSigned by:

 622E1714AD014CF
Emma Reid
 Director

Statement of changes in equity

for the year ended 31 December 2022

	Note	Called up share capital £000	Share premium £000	Accumulated losses £000	Total shareholders' deficit £000
Balance at 1 January 2021		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)
Loss for the financial year		-		(27,202)	(27,202)
Reduction of share capital		(58,438)	-	58,438	-
Issue of new shares	1	482,995		-	482,996
Dividends paid		-	-	(200)	(200)
Total movements in equity for the year		(58,437)	482,995	31,036	455,594
Balance at 31 December 2022		1	482,995	(72,744)	410,252

Notes to the financial statements

for the year ended 31 December 2022

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, England, OX5 1HX. 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, England, OX5 1HX.

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 2022 (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. On the basis that the Group has agreed 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 2022, 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 2022 (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 2022 (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 103 of the Essentra plc Annual Report 2022.

3 Operating loss

Auditors' remuneration:

	2022	2021
	£000	£000
Audit of these financial statements	-	5

For the year ended 31 December 2022 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

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 2022 (continued)

5 Interest payable and similar expenses

	2022 £000	2021 £000
Payable to group undertakings	-	6,116

6 Tax on loss

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

	2022 £000	2021 £000
Adjustments in respect of prior years	-	-
Tax credit on loss	-	-

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% (2021: 19%). The tax credit is lower than (2021: credit lower than) the standard rate and the differences are explained below:

	2022 £000	2021 £000
Loss before taxation	(27,202)	(5,357)
Tax credit on loss at 19% (2021: 19%)	5,168	1,018
Effects of:		
Non taxable waiver of loan payables	13,300	-
Non taxable impairment reversals	-	200
Expenses not deductible for tax purposes	(18,271)	-
Group relief surrendered for nil payment	(197)	(1,218)
Adjustments in respect of prior years	-	-
Total tax credit reported in the Statement of comprehensive income (see above)	-	-

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.

Notes to the financial statements

for the year ended 31 December 2022 (continued)

7 Investments and other investments

	Investments in subsidiary undertakings £000	Other investments £000	Total £000
Cost			
At beginning of year	565,958	1,494	567,452
Additions	499,557	-	499,557
Disposals	(165,201)	(1,494)	(166,695)
At end of year	900,314	-	900,314
Provisions for impairment			
At beginning of year	296,718	-	296,718
Impairment charge	92,424	-	92,424
Disposals	(97,705)	-	(97,705)
At end of year	291,437	-	291,437
At 31 December 2022	608,877	-	608,877
At 31 December 2021	269,240	1,494	270,734

On 26 October 2021, the Essentra plc ("the Group") announced the strategic goal to become a pure play Components business and following this review the Company as undertaken the following investment activities in 2022.

During the year, the Company acquired shareholdings in Essentra Components Limited at a consideration of £482,204,000, Essentra Components Products Pte Ltd for a consideration of £796,601, Essentra (India) Private Limited for a consideration of £8,668,243 and Essentra Participacoes Ltda. for a consideration of £2,379,020. The Company has also increased its investments in Essentra Industria E Comercio LTDA, Mesan Kilit A.S. and Essentra Overseas Ltd by £5,508,792 in total.

During the year, an impairment charge of £77,531,260 was made to investments in Blue Newco 1 B.V, £10,624,497 in Essentra Malaysia Sdn Bhd and £4,268,243 in Essentra (India) Private Limited based on their recoverable value.

During the year, investments in 'Essentra Packaging Ireland Ltd, 'Essentra Filter Products Srl, 'Essentra Filter Products S.A., 'Essentra Pte Ltd, 'Essentra Packaging Ltd, 'Essentra (Bangor) Ltd. and Essentra Participacoes Ltda were disposed of for a total net book value of £67,496,000.

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 Components Limited	UK	Manufacturing	Langford Locks, Kidlington, Oxfordshire, OX5 1HX
Essentra Overseas Limited	UK	Holding Company	Langford Locks, Kidlington, Oxfordshire, OX5 1HX
Essentra (Northampton) Ltd	UK	Dormant	Langford Locks, Kidlington, Oxfordshire, OX5 1HX
*Alliance Plastics Limited	UK	Dormant	Langford Locks, Kidlington, Oxfordshire, OX5 1HX
*ESNT Components Limited	UK	Dormant	Langford Locks, Kidlington, Oxfordshire, OX5 1HX

Notes to the financial statements

for the year ended 31 December 2022 (continued)

