

Project Magnum (Bidco) Limited
Annual Report and Financial Statements
for the year ended 3 December 2016



Project Magnum (Bidco) Limited

Annual Report and Financial Statements

for the year ended 3 December 2016

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Project Magnum (Bidco) Limited

Directors and advisers for the year ended 3 December 2016

Directors

A Henderson

P Morris

R Summers

J T Hart

J Naughton

Company secretary

J S McLean

Registered Office

69 South Accommodation Road

Leeds

West Yorkshire

LS10 1NQ

Independent auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Central Square

29 Wellington Street

Leeds

LS1 4DL

Solicitors

Eversheds LLP

Bridgewater Place

Water Lane

Leeds

LS11 5DR

Bankers

Investec Bank plc

2 Gresham Street

London

EC2V 7QP

Bank of Scotland

33 Old Broad Street

London

EC2N 1HZ

Project Magnum (Bidco) Limited

Strategic report for the year ended 3 December 2016

The Directors present their Strategic report and the audited financial statements of the Company for the year ended 3 December 2016.

Principal Activities

The principal activity of the Company was that of an intermediary holding company.

Review of Business

The results of the business for the year are as expected for a holding company.

Key Performance Indicators ("KPIs")

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for the understanding of the development, performance or position of the business.

Principal risk and uncertainties facing the Group

The Company is entirely dependent on the performance of the other companies within the Allied Glass Group (the "Group"). The principle risks are described within the financial statements of Project Aqua Topco Limited and Allied Glass Containers Limited which are publically available.

Financial risk management

As an intermediary holding company the financial risk management of the Company is very much dependent on the financial risk management of Allied Glass Containers Limited and other Group companies, as disclosed within their respective financial statements.

On behalf of the Board



A Henderson
Director

27 April 2017

Project Magnum (Bidco) Limited

Directors' report for the year ended 3 December 2016

The Directors present their annual report and the audited financial statements of the Company for the year ended 3 December 2016.

Equity dividends

The Directors have neither declared nor paid a dividend in the current or prior year.

Going concern

The financial statements have been prepared on a going concern basis. The Directors have considered a number of factors in reaching their conclusion.

CBPE Capital LLP, who are the ultimate controlling party and parent undertaking, have confirmed their continued support to the Group. The Group refinanced its banking facilities on 24 February 2017, through entering into a committed six year £39m senior term facility and a £36m working capital facility, enabling it to repay its existing bank term loans. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the Company financial statements.

Directors

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

A Henderson
J T Hart
P Morris
R Summers
J Naughton

No Director had at any time during the year any material interest in a contract with the Company.

Project Magnum (Bidco) Limited

Directors' report for the year ended 3 December 2016 (continued)

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under Company law 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 accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for 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

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

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

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

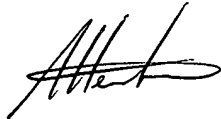
Project Magnum (Bidco) Limited

Directors' report for the year ended 3 December-2016 **(continued)**

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution that they be reappointed will be proposed at the annual general meeting.

The financial statements were approved by the board of directors on ~~27~~²⁷ April 2017 and were signed on its behalf by:



A Henderson
Director

Project Magnum (Bidco) Limited

Independent auditors' report to the members of Project Magnum (Bidco) Limited

Report on the financial statements

Our opinion

In our opinion Project Magnum (Bidco) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 3 December 2016 and of its loss 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.

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the statement of financial position as at 3 December 2016;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, 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.

Project Magnum (Bidco) Limited

Independent auditors' report to the members of Project Magnum (Bidco) Limited (continued)

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

Project Magnum (Bidco) Limited

Independent auditors' report to the members of Project Magnum (Bidco) Limited (continued)

What an audit of financial statements involves (continued)

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Andy Ward (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds

27 April 2017

Project Magnum (Bidco) Limited

Statement of comprehensive income for the year ended 3 December 2016

	Note	3 December 2016 £'000	5 December 2015 £'000
Revenue		-	-
Administrative expenses		-	-
Operating result	1	-	-
Finance costs	2	(3,597)	(3,222)
Loss before taxation		(3,597)	(3,222)
Taxation	4	719	655
Loss for the financial year		(2,878)	(2,567)
Other comprehensive income		2,878	2,567
Total comprehensive income for the year		-	-

The above results all relate to continuing activities.

There is no difference between the result before taxation and result for the financial year stated above and their historical cost equivalents.

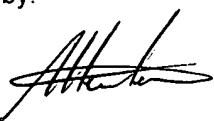
The statement of accounting policies and notes on pages 12 to 20 form an integral part of these financial statements.

