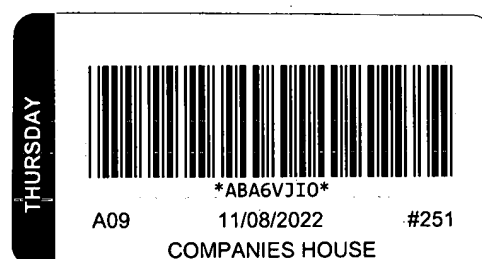


**Inprint Systems Limited**

**Directors' report and financial  
statements**

Registered number 03650238

31 December 2021



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## Strategic report

### Principal activities

The Company's principal activity continued to be that of a holding company, primarily engaged in the provision of the manufacturing facility to its subsidiary. The Company's subsidiary is principally engaged in the print, design and manufacture of Expanded Content Booklet labels.

### Business model

The Company primarily focuses on supporting its Ashford subsidiary with the provision of a state of the art manufacturing facility in order to service its customer's requirements and needs in an ever changing and demanding market.

### Business review and results

The results for the year are shown in the profit and loss account on page 8.

For the year ended 31 December 2021, the Company reported a profit after taxation of £3,172,000 (2020: £166,000).

The main sources of income and expense relate to rental income and dividends, with dividends being dependent upon trading activities of its subsidiary. £3M dividend received during the year (2020: £Nil, received and subsequently paid out).

### Key performance indicators

Key performance indicators are not considered relevant for this holding company.

### Principal risks and uncertainties

The principal risks and uncertainties of the Company revolve around the trading activities of its subsidiary therefore areas of strategic development and performance are primarily those of its subsidiary and include the following:

- Raw material availability and prices: the Company monitors key raw material sources on a global basis and negotiates fixed price contracts where appropriate with key suppliers
- Environmental risks: the Company places considerable emphasis upon environmental compliance and not only seeks to ensure ongoing compliance with relevant legislation but also strives to ensure that environmental best practice is incorporated into its key processes.
- Debtors: the Company maintains strong relationships with each of its key customers. Appropriate credit terms are agreed with all customers and these are closely managed.
- Global economy: the Company is well positioned in terms of its customers, products and financing to weather the economic downturn.
- Major disruption/disaster: business continuity planning is reviewed regularly.
- The Company monitors forthcoming and current legislation regularly.
- Financial risk management: although the current risk is considered low, considerable effort is placed on managing cash and working capital in order to provide continued investment in capital.

**Section 172(1) statement**

In the performance of their duties and in regard to the promoting of the success of the company for the benefit of its members, the Directors hold board meetings when appropriate, seek external professional advice when required and have an open relationship with employees, customers and suppliers.

The directors continuously review long term projections and performance of the trading subsidiary to ensure investment and focus continues to be paid to the right areas for the long term as well as short term.

**Future developments**

The Company is expected to remain a holding company.

Due to the ongoing conflict in Ukraine and the various effects on the global economy, there are significant challenges ahead for the Company and its subsidiaries, none of which are insurmountable or predictable. The management will endeavour to meet these challenges as they arise

By order of the board

  
**Mark Beckram**  
*Director*

Foster Road,  
Ashford Business Park,  
Sevington, Ashford,  
TN24 0SH

1<sup>st</sup> August 2022

## Directors' report

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

### Results for the year and Dividends

The results for the year are shown on page 8.

The directors do not propose a final ordinary dividend, which together with the interim dividend of £497 per ordinary share, make a total dividend of £497 per share (2020: £nil per share).

The Company made no political donations or incurred any political expenditure in the year.

### Directors

The directors who held office during the year were as follows:

G T Martin  
M A Beckram  
M J McGarry

Certain directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

### Matters covered in the strategic report

The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 requires a Strategic Report to be prepared. Where mandatory disclosures in the Directors' Report are considered by the directors to be of strategic importance these have been included within the Strategic Report rather than the Directors' Report. The Company has done so in respect of future developments.

### Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and BM Howarth Ltd will therefore continue in office..

