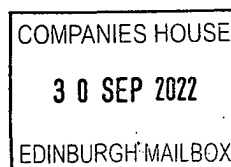
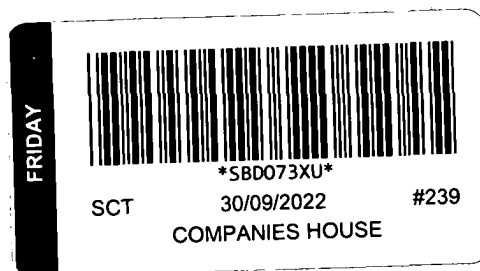


HAVI Global Solutions Europe Limited
(Registered number: 05319761)

Annual report and financial statements

For the year ended 31 December 2021



HAVI Global Solutions Europe Limited

(Registered number: 05319761)

Annual report and financial statements

31 December 2021

Contents

	Page
Director and Advisers	1
Strategic report for the year ended 31 December 2021	2
Director's report for the year ended 31 December 2021	4
Statement of director's responsibilities in respect of the financial statements	6
Independent auditors' report to the members of HAVI Global Solutions Europe Limited	7
Profit and loss account	10
Balance sheet as at 31 December 2021	11
Statement of changes in equity	12
Notes to the financial statements	13

HAVI Global Solutions Europe Limited

(Registered number: 05319761)

Annual report and financial statements

31 December 2021

DIRECTOR AND ADVISERS

DIRECTOR

Douglas Moody-Stuart

REGISTERED OFFICE

One Fleet Place
London
EC4M 7WS

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
One Kingsway
Cardiff
CF10 3PW

SOLICITORS

Dentons UKMEA LLP
The Pinnacle
170 Midsummer Boulevard
Milton Keynes
MK9 1FE

TAX ADVISOR

KPMG LLP
15 Canada Square
London
E14 5GL

KPMG AG
Tersteegenstr. 19-31
40474 Düsseldorf

HAVI Global Solutions Europe Limited

(Registered number: 05319761)

Annual report and financial statements

31 December 2021

Strategic report for the year ended 31 December 2021

The director presents his Strategic report on HAVI Global Solutions Europe Limited for the year ended 31 December 2021.

Principal activities

HAVI Global Solutions Europe Limited (the "Company") is a service business that administers and monitors the packaging needs of the McDonald's Group in Europe and other customers. The Company's sales are substantially with the European McDonald's group, its licensees, or its distributors.

Business review

The Gross profit increase in 2021 is mainly driven by Sourcing business. Operating profit margin increased by +1.7% mainly linked to additional Sourcing business opportunities driven by growth categories.

Based on the latest forecast for FY 2022, the management expects around +3.8% increase of gross margin versus 2021, mainly linked to growth driven by local market activities and additional Sourcing categories.

Even the markets are still recovering from COVID-19 impacts, the expected financial results in 2022 will be beyond 2021 actuals.

As at the date of these financial statements, the net asset position is €2,671,959 (2020: €1,170,847).

Key performance indicators

- Turnover of €76,915,825 (2020: €53,252,210)
- Gross profit of €14,758,839 (2020: €12,913,599)
- Operating profit of €3,164,847 (2020: €1,301,521)
- Operating profit margin of 4.1% (2020: 2.4%)

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the Company are considered to relate to employee retention and the fact that the Company's sales are substantially with the European McDonald's group, its licensees, or its distributors.

Employee retention

Company policy is to remunerate its personnel in line with market rates and practice. In addition to competitive salaries, annual bonus schemes and other benefits are offered. Succession planning is considered regularly by management. The Company is able to offer employees appropriate training and opportunities for advancement and has a demonstrable track record of internal promotion.

Relationships with McDonald's

The importance of relationships with McDonald's is recognised and managed by the director and senior personnel who have direct and regular access to their counterparts at McDonald's and ensure that an excellent level of customer service is maintained.

Impact due to COVID-19

The Company is continuing to closely monitor the COVID-19 developments and collaborate closely with customers & suppliers to minimise potential future risks. As at the date of these financial statements, we are seeing business recovery and additional business opportunities for hygiene and safety categories linked to the pandemic.