7 Investments and other investments (continued)

Subsidiary undertakings	Country of incorporation	Principal activity	Address of registered office
*Filtrona Custom Moulding Limited	UK	Dormant	Langford Locks, Kidlington, Oxfordshire, OX5 1HX
*Stera Tape Limited	UK	Dormant	Langford Locks, Kidlington, Oxfordshire, OX5 1HX
*Wixroyd Holdings Limited	UK	Holding Company	Langford Locks, Kidlington, Oxfordshire, OX5 1HX
*Wixroyd Group Limited	UK	Distribution	Langford Locks, Kidlington, Oxfordshire, OX5 1HX
*Automation Components Limited	UK	Holding Company	Langford Locks, Kidlington, Oxfordshire, OX5 1HX
*Coburg Components Ltd	UK	Distribution	Langford Locks, Kidlington, Oxfordshire, OX5 1HX
*Teknipart Limited	UK	Distribution	Langford Locks, Kidlington, Oxfordshire, OX5 1HX
*Essentra Components Inc	US	Holding Company	Two Westbrook Corporate Center, Suite 200, Westchester IL 60154, United States
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 Co.	US	Holding Company	Two Westbrook Corporate Center, Suite 200, Westchester IL 60154, United States
*Essentra Components BV	Netherlands	Distribution	Dragonder 3, 5554 GM Valkenswaard , Netherlands
Blue NewCo 1 B.V.	Netherlands	Holding Company	Dragonder 3, 5554 GM Valkenswaard , Netherlands
*Blue NewCo 2 B.V.	Netherlands	Holding Company	Dragonder 3, 5554 GM Valkenswaard , Netherlands
*Blue NewCo 3 B.V.	Netherlands	Holding Company	Dragonder 3, 5554 GM Valkenswaard , Netherlands
*Blue NewCo 4 B.V.	Netherlands	Holding Company	Dragonder 3, 5554 GM Valkenswaard , Netherlands
*ESNT Holdings Cooperatie 1 W.A.	Netherlands	Holding Company	Dragonder 3, 5554 GM Valkenswaard , Netherlands
Essentra BV	Netherlands	Holding Company	Dragonder 3, 5554 GM Valkenswaard , Netherlands
*ESNT Holdings Cooperatie 2 W.A.	Netherlands	Non-trading	Dragonder 3, 5554 GM Valkenswaard , Netherlands
*Essentra Components GmbH	Austria	Distribution	Schubertring 6, 1010 Wien, Austria
Essentra Pty Ltd	Australia	Distribution	32 Clyde Street, Rydalmere NSW 2116, 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., Ltd	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. Ltd	China	Distribution	No.99 Huanghai Road, Beilun District, Ningbo, Zhejiang Province, China

Notes to the financial statements

for the year ended 31 December 2022 (continued)

7 Investments and other investments (continued)

Subsidiary undertakings	Country of incorporation	Principal activity	Address of registered office
*Essentra Components International Trading (Shanghai) Co Ltd	China	Holding Company	Room 347, Xinmaolou Building, 2 Taizhong South Road, China (Shanghai) Pilot Free Trade Zone, Pudong New Area, Shanghai, 200120, China
*Essentra Plastic Trading (Ningbo) Co. Ltd	China	Holding Company	99 Huanghai Road, Beilun District, Ningbo, Zhejiang, China
*Componentes Innovadores Limitada	Costa Rica	Manufacturing	Cartago-Cartago Parque Industrial Y Zona Franca Zeta, Cartago, Edificios, 48C3 48C4, Costa Rica
Essentra Components sro	Czech Republic	Trading	Vídenská 101/119, Dolní Heršpice, Brno, 619 00, Czech Republic
Essentra Components SAS	France	Trading	280 rue de la Belle Étoile, 95700, Roissy, France
Essentra International GmbH	Germany	Holding Company	3, Montel-Allee, Nettetal, 41334, Germany
*Essentra Components GmbH	Germany	Manufacturing	Herrenpfad Süd 36, 41334, Nettetal, Germany
*Essentra Components Limited - Branch Germany	Germany	Distribution	Montel-Allee 3, 41334 Nettetal, Germany
Essentra Components Kft	Hungary	Trading	2040 Budaors Gyar u. 2., Hungary
Essentra (India) Private Limited	India	Trading	Survey No. 46, Jala Hobli, Dodajala Village, Bangalore North - 562 157, Karnataka, India
Essentra Components (India) Private Limited	India	Trading	No 3, Main Rd, Phase 1 Yeshwanthpur Hobli, Bengaluru, Bangalore, Karnataka, 560058, India
*Essentra Components srl	Italy	Trading	Via Massarenti, 1 Loc, 1 Maggio, 40013, Castel Maggiore, Italy
*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 Darul Ehsan, 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 SDN BHD	Malaysia	Non-trading	Unit 1108, Block A Pusat Dagangan Phileo Damansara 2, 15 Jalan 16/11 Off Jalan Damansara, Petaling Jaya, Selangor, 46350, Malaysia
*Essentra Sp. z o.o.	Poland	Trading	104a, Maratońska, Łódź, 04-007, Poland
Essentra Components SRL	Romania	Trading	Bucuresti Sectorul 1, Strada POLANA, Nr. 68-72, Etaj 2, Biroul NR.5, Romania
Essentra Components Products Pte	Singapore	Trading	1 Paya Lebar Link, #04-01, Paya Lebar Quarter, Singapore, 408533, Singapore
*Essentra Components sro	Slovakia	Distribution	Gogol'ova 18, 852 02 Bratislava, Slovakia
Essentra Components (Pty) Ltd	South Africa	Distribution	71, Isessebe Crescent, Corporate Park South, Randjifontein Midrand, GP, 1685, South Africa
*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 S.L.U	Spain	Distribution	Calle Roure Gros 1-11, Poligono Industrial Mas d'En Cisa, 08181, Spain