By order of the board

  
Mark Beckram  
Director

Foster Road,  
Ashford Business Park,  
Sevington, Ashford,  
TN24 0SH

1<sup>st</sup> August 2022

## **Statement of directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statements**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

**Inprint Systems Limited**  
**Independent Auditor's Report**  
**to the Members of Inprint Systems Limited**

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**Opinion**

We have audited the financial statements of Inprint Systems Limited (the 'company') for the year ended 31 December 2021 which comprise the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and;
- have been prepared in accordance with the requirements of the Companies Act 2006

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

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

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

**Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Inprint Systems Limited**  
**Independent Auditor's Report (continued)**  
**to the Members of Inprint Systems Limited**

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**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and;
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion.

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

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so

**Auditor's responsibilities for the audit of the financial statements**

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and the sector in which it operates, our audit work considers the risk of material misstatement on the financial statements as a result of non-compliance with laws and regulations, this includes fraud. These laws and regulations include, but are not limited to, those that relate to the form and content of the financial statements, such as the company accounting policies, the financial reporting framework and the UK Companies Act 2006.



**Inprint Systems Limited**  
**Independent Auditor's Report (continued)**  
**to the Members of Inprint Systems Limited**

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We evaluated management incentives and opportunities for manipulation of the financial statements and determined that the principal risks related to management bias in accounting estimates and overstatement of revenue. Our audit procedures included, but were not limited to:

- Agreement of the financial statements disclosures to underlying supporting documentation;
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Challenging assumptions, accounting estimates and judgements made by directors;
- Identifying and testing journal entries to ensure they are appropriate;
- Sample testing of income and expenditure to ensure correct cut-off has been applied.

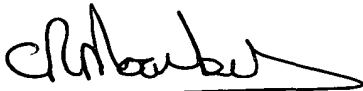
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error.

There are inherent limitations in audit procedures, the further removed non compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Charles R Moorby (Senior Statutory Auditor)  
for and on behalf of B M Howarth Ltd  
Chartered Accountants  
Statutory Auditor  
West House,  
Kings Cross Road  
Halifax  
West Yorkshire  
HX1 1EB

Date.....1 August 2022

**Profit and Loss Account and Other Comprehensive Income**  
*for year ended 31st December 2021*

	<i>Note</i>	<b>2021</b> <b>£000</b>	2020 £000
<b>Turnover</b>		<b>440</b>	440
Cost of sales		-	-
		<hr/>	<hr/>
<b>Gross profit</b>		<b>440</b>	440
Administration expenses		(284)	(283)
		<hr/>	<hr/>
<b>Operating profit</b>	<i>2,3</i>	<b>156</b>	157
Income from shares in group undertaking		3,000	-
		<hr/>	<hr/>
<b>Profit before taxation</b>		<b>3,156</b>	157
Tax on profit	<i>4</i>	16	9
		<hr/>	<hr/>
<b>Profit and other comprehensive income for the financial year</b>		<b>3,172</b>	166
		<hr/> <hr/>	<hr/> <hr/>

All items dealt with in arriving at operating profit above relate to continuing operations.

The Company has no recognised gains and losses other than the profit above and therefore no separate statement of total comprehensive income has been presented.

Notes on pages 11 to 23 form part of financial statements.

**Balance Sheet**  
*at 31st December 2021*

	<i>Note</i>	<b>2021</b>	<b>2020</b>
		<b>£000</b>	<b>£000</b>
<b>Fixed assets</b>			
Tangible assets	5	4,952	5,228
Investments	6	18,000	18,000
		<u>22,952</u>	<u>23,228</u>
<b>Current assets</b>			
Debtors	7	484	1,985
Cash at bank and in hand		-	22
		<u>484</u>	<u>2,007</u>
<b>Creditors: amounts falling due within one year</b>	8	(7)	(8)
<b>Net current assets</b>		<u>477</u>	<u>1,999</u>
<b>Total assets less current liabilities</b>		<u>23,429</u>	<u>25,227</u>
<b>Net assets</b>		<u>23,429</u>	<u>25,227</u>
<b>Capital and reserves</b>			
Called up share capital	11	2,283	2,283
Profit and loss account		21,146	22,944
<b>Shareholders' funds</b>		<u>23,429</u>	<u>25,227</u>