Russia/Ukraine conflict

McD Global has decided to exit the Russian market effective by mid 2022, since then HAVI Global Solutions Europe LTD is not doing any business with the Russian market. As of the signature date for these financial statements, the first restaurants are opening again in Ukraine while the overall situation is still unpredictable. At this point it is not expected that the Russia/Ukraine conflict will have a significant financial impact on HAVI Global Solutions Europe LTD.

HAVI Global Solutions Europe Limited

(Registered number: 05319761)

Annual report and financial statements

31 December 2021

Strategic report for the year ended 31 December 2021 (continued)

Going concern

The Company continues to adopt the going concern basis in preparing its financial statements.

As at the date of these financial statements, the Company is not aware of any material impact on the financial statements arising from the COVID-19 outbreak. Further the Company's performance is beyond the level prior to COVID-19 across all categories.

The Company meets its day-to-day working capital requirements through its bank facilities. The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

In addition to his assessment of the Company's position the director has also received confirmation from the parent and ultimate parent that the intercompany liabilities will not be called in until such a time as the entity has liquid funds to facilitate its payment and access to the cash pooling facility will continue to enable the entity to meet its obligations as they fall due for a period of at least 12 months from the date of signing of these financial statements.

Future outlook

Based on the latest forecast for FY 2022, management expects around +3.8% increase of gross margin versus 2021, mainly linked to growth driven by local market activities and additional Sourcing.

The market has fully recovered from COVID-19 impacts and the expected financial results in 2022 will be beyond 2021 actuals.

On behalf of the Board



Douglas Moody-Stuart

Director

29 September 2022

HAVI Global Solutions Europe Limited

(Registered number: 05319761)

Annual report and financial statements

31 December 2021

Director's report for the year ended 31 December 2021

The director presents his report and the audited financial statements of the Company for the year ended 31 December 2021.

Future developments

Future developments are discussed in the Strategic report and included in the report by cross reference.

Results and dividends

The profit for the year amounted to €2,523,266 (2020: €1,022,155). A dividend of €1,022,154 was paid to HAVI Global Solution Europe GmbH during the year (2020: €1,230,033). The Company does not recommend the payment of a final dividend.

Financial risk management

The objectives of the Company are to manage the Company's financial risk, secure cost effective funding for the Company's operations and to minimise the adverse effects of fluctuations in the financial markets on the Company's financial assets and liabilities, on reported profitability and on the cash flows of the Company.

The main risks arising from the Company's financial instruments are liquidity risk, interest rate cash flow risk, credit risk, and foreign exchange risk. The director reviews and agrees policies for managing these risks as summarised below.

Liquidity risk

The Company finances its operations through a mixture of retained profits, working capital and balances with HAVI Group LP group companies that are designed to ensure the Company has sufficient available funds for operations and future growth.

Interest rate cash flow risk

The Company's interest bearing assets include cash balances and short term loans from HAVI Group LP group companies. The Company has a policy of maintaining debt at variable rates. The Company will revisit the appropriateness of this policy should the Company's operation change in size or nature.

Credit risk

Credit risk mainly arises from deposits with banks, outstanding receivables from customers and any committed transactions. For banks, only independently rated parties with a minimum rating of 'A' are accepted. The credit quality of the customer is assessed taking into account its financial position, past experience and other factors. We also select insurers with good credit ratings. The amount of exposure to any individual counter party is reviewed regularly by management.

Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily in respect to Sterling. Foreign exchange risk arises from future commercial transactions and recognised assets or liabilities that are denominated in a currency that is not the Company's functional currency. Mitigation is achieved by sourcing goods and services in the same currency as the exposure. The Company does not use derivatives to manage its foreign exchange exposure.

Director

The director of the Company who held office during the year and up to the date of signing these financial statements unless otherwise stated is given below:

Douglas Moody-Stuart

Principal risks and uncertainties facing the business

Details of the principal risks and uncertainties facing the business can be found in the Strategic report on page 2.

HAVI Global Solutions Europe Limited

(Registered number: 05319761)

Annual report and financial statements

31 December 2021

Director's report for the year ended 31 December 2021 (continued)

Political contributions

The Company made no political donations during the year (2020: £nil).