Project Magnum (Bidco) Limited

Statement of financial position as at 3 December 2016

	Note	3 December 2016 £'000	5 December 2015 £'000
Assets			
Non-current assets			
Investments	5	44,889	44,889
Total non-current assets		44,889	44,889
Current assets			
Trade and other receivables	6	20,303	16,706
Total current assets		20,303	16,706
Total assets		65,192	61,595
Equity and liabilities			
Current liabilities			
Trade and other payables	7	55,020	51,423
Total current liabilities		55,020	51,423
Total liabilities		55,020	51,423
Equity			
Called up share capital	8	414	414
Retained earnings		9,758	9,758
Total equity		10,172	10,172
Total equity and liabilities		65,192	61,595

The financial statements were approved by the board of directors on 27 April 2017 and were signed on its behalf by:



A Henderson
Director

The statement of accounting policies and notes on pages 12 to 20 form an integral part of these financial statements.

Registered number: 07321610

Project Magnum (Bidco) Limited

Statement of changes in equity for the year ended 3 December 2016

	Called up share capital	Retained earnings	Total Equity
	£'000	£'000	£'000
Balance at 7 December 2014	414	9,758	10,172
Loss for the financial year	-	(2,567)	(2,567)
Other comprehensive income:			
Payments received for group relief in excess of the prevailing tax rate for the period	-	2,567	2,567
Balance at 5 December 2015	414	9,758	10,172
Loss for the financial year	-	(2,878)	(2,878)
Other comprehensive income:			
Payments received for group relief in excess of the prevailing tax rate for the period	-	2,878	2,878
Balance at 3 December 2016	414	9,758	10,172

The statement of accounting policies and notes on pages 12 to 20 form an integral part of these financial statements.

Project Magnum (Bidco) Limited

Statement of accounting policies for the year ended 3 December 2016

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

Basis of preparation

The financial statements of Project Magnum (Bidco) Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS101). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and derivative financial assets and liabilities measured at fair value through profit or loss, and in accordance with the Companies Act 2006.

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

- The requirements of IFRS7 Financial instruments: Disclosures;
- The requirements within IAS1 relating to the presentation of certain comparative information;
- The requirement within IAS7 to present a cash flow statement;
- The requirements of IAS 24 to disclose transactions between two or more members of a group and key management compensation disclosure;
- The requirements of IFRS1, 'First-time adoption of International Financial Reporting Standards' to present a statement of financial position at the date of transition.

The preparation of financial statements in conformity with FRS101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. There are no areas of note involving a higher degree of judgement or complexity and areas where assumptions and estimates are significant.

Project Magnum (Bidco) Limited

Statement of accounting policies for the year ended 3 December 2016 (continued)

New standards and amendments

The following new standards and amendments to standards are mandatory for the first time for the financial period beginning 6 December 2015:

- Annual improvements 2012 (effective 1 February 2015)
- Annual improvements 2013 (effective 1 January 2015)

New and amended standards not currently relevant to the Company

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial period beginning 6 December 2015, but are not currently relevant to the Company:

- Amendment to IAS 19 regarding defined benefit plans (effective 1 February 2015)

New and amended standards not effective for current financial period

The following new standards and amendments have been issued but are not effective for the financial period beginning 6 December 2015 and have not been adopted early:

- IFRS 15 'Revenue from contracts with customers' (effective 1 January 2018)
- IFRS 9 'Financial instruments' (effective 1 January 2018)
- Amendments to IAS 16 'Property, plant and equipment' and IAS 41 'Agriculture' regarding bearer plants (effective 1 January 2016)
- IFRS 14 'Regulatory deferral accounts' (effective 1 January 2016)
- Amendment to IFRS 10 and IAS 28 on investment entities applying the consolidation exception (effective 1 January 2016)
- Amendment to IAS 16 'Property, plant and equipment' and IAS 38 'Intangible assets' on depreciation and amortisation (effective 1 January 2016)
- Amendments to IAS 27, 'Separate financial statements' on the equity method (effective 1 January 2016)
- Amendments to IFRS 10, 'Consolidated financial statements' and IAS 28 'Investment in associates and joint ventures' (effective 1 January 2016)
- Annual improvements 2014 (effective 1 January 2016)
- Amendment to IAS 1 'Presentation of financial statements' on the disclosure initiative (effective 1 January 2016)
- Amendment to IFRS 11 'Joint arrangements' on acquisition of an interest in a joint operation (effective 1 January 2016)

Project Magnum (Bidco) Limited

Statement of accounting policies for the year ended 3 December 2016 (continued)

Consolidation

The company is a wholly-owned subsidiary of Project Aqua Topco Limited. It is included in the consolidated financial statements of Project Aqua Topco Limited which are publicly available. Therefore the company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

These financial statements are separate financial statements.

Investments

Investments held by the parent company in subsidiary undertakings are carried at cost less impairments to write them down to their recoverable amount. Impairment to the carrying value of investments is made if there is an indication at the balance sheet date that the carrying value is not recoverable.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within administrative costs. When a trade receivable is uncollectable it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against administrative costs in the income statement.

Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest 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 (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Project Magnum (Bidco) Limited

Statement of accounting policies for the year ended 3 December 2016 (continued)

Current and deferred taxation

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company's subsidiaries operate and generate taxable income.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting, nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction net of tax from the proceeds.

Dividend distribution to the parent company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the parent company's shareholders. Where any group company purchases the company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the company's equity holders.