These financial statements were approved by the board of directors on 1<sup>st</sup> August 2022 and were signed on its behalf by:



**Mark Beckram**  
*Director*

Company registered number: 03650238

Notes on pages 11 to 23 form part of financial statements

## Statement of Changes in Equity

	<b>Called-up share capital £000</b>	<b>Profit and loss account £000</b>	<b>Total equity £000</b>
Balance at 1 January 2020	2,283	22,778	25,061
<b>Total comprehensive income for the period</b>			
Profit for the year	-	166	166
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	166	166
Equity dividends	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2020</b>	<b>2,283</b>	<b>22,944</b>	<b>25,227</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	<b>Called-up share capital £000</b>	<b>Profit and loss account £000</b>	<b>Total equity £000</b>
Balance at 1 January 2021	2,283	22,944	25,227
<b>Total comprehensive income for the period</b>			
Profit for the year	-	3,172	3,172
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	3,172	3,172
Equity dividends	-	(4,970)	(4,970)
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2021</b>	<b>2,283</b>	<b>21,146</b>	<b>23,429</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes on pages 11 to 23 form part of financial statements

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

#### A. Investment property

##### 1 Properties rented to another group entity

Investment properties rented to another group entity are recognised as property, plant and equipment and measured applying the cost mode.

##### 1.1 Basis of preparation

Inprint Systems Limited (the "Company") is a private company limited by shares, incorporated, domiciled and registered in England in the UK. The registered number is 03650238 and the registered address is Foster Road, Ashford Business Park, Sevington, Ashford, TN24 0SH.

The Company is exempt by virtue of s401 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.

These financial statements were prepared in accordance with Financial Reporting Standard 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company's ultimate parent undertaking, CCL Industries Inc includes the Company in its consolidated financial statements. The consolidated financial statements of CCL Industries Inc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Suite 500, Gordon Baker Road, Framingham, Canada. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of CCL Industries Inc include the disclosures equivalent to those required by FRS 102, the Company has also taken the exemptions available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 *Share Based Payments*; and,
- Certain disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 1.12.

##### 1.2 Measurement convention

The financial statements are prepared on the historical cost basis.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.3 Going concern

The Company's business activities, together with the factors likely to affect its future development and its financial position are described in the Strategic report on page 1 to 2.

The directors have prepared the financial statements on a going concern basis which they consider to be appropriate for the following reasons.

The directors have reviewed the expected business activities of the company for a period of 12 months from the date of approval of these financial statements.

The company is a holding company with activities limited to holding of land and building which is subsequently rented to its subsidiary. Based on the forecast performed by the subsidiary, they will continue to have sufficient liquidity to manage their working capital and will be able to settle the rental obligations as they fall due for that period.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements.

#### 1.4 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

#### 1.5 Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.6 Basic financial instruments

##### *Trade and other debtors*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

##### *Trade and other creditors*

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

##### *Investments in subsidiaries*

Investments in subsidiaries are carried at cost less impairment.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits.

#### 1.7 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items, for example land is treated separately from buildings.

The Company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The estimated useful lives are as follows:

- freehold building 10 - 40 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.8 Impairment excluding stocks and deferred tax assets

##### *Financial assets (including trade and other debtors)*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

##### *Non-financial assets*

The carrying amounts of the Company'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 or cash-generating unit 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. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs, the company tests the impairment of goodwill by determining the recoverable amount of the entity in its entirety, including the integrated acquired operations.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

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.



## Notes (continued)

### 1 Accounting policies (continued)

#### 1.9 Turnover

Turnover represents the amounts (excluding value added tax) receivable for intercompany rents, recognised on rental payments.