Charitable contributions

The Company made no charitable donations during the year (2020: £nil).

Employees

The Company informs their employees quarterly during staff meetings on current activities and future plans as well as on the financial success of the Company.

Individual targets are agreed with each employee and achievements reviewed on a regular basis.

Branches

The Company has branches in Paris and Munich.

Director's indemnities

The director has the benefit of an indemnity, which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company has purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its director.

Statement of disclosure of information to auditors

The director who holds office at the date of approval of this Director's report confirms that, so far as he is aware, there is no relevant audit information of which the Company's auditors are unaware; and the director has taken all steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

On behalf of the Board



Douglas Moody-Stuart

Director

29 September 2022

HAVI Global Solutions Europe Limited

(Registered number: 05319761)

Annual report and financial statements

31 December 2021

Statement of director's responsibilities in respect of the financial statements

The director is responsible for preparing the Strategic report, the Director's report and the financial statements in accordance with applicable law and regulation.

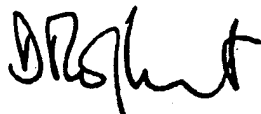
Company law requires the director to prepare financial statements for each financial year. Under that law the director has prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The director is 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



Douglas Moody-Stuart

Director

29 September 2022

Independent auditors' report to the members of HAVI Global Solutions Europe Limited

Report on the audit of the financial statements

Opinion

In our opinion, HAVI Global Solutions Europe 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 profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: Balance sheet as at 31 December 2021; Profit and loss account and 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 director's 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 director 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 director is 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 Director's 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.

Independent auditors' report (continued)

Strategic report and Director's report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Director's 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 Director's report.

Responsibilities for the financial statements and the audit

Responsibilities of the director for the financial statements

As explained more fully in the Statement of director's responsibilities in respect of the financial statements, the director is 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 director is 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 director is 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 director either intends to liquidate the company or to cease operations, or has 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 employment regulation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as tax legislation and the UK Companies Act 2006. 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 inappropriate journal entries to manipulate financial results. Audit procedures performed by the engagement team included:

- Enquiry with management and consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Review of meeting minutes of those charged with governance;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
- Obtaining third party confirmations of all the Company's banking arrangements.

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.

Independent auditors' report (continued)

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.

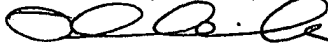
Other required reporting

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 director's 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.



Jason Clarke (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cardiff
29 September 2022

HAVI Global Solutions Europe Limited

(Registered number: 05319761)

Annual report and financial statements

31 December 2021

Profit and loss account

	<i>Note</i>	Year ended 31 December 2021 €	Year ended 31 December 2020 €
Turnover	3	76,915,825	53,252,210
Cost of sales		(62,156,986)	(40,338,611)
Gross profit		14,758,839	12,913,599
Administrative expenses		(11,593,992)	(11,612,078)
Operating profit	4	3,164,847	1,301,521
Profit before taxation		3,164,847	1,301,521
Tax on profit	6	(641,581)	(279,366)
Profit for the financial year		2,523,266	1,022,155

All activities are derived wholly from continuing operations.

There were no other items of comprehensive income in either year other than those shown above and therefore no separate statement of other comprehensive income has been presented.

The notes on pages 13 to 27 are an integral part of these financial statements.

HAVI Global Solutions Europe Limited

(Registered number: 05319761)

Annual report and financial statements

31 December 2021

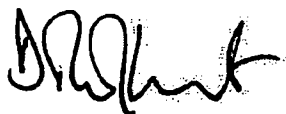
Balance sheet

As at 31 December 2021

	<i>Note</i>	2021 €	2020 €
Fixed assets			
Intangible assets	7	-	-
Tangible assets	8	62,399	90,825
		<u>62,399</u>	<u>90,825</u>
Current assets			
Debtors	9	24,466,442	9,430,341
Cash at bank and in hand		1,029,938	3,107,123
Inventories	10	18,723,652	7,443,114
		<u>44,220,032</u>	<u>19,980,578</u>
Creditors: amounts falling due within one year	11	<u>(41,610,472)</u>	<u>(18,900,556)</u>
Net current assets		<u>2,609,560</u>	<u>1,080,022</u>
Total assets less current liabilities		<u>2,671,959</u>	<u>1,170,847</u>
Net assets		<u>2,671,959</u>	<u>1,170,847</u>
Capital and reserves			
Called up share capital	13	1,470	1,470
Profit and loss account		2,670,489	1,169,377
Total shareholders' funds		<u>2,671,959</u>	<u>1,170,847</u>