Notes to the financial statements

for the year ended 31 December 2022 (continued)

7 Investments and other investments (continued)

Subsidiary undertakings	Country of incorporation	Principal activity	Address of registered office
Essentra Components AB	Sweden	Manufacturing	7, Bäckstengsgatan, Mölndal, 431 39, Sweden
*Essentra Components AB – Finland Branch	Finland	Manufacturing	2A, Tallbergsgatan, Helsinki 00180, Finland
*Essentra Components Sari	Switzerland	Non-trading	Rue du Grand-Chene 2, c/o Pierre- Alain Killias, Lexartis Avocats, 1003 Lausanne, Switzerland
*Essentra Eastern Limited	Thailand	Non-trading	111/5 Moo 2 Tambon Makamku, Amphur Nikom Pattana, Rayong Province, Thailand
Ban Lamai Limited	Thailand	Holding Company	o. 111/5, Moo 2, Makham Khu Sub-district, Nikhom Phatthana District, Rayong Province, Thailand
*Essentra Components (Thailand) Limited	Thailand	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
*Mesan Kilit Anonim Şirketi Maslak Şubesi – Digital Hub Branch	Turkey	Trading	Maslak Mahallesi, Bilim Sokak, Sun Plaza Blok No: 5A, İç Kapı No.41 Sarıyer, Istanbul, Turkey
*Mesan Kilit Anonim Şirketi Silivri Şubesi – Branch	Turkey	Trading	at Mimar Sinan Mah. Uluğbey Cad. Ofis İşyeri, Blok No: 5, Silivri, Istanbul, Turkey
Essentra Components Vietnam Limited Liability Company	Vietnam	Non-trading	11 Bis Phan Ngu, Da Kao Ward, District 01, Ho Chi Minh city, Vietnam

* 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.

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.

Notes to the financial statements

for the year ended 31 December 2022 (continued)

8 Debtors

	2022 £000	2021 £000
Amounts due from group undertakings	64,472	16,930
	<u>64,472</u>	<u>16,930</u>

Included in the amounts owed by group undertakings are £64,472,000 (2021: £15,074,000) owed by Essentra International Limited.

The remaining balance of £nil (2021: £169,000) is due from Abirc Encode Sdn Bhd and £nil (2021: £1,687,000) due from Mesan Kilt A.A., is valued in the reported UK Sterling currency after conversion from the dominated currency of Malaysian Ringgit and Turkish lira, 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.

9 Creditors: amounts falling due within one year

	2022 £000	2021 £000
Amounts owed to group undertakings	262,959	332,858
Accruals and deferred income	148	149
	<u>263,107</u>	<u>333,007</u>

Included in amounts owed to group undertakings is an amount of £262,900,000 (2021: £332,627,000) 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"). 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.

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10 Called up share capital

	2022 £000	2021 £000
Ordinary shares of £1 (2021: £1) each	-	1
	<hr/>	<hr/>
	2022 No.	2021 No.
Number of ordinary shares in issue		
At beginning of year	1,000	1,000
Share conversion	(1,000)	-
	<hr/>	<hr/>
At the end of year	-	1,000
	<hr/>	<hr/>
	2022 £000	2021 £000
Ordinary shares of £0.000001 (2021: £58,437,000) each	1	58,437
	<hr/>	<hr/>
	2022 No.	2021 No.
Number of ordinary shares in issue		
At beginning of year	1	1
Capital reduction and share conversion	58,437,584	
Share issue	482,995,887	-
	<hr/>	<hr/>
At the end of year	541,433,472	1
	<hr/>	<hr/>

11 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, England.