#### 1.10 Expenses

##### *Interest payable and interest receivable*

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method and unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrues, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the Company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

#### 1.11 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly 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.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.12 Accounting estimates and judgements

##### *Key sources of estimation uncertainty*

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

##### (i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 5 for the carrying amount of the property plant and equipment, and note 1.7 for the useful economic lives for each class of assets.

##### (ii) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 7 for the net carrying amount of the debtors and associated impairment provision.

##### (iii) Investments

Investments in subsidiaries are initially measured at cost. An annual review of investments is performed to ensure there is no indication of impairment and the carrying value is supported by the assets and trade of the subsidiary. See note 6 for the net carrying value of investments.

## Notes (continued)

### 2 Expenses and auditor's remuneration

*Included in operating profit are the following:*

	2021 £000	2020 £000
Depreciation of tangible fixed assets	276	277
	<u>          </u>	<u>          </u>

*Auditor's remuneration:*

	2021 £000	2020 £000
Audit of these financial statements	4	4
	<u>          </u>	<u>          </u>

### 3 Directors and employees

None of the directors received emoluments in respect of their services to the Company during the year (2020: £nil).  
The directors are remunerated by another group company.

The Company had no employees during the year apart from the directors (2020: none).

## Notes (continued)

### 4 Taxation

#### Total tax expense recognised in the profit and loss account

	2021 £000	£000	2020 £000	£000
<i>Current tax</i>				
Current tax on income for the period	-		-	
Adjustments in respect of prior periods	-		-	
	<u>          </u>		<u>          </u>	
Total current tax		-		-
<i>Deferred tax (see note 9)</i>				
Origination and reversal of timing differences	(7)		(6)	
Change in tax rate	(12)		(3)	
Adjustment in respect of prior periods	2		-	
	<u>          </u>		<u>          </u>	
Total deferred tax		(16)		(9)
		<u>          </u>		<u>          </u>
Total tax		(16)		(9)
		<u>          </u>		<u>          </u>

#### Reconciliation of effective tax rate

	2021 £000	2020 £000
Profit for the year	3,172	166
Total tax (credit)/expense	(16)	(9)
	<u>          </u>	<u>          </u>
Profit before tax	3,156	157
Tax using the UK corporation tax rate of 19% (2020: 19%)	600	28
Deferred tax rate change	-	-
Fixed asset differences	47	48
Income not taxable	(570)	-
Deferred tax prior year adjustment	2	-
Utilisation of previously unrecognised tax losses	(83)	(82)
Deferred tax rate change impact	(12)	(3)
	<u>          </u>	<u>          </u>
Total tax expense included in profit or loss	(16)	(9)
	<u>          </u>	<u>          </u>

The current UK corporation tax rate is 19%.

On 3 March 2021 the UK government announced that the UK Corporation Tax rate would rise to 25% from 1 April 2023. As this rate rise was enacted by the balance sheet date, this is the rate used for the deferred tax calculation.

**Notes (continued)**

**5 Tangible fixed assets**

	<b>Land and buildings £000</b>
<b>Cost</b>	
Balance at 1 January 2021	8,840
	<hr/>
Balance at 31 December 2021	8,840
	<hr/>
<b>Depreciation and impairment</b>	
Balance at 1 January 2021	3,612
Depreciation charge for the year	276
	<hr/>
Balance at 31 December 2021	3,888
	<hr/>
<b>Net book value</b>	
<b>At 31 December 2021</b>	<b>4,952</b>
	<hr/>
At 1 January 2020	5,228
	<hr/>

*Land and Buildings*

The net book value of land and buildings comprises:

	<b>2021 £000</b>	<b>2020 £000</b>
Land	1,760	1,760
Freehold	3,192	3,468
	<hr/>	<hr/>
	<b>4,952</b>	<b>5,228</b>
	<hr/>	<hr/>

## Notes (continued)

### 6 Fixed asset investments

	Shares in group undertakings £000
<i>Cost and net book value</i>	
As at 1 January 2021	18,000
Additions	-
Disposals	-
	<hr/>
<b>As at 31 December 2021</b>	<b>18,000</b>
	<hr/>