The financial statements on pages 10 to 27 were approved and signed by the director on 29 September 2022.

On behalf of the Board



Douglas Moody-Stuart

Director

Company registered number: 05319761

HAVI Global Solutions Europe Limited

(Registered number: 05319761)

Annual report and financial statements

31 December 2021

Statement of changes in equity

	<i>Note</i>	Called up share capital	Profit and loss account	Total shareholders' funds
		€	€	€
Balance as at 1 January 2020	13	1,470	1,377,255	1,378,725
Profit for the financial year		-	1,022,155	1,022,155
Dividends	17	-	(1,230,033)	(1,230,033)
Balance as at 31 December 2020		1,470	1,169,377	1,170,847
Balance as at 1 January 2021	13	1,470	1,169,377	1,170,847
Profit for the financial year		-	2,523,266	2,523,266
Dividends	17	-	(1,022,154)	(1,022,154)
Balance as at 31 December 2021		1,470	2,670,489	2,671,959

HAVI Global Solutions Europe Limited

(Registered number: 05319761)

Annual report and financial statements

31 December 2021

Notes to the financial statements

1. Accounting policies

HAVI Global Solutions Europe Limited ("the Company") is a private company limited by shares, incorporated, domiciled and registered in England and Wales in the UK. The registered number is 05319761 and the registered address is One Fleet Place, London, EC4M 7WS.

These financial statements were prepared in accordance with the Financial Reporting Standard 102 *The Financial Reporting Standard applicable* in the UK and Republic of Ireland ("FRS 102") and the Companies Act 2006. The presentation currency of these financial statements is Euros. All amounts in the financial statements have been rounded to the nearest €1.

The Company's parent undertaking, HAVI Global Solutions Europe GmbH, includes the Company in its consolidated financial statements. The Consolidated financial statements of HAVI Global Solutions Europe GmbH are available to the public and may be obtained from Geitlingstrasse 20, 47228 Duisburg, Germany. 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;
- Share Based Payment agreements;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of HAVI Global Solutions Europe GmbH include the disclosures equivalent to those required by FRS 102, the Company has also taken the exemptions available in respect of the following disclosures:

- The 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 director, in the application of these accounting policies that have significant effect on the financial statements and estimate with a significant risk of material adjustment in the next year are discussed in note 2.

1.1 Change in accounting policy

In these financial statements the Company has changed its accounting policies in the following areas:

- Amendments to FRS102: Interest rate benchmark reform Phase 2 has been adopted from 1 January 2021. The phase 2 has been applied retrospectively, however, in accordance with the exceptions permitted in the Phase 2 amendments, the Company has elected not to restate comparatives for the prior periods to reflect the application of these amendments.
- Amendments to FRS102: COVID-19 related rent concessions has been adopted from 1 January 2021. Upon adoption of the amendment, there has been no effect on the financial statements.

1.2 Measurement convention

These financial statements are prepared on the historical cost basis, as modified by the recognition of certain financial assets and liabilities measured at fair value through profit and loss. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

HAVI Global Solutions Europe Limited

(Registered number: 05319761)

Annual report and financial statements

31 December 2021

Notes to the financial statements (continued)

1. Accounting policies (continued)

1.3 Going concern

The Company continues to adopt the going concern basis in preparing its financial statements.