Project Magnum (Bidco) Limited

Notes to the financial statements for the year ended 3 December 2016

1 Operating result

Fees payable of £3,000 (2015: £3,000) to the Company's auditor were borne by Allied Glass Containers Limited, a group company.

2 Finance costs

	3 December 2016 £'000	5 December 2015 £'000
Finance costs		
Interest payable on group company loans	3,597	3,222
Total finance costs	3,597	3,222

3 Directors and employee information

All Directors and employees of the Company are employed and remunerated by other Group companies. The Directors receive no remuneration in respect of services to the Company (2015: £nil). The Company has no employees (2015: nil).

Project Magnum (Bidco) Limited

Notes to the financial statements for the year ended 3 December 2016 (continued)

4 Taxation

The tax assessed for the year is in line with (2015: in line with) the effective rate of corporation tax in the UK (20%)

	3 December 2016 £'000	5 December 2015 £'000
Current tax		
UK corporation tax at 20% (2015: 20.32%)	(719)	(655)
Total current tax credit	(719)	(655)

	3 December 2016 £'000	5 December 2015 £'000
Loss before tax	(3,597)	(3,222)
Loss multiplied by the effective rate of corporation tax in the UK of 20% (2015: 20.32%)	(719)	(655)
Tax result	(719)	(655)

A change to the UK corporation tax rate was announced in the Chancellor's Budget on 16 March 2016. The change announced is to reduce the main rate to 17% from 1 April 2020. Changes to reduce the UK corporation tax rate to 19% from 1 April 2017 and to 18% from 1 April 2020 had already been substantively enacted on 26 October 2015. Given that these changes were substantively enacted at the balance sheet date its effects are included in these financial statements.

Project Magnum (Bidco) Limited

Notes to the financial statements for the year ended 3 December 2016 (continued)

5 Investments

	Shares in subsidiary undertakings £'000
At 3 December 2016 and 5 December 2015	44,889

Subsidiaries	Interest in ordinary share and voting rights	Direct/ Indirect holding	Country of registration	Principal activity
Allied Glass Holdings Limited	100%	Direct	England and Wales	Dormant
Allied Glass Containers Limited	100%	Indirect	England and Wales	Glassware
Lax & Shaw Limited	100%	Indirect	England and Wales	Dormant
Gregg & Company (Knottingley) Limited	100%	Indirect	England and Wales	Dormant

The carrying value of the investments is supported by the underlying net asset value of the subsidiaries.

The registered office of all of the subsidiary undertakings above is 69, South Accommodation Road, Leeds, West Yorkshire, LS10 1NQ

6 Trade and other receivables

	3 December 2016 £'000	5 December 2015 £'000
Amounts owed by group undertakings	20,303	16,706
	20,303	16,706

Amounts owed by group undertakings are repayable on demand and incur no interest. The Company holds no security in respect of the amounts owed.

Project Magnum (Bidco) Limited

Notes to the financial statements for the year ended 3 December 2016 (continued)

7 Trade and other payables

	3 December 2016 £'000	5 December 2015 £'000
Amounts owed to group undertakings	55,020	51,423
	55,020	51,423

Amounts owed to group undertakings are repayable on demand, carry no interest charge or security except for unsecured loans of £33,752,689 (2015: £30,155,983) which carry interest of 12% per annum.

The Company is a guarantor to the Group's £75 million financing facility entered into on 24 February 2017.

8 Called up share capital

	2016		2015	
	Number	£'000	Number	£'000
Authorised				
Ordinary shares of £0.01 each	41,391,404	414	41,391,404	414
Allotted and fully paid				
Ordinary shares of £0.01 each	41,391,404	414	41,391,404	414

Project Magnum (Bidco) Limited

Notes to the financial statements for the year ended 3 December 2016 (continued)

9 Related parties

a) Transactions with subsidiaries

The Company is exempt from disclosing transactions with it and other group companies.

b) Transactions with parent companies

The Directors consider CBPE Capital LLP to be the ultimate controlling party and parent undertaking.

The ultimate holding company is Project Aqua Topco Limited, which is incorporated in Great Britain and registered in England and Wales.

Project Aqua Topco Limited is the parent undertaking of the largest and smallest Company of undertakings to consolidate these financial statements at 3 December 2016. The consolidated financial statements of Project Aqua Topco Limited are available from Companies House.

10 Explanation of transition to FRS101

This is the first year in respect of which the Company has prepared its financial statements under FRS101. The previous financial statements for the year ended 5 December 2015 were prepared under 'UK GAAP'.

The accounting policies set out on pages 12 to 15 have been applied in preparing the financial statements for the year ended 5 December 2015 and year ended 3 December 2016, and in the preparation of an opening FRS101 balance sheet as at 7 December 2014 (the Company's date of transition).

The only adjustment required in respect of the financial statements previously reported under UK GAAP for the year ended 5 December 2015 was a reclassification of £2,567k from taxation within the income statement to other comprehensive income within equity. Under FRS101 payments received for group relief in excess of the prevailing tax rate for the period are shown within equity.