The Company has the following investment in subsidiary:

	Activity	Registered Office address	Class of shares	Ownership 2021 %	Ownership 2020 %
CCL Label (Ashford) Limited	Trading	Foster Rd Ashford, Kent TN24 0SH, UK	Ordinary	100%	100%

### 7 Debtors

	2021 £000	2020 £000
Amounts owed by group undertakings	431	1,948
Deferred taxation (see note 9)	53	37
	<hr/>	<hr/>
	<b>484</b>	<b>1,985</b>
	<hr/>	<hr/>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

**Notes (continued)**

**8 Creditors: amounts falling due within one year**

	<b>2021</b> <b>£000</b>	2020 £000
Accruals and deferred income	7	8
	<u>7</u>	<u>8</u>
	<u><u>7</u></u>	<u><u>8</u></u>

**9 Deferred tax assets and liabilities**

Deferred tax assets and liabilities are attributable to the following:

	<b>2021</b> <b>£000</b>	Assets 2020 £000
Excess depreciation over capital allowances	53	37
	<u>53</u>	<u>37</u>
Tax assets	<u><u>53</u></u>	<u><u>37</u></u>

In addition to the deferred tax asset above, the Company has additional unrecognised deferred tax assets of £304,000 (2020: £313,000).

**10 Deferred tax asset movement**

	<b>2021</b> <b>£000</b>
Balance at 1 January 2021	37
Credited to profit and loss during the year	16
	<u>53</u>
<b>Balance at 31 December 2021</b>	<u><u>53</u></u>

## Notes (continued)

### 11 Capital and reserves

#### Share capital

	2021 £000	2020 £000
<i>Allotted, called up and fully paid</i>		
9,000 A ordinary shares of £1 each	9	9
900 B ordinary shares of £1 each	1	1
50 C ordinary shares of £1 each	-	-
50 D ordinary shares of £1 each	-	-
2,272,727 deferred shares of £1 each	2,273	2,273
	<hr/>	<hr/>
At 31 December	2,283	2,283
	<hr/>	<hr/>

#### Rights of classes of shares

##### Ordinary shares

The ordinary shares rank pari-passu with each other for the purposes of dividend payments and voting rights.

On winding up or on exit, the ordinary shareholders are entitled to the following proportion of assets of the company or aggregate consideration payable to the ordinary shareholders of the company:

Up to £20m	- A shareholders 90%
	- B shareholders 10%
Between £20m and £44m	- A shareholders 79%
	- B shareholders 16%
	- C shareholders 3.5%
	- D shareholders 1.5%
Over £44m	- A shareholders 15%
	- B shareholders 25%
	- C shareholders 33.6%
	- D shareholders 26.4%

##### Deferred shares

Deferred shareholders are not entitled to participate in any dividend or other distribution paid or made by the company, except when surplus assets are remaining after a total sum of £100,000,000 has been distributed in respect of each of the ordinary shares of the company. The shareholders are then entitled to the repayment of the nominal amounts paid up on the shares. Deferred shareholders do not have any voting rights.



## Notes (continued)

### 12 Dividends

	2021 £000	2020 £000
Interim dividend of £497 per ordinary share (2020: £Nil)	4,970	-
	<u>          </u>	<u>          </u>

### 13 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of CCL Industries (UK) Limited. The ultimate controlling party is CCL Industries Inc.

The largest group in which the results of the Company are consolidated is that headed by CCL Industries Inc, registered office address at 111 Gordon Baker Road, Suite 801, Toronto, Ontario M2H 3R1, Canada. No other group financial statements include the results of the Company. The consolidated financial statements of this group is available to the public and may be obtained from the registered office.

### 14 Post balance sheet event

In February 2022, Russia invaded Ukraine resulting in various sanctions being placed by the West on Russia. This has sent various shock waves around the globe exacerbating existing supply chain issues and inflationary pressures. The impact of these events on the group are currently significant but manageable