As at the date of these financial statements, the Company is not aware of any material impact on the financial statements arising from the COVID-19 outbreak. Further the Company's performance is beyond the level prior to COVID-19 across all categories. The Company meets its day-to-day working capital requirements through its bank facilities. The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of its current facilities. After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

In addition to his assessment of the Company's position the director has also received confirmation from the parent and ultimate parent that the intercompany liabilities will not be called in until such a time as the entity has liquid funds to facilitate its payment and access to the cash pooling facility will continue to enable the entity to meet its obligations as they fall due for a period of at least 12 months from the date of signing of these financial statements.

1.4 Foreign currency

The Company's functional currency is the pound sterling and the Company's presentation currency of these financial statements is the euros. The rationale behind using euros as different presentation currency is in view of the fact that The Company maintains branches in the UK, France and Germany. Euro is used as leading currency across the entity to keep a standard currency. The parent entity HAVI Global Solutions Europe GmbH in Germany also uses the euro as functional 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 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:

- 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
- 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.

HAVI Global Solutions Europe Limited

(Registered number: 05319761)

Annual report and financial statements

31 December 2021

Notes to the financial statements (continued)

1.6 Financial instruments

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

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

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

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

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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

(ii) Financial liabilities

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

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

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

HAVI Global Solutions Europe Limited

(Registered number: 05319761)

Annual report and financial statements

31 December 2021

Notes to the financial statements (continued)

1. Accounting policies (continued)

1.6 Financial instruments (continued)

(ii) Financial liabilities (continued)

HAVI Global Solutions LTD concluded forward exchange transactions with a nominal value of €75.3 million as of 31 December 2021 (prior year €53.2 million). Unrealized profits amount to €3.2 million (prior year €1.3 million); unrealised losses amount to €nil (prior year €341.4 thousand). The purchase transactions exclusively serve the hedging of future purchase commitments for goods already entered into; there are corresponding purchase commitments by the customers for the transactions thus hedged. There are therefore no risks to the company from these forward transactions; unchanged to prior year, the forward transactions are recorded in the balance sheet; they are accounted for under other assets and other accruals, respectively. The accruals for unrealized losses amount to €nil. Corresponding unrealized profits are with €3.2 million included in other assets. The net balance of €3.2 million is disclosed within the balances with the customer due to the existing purchase commitment. Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) Offsetting

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

1.7 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

1.8 Tangible assets

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is calculated to write off the cost of tangible fixed assets, less their residual values, over their expected useful lives using the straight line basis. The expected useful lives of the assets to the business are reassessed periodically in the light of experience.

Straight line annual rates of depreciation most widely used are:

Office equipment	20.0%
Computer equipment	20.0 - 33.3%

HAVI Global Solutions Europe Limited

(Registered number: 05319761)

Annual report and financial statements

31 December 2021

Notes to the financial statements (continued)

1. Accounting policies (continued)

1.9 Intangible assets

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Computer software	33.3%
-------------------	-------

1.10 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the weighted average principle and includes expenditure incurred in acquiring the inventory, production or conversion costs and other costs in bringing them to their existing location and condition.

1.11 Impairment of non-financial assets

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

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

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

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

1.12 Employee benefits

The Company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and a defined contribution pension plan.

Contributions to the pension plan are charged to the profit and loss account as they become payable in accordance with the rules of the scheme. Any difference between contributions payable and contributions paid are included as either a prepayment or an accrual in the balance sheet.

HAVI Global Solutions Europe Limited

(Registered number: 05319761)

Annual report and financial statements

31 December 2021

Notes to the financial statements (continued)

1. Accounting policies (continued)

1.13 Dividends

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are paid or are approved by the Company's shareholders. These amounts are recognised in the statement of changes of equity.

1.14 Share capital

Ordinary shares are classified as equity.

1.15 Provisions and contingencies

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

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

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

1.16 Turnover

Revenue is measured at the fair value of consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the Company and value added taxes. The price is usually fixed and always determinable.

The Company bases its estimate of returns on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Where the consideration receivable in cash or cash equivalents is deferred, and the arrangement constitutes a financing transaction, the fair value of the consideration is measured as the present value of all future receipts using the imputed rate of interest.

The Company recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the Company retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the entity.

The Company is a service business that administers and monitors the packaging needs of the McDonald's group in Europe and other customers. The Company's sales are substantially with the European McDonald's group, its licensees, or its distributors. The entity sells packaging materials to its customers. Sale of goods are recognised on sale to the customer, which is considered the point of delivery.

HAVI Global Solutions Europe Limited

(Registered number: 05319761)

Annual report and financial statements

31 December 2021

Notes to the financial statements (continued)

1. Accounting policies (continued)

1.17 Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges 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.

1.18 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. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, [associates, branch, joint ventures] to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. 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 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. Deferred tax balances are not discounted.

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.

2. Accounting estimates and judgements

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

In the opinion of the Director, there are no further estimates and judgments that have a risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial period in addition to the assessment reflected in the Strategic and Director's report.

HAVI Global Solutions Europe Limited

(Registered number: 05319761)

Annual report and financial statements

31 December 2021

Notes to the financial statements (continued)

3. Turnover

The Company provides services in the packaging and procurement business. All turnover originates in the UK. Turnover for services by destination is as follows:

	Year ended 31 December 2021 €	Year ended 31 December 2020 €
UK	69,526,363	45,363,238
Germany	2,164,482	1,935,236
France	1,324,824	1,259,082
Russia	794,996	880,739
Austria	317,230	343,680
Other	2,787,930	3,470,235
	<u>76,915,825</u>	<u>53,252,210</u>

4. Operating profit

	Year ended 31 December 2021 €	Year ended 31 December 2020 €
Operating profit is stated after charging/(crediting):		
Depreciation of fixed assets	50,075	69,846
Operating leases	275,100	248,905
Auditors' remuneration:		
Audit of these financial statements	<u>56,316</u>	<u>53,431</u>

HAVI Global Solutions Europe Limited

(Registered number: 05319761)

Annual report and financial statements

31 December 2021

Notes to the financial statements (continued)

5. Staff numbers and costs

The average monthly number of persons (excluding directors) during the year analysed by category, was as follows:

	Number of Employees 2021	2020
Administration	1	1
Sales and distribution	50	47
	<u>51</u>	<u>48</u>

The aggregate payroll costs of these persons were as follows:

	Year ended 31 December 2021 €	Year ended 31 December 2020 €
Wages and salaries	5,120,280	4,690,706
Social security costs	813,132	818,329
Other pension costs	220,270	214,590
	<u>6,153,682</u>	<u>5,723,625</u>

Certain of the Company's employees have been granted performance units by the ultimate parent company, HAVI Group LP. HAVI Group LP has a phantom equity appreciation plan that allows participants to share in the growth and value of HAVI Group LP through performance units. The performance units vest over a period of four years and are exercisable and payable upon vesting up to a period of ten years from grant date. Amounts payable under the plan within HAVI Group LP are based on a calculated value tied to EBITDA, gross margin, and net debt, as defined under the plan, and are variable until the exercise date. HAVI Group LP makes annual grants on 1 January each year. No recharge is made by HAVI Group LP to the Company.

Director

The director's emoluments were as follows:

	Year ended 31 December 2021 €	Year ended 31 December 2020 €
Aggregate remuneration	527,061	581,372
Amounts receivable (excluding shares) under long term incentive schemes	<u>629,886</u>	<u>-</u>

One director (2020: one) was a member of defined contribution pension scheme.

One director (2020: none) exercised shares under a long-term incentive scheme. One director (2020: one) received shares under a long-term incentive scheme.

HAVI Global Solutions Europe Limited

(Registered number: 05319761)

Annual report and financial statements

31 December 2021

Notes to the financial statements (continued)

5. Staff numbers and costs (continued)

Highest paid director

The highest paid director's emoluments were as follows:

	Year ended 31 December 2021 €	Year ended 31 December 2020 €
Total amount of emoluments and amounts (excluding shares) receivable under long-term incentive schemes	1,156,947	581,372
Defined contribution scheme		
Employers pension contribution	7,592	7,592

The highest paid director exercised share options in 2021 (2020: none) and received shares under a long-term incentive scheme in 2021 and 2020.

6. Tax on profit

Tax expense included in profit

	Year ended 31 December 2021 €	Year ended 31 December 2020 €
Analysis of tax charge for the year:		
Current tax		
UK corporation tax on profit for the year	626,684	264,617
Adjustments in respect of previous years	5,907	(12,594)
Double taxation relief	(63,066)	(67,568)
Overseas tax	99,040	105,971
Adjustments in respect of prior periods (foreign tax)	(3,085)	1,501
Total current tax	665,480	291,927
Deferred tax		
Origination and reversal of timing differences	(9,926)	(12,485)
Adjustment in respect of prior periods	-	3,268
Effect of tax rate change on opening balance	(13,973)	(3,344)
Total deferred tax (see note 12)	(23,899)	(12,561)
Tax on profit	641,581	279,366

HAVI Global Solutions Europe Limited

(Registered number: 05319761)

Annual report and financial statements

31 December 2021

Notes to the financial statements (continued)

6. Tax on profit (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher (2019: higher) than the standard rate of corporation tax in the UK applicable to the Company of 19% (2019: 19%). The differences are explained below:

	Year ended 31 December 2021 €	Year ended 31 December 2020 €
Profit before taxation	3,164,847	1,301,521
Profit before taxation multiplied by the relevant standard rate of corporation tax in the UK at 19% (2020: 19%)	601,321	247,289
Expenses not deductible for tax purposes	2,084	4,844
Income not taxable for tax purposes	(18)	-
Adjustments in respect of prior years - deferred tax	-	3,268
Adjustments to tax charge in respect of previous periods	(9,512)	(14,433)
Fixed assets differences	3,034	-
Remeasurement of deferred tax for changes in tax rates	(16,355)	(3,344)
Current tax (current period) exchange difference arising on movement between opening and closing spot rates	12,719	-
Foreign tax credits not used	35,974	38,403
Current tax (prior period) exchange difference arising on movement between opening and closing spot rates	12,334	3,339
Total tax charge	641,581	279,366

Factors affecting the tax rate changes

The standard rate of tax applied to reported profit on ordinary activities is 19% (2020: 19%). Changes to the UK corporation tax rates were substantively enacted as part of Finance Act 2021 (published on 24 May 2021, with royal assent received on 10 June 2021). This legislated for an increase to the corporation tax rate to 25% with effect from 1 April 2023. As such, deferred taxes at the Balance Sheet date have been calculated based on the corporation tax rate of 25%.

On 23 September 2022, the Chancellor of the Exchequer announced that this increase would no longer be implemented and that the main rate would remain at 19%. As this was not enacted at the Balance Sheet date, this announcement does not represent an adjusting event and the company's deferred tax balances at that date are still calculated at 25%. When recalculated at the lower 19% rate the impact to deferred tax asset and charge to Profit and Loss are immaterial. The reduction will be recognised in the financial year in which the reversion to 19% is substantively enacted in the United Kingdom.

HAVI Global Solutions Europe Limited

(Registered number: 05319761)

Annual report and financial statements

31 December 2021

Notes to the financial statements (continued)

7. Intangible assets

	Computer software €	Total €
Cost		
At 1 January 2021	39,184	39,184
At 31 December 2021	39,184	39,184
Accumulated amortisation		
At 1 January 2021	39,184	39,184
At 31 December 2021	39,184	39,184
Net book amount		
At 31 December 2021	-	-
At 31 December 2020	-	-

8. Tangible assets

	Computer equipment €	Office equipment €	Total €
Cost			
At 1 January 2021	545,080	437,629	982,709
Additions	21,649	-	21,649
At 31 December 2021	566,729	437,629	1,004,358
Accumulated depreciation			
At 1 January 2021	478,897	412,987	891,884
Charge for the year	41,510	8,565	50,075
At 31 December 2021	520,407	421,552	941,959
Net book amount			
At 31 December 2021	46,322	16,077	62,399
At 31 December 2020	66,183	24,642	90,825

HAVI Global Solutions Europe Limited

(Registered number: 05319761)

Annual report and financial statements

31 December 2021

Notes to the financial statements (continued)

9. Debtors

	2021 €	2020 €
Trade debtors	16,300,225	4,173,892
Amounts owed by group undertakings	2,226,174	1,324,077
Other debtors	330,907	1,936,385
Deferred tax asset (note 12)	68,148	44,249
Prepayments and accrued income	5,540,988	1,951,738
	<u>24,466,442</u>	<u>9,430,341</u>

All amounts due from group undertakings are unsecured, interest free and repayable on demand.

10. Inventories

	2021 €	2020 €
Finished goods	18,723,652	7,443,114
	<u>18,723,652</u>	<u>7,443,114</u>

Finished goods recognised as cost of sales in year amounted to € 60,973,625.86 (2020:€ 40,109,590.55)

11. Creditors: amounts falling due within one year

	2021 €	2020 €
Bank loans and overdrafts	33,417,736	3,573,082
Trade creditors	1,837,712	1,400,422
Amounts owed to group undertakings	3,146,384	7,308,874
Corporation tax	689,509	311,228
Other taxation and social security	1,256,340	1,408,270
Other creditors	160	285
Accruals and deferred income	1,262,631	4,898,395
	<u>41,610,472</u>	<u>18,900,556</u>

Bank loans amount relates to an intergroup cash pooling arrangement. All amounts due to group undertakings are interest free, unsecured and repayable on demand.

HAVI Global Solutions Europe Limited

(Registered number: 05319761)

Annual report and financial statements

31 December 2021

Notes to the financial statements (continued)

12. Deferred taxation

	2021 €	2020 €
At 1 January	44,249	31,688
Credit for the year	23,899	12,561
At 31 December	<u>68,148</u>	<u>44,249</u>

The deferred tax asset is made up as follows:

	2021 €	2020 €
Capital allowances less than depreciation	27,081	21,587
Short term timing differences	41,067	22,662
	<u>68,148</u>	<u>44,249</u>

The director considers that it is more likely than not that there will be sufficient taxable profits in the future such as to realise the deferred tax asset, and therefore the asset has been recognised in these financial statements.

13. Called up share capital

	2021 €	2020 €
Authorised 1,000 (2020: 1,000) ordinary shares of £1 each	<u>1,470</u>	<u>1,470</u>
Allotted and fully paid 1,000 (2020: 1,000) ordinary shares of £1 each	<u>1,470</u>	<u>1,470</u>

14. Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2021 €	2020 €
Not later than one year	13,619	13,517
Later than one year and not later than five years	275,100	235,388
	<u>288,719</u>	<u>248,905</u>

HAVI Global Solutions Europe Limited

(Registered number: 05319761)

Annual report and financial statements

31 December 2021

Notes to the financial statements (continued)

15. Related party transactions

See note 5 for disclosure of the directors' remuneration.

The Company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned within the HAVI Group LP.

16. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to €220,270 (2020: €214,590) for the year. There were no amounts receivable or payable as at 31 December 2021.

17. Equity dividend

	2021 €	2020 €
Final dividends €1,022 paid (2020: €1,230) per £1 share	<u>1,022,154</u>	<u>1,230,033</u>

18. Ultimate parent undertaking and controlling party

The immediate parent undertaking, which is also the parent undertaking of the smallest group to consolidate these financial statements is HAVI Global Solutions Europe GmbH. Copies of HAVI Global Solutions Europe GmbH's consolidated financial statements can be obtained from Geitlingstrasse 20, 47228 Duisburg, Germany.

The ultimate parent undertaking, which prepares group financial statements for the largest group of undertakings of which the Company is a member, is HAVI Group LP, incorporated in the United States. HAVI Group LP does not publish its consolidated financial statements.

On 1 January 2015 ultimate control was passed from Theodore F. Perlman to Russell P. Smyth and the director regards Russell P. Smyth as the ultimate controlling party through his controlling interest in HAVI Group LP.

19. Events after the balance sheet date

Russia/Ukraine conflict

McD Global has decided to exit the Russian market effective by mid 2022, since then HAVI Global Solutions Europe LTD is not doing any business with the Russian market. As of the signature date for these financial statements, the first restaurants are opening again in Ukraine while the overall situation is still unpredictable. At this point it is not expected that the Russia/Ukraine conflict will have a significant financial impact on HAVI Global Solutions Europe LTD.