

LINPAC Europe Limited

Annual Report and Financial Statements

For the year ended 31 December 2022

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Company information

Director	N Williamson
Registered number	07722841
Registered office	Linpac Wakefield Road Featherstone Pontefract West Yorkshire WF7 5DE
Independent auditor	Deloitte LLP Statutory Auditor 1 City Square Leeds West Yorkshire United Kingdom LS1 2AL

Director's report for the year ended 31 December 2022

The director presents his Annual report and the audited financial statements for the year ended 31 December 2022.

Director of the Company

The director who held office during the year and, except as noted, up to the date of signing the financial statements was as follows:

N Williamson (appointed 16 January 2024)

J A Diprose (resigned 16 January 2024)

Director's indemnities

The Company maintains liability insurance for its director and officers in accordance with the Articles of the Company. The Company has also provided an indemnity for its director, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006. The indemnity was in place during the financial year and at the time of approval of the financial statements.

Principal activity

The Company is a group financing company holding intercompany indebtedness with other Kleopatra Holdings 2 S.C.A group companies.

Throughout these financial statements, the term 'Group' refers to Kleopatra Holdings 2 S.C.A and its consolidated subsidiaries.

Business review

Fair review of the business

The loss for the financial year was €565,000 (2021: €71,000). The increase in loss for the financial year is attributable to an increase in the interest payable and similar expense €9,385,000 (2021: €8,779,000).

The net assets for the year were €331,287,000 (2021: €331,852,000). The decrease in net assets is attributable to loss for the financial year of €565,000 (2021: loss of €71,000).

During the year, the Company paid dividends of €nil (2021: €4,000,000 to LINPAC Group Holdings Limited).

Key performance indicators ("KPIs")

Given the straightforward nature of the business, the Company's director is of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business. The Kleopatra Holdings 2 S.C.A Annual report includes details of the KPIs that are used across the group (see note 15).

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of Kleopatra Holdings 2 S.C.A. which include those of the Company, are discussed in the Director's report in Kleopatra Holdings 2 S.C.A Annual report, which does not form part of this report (see note 15). Such risks are managed on a group basis.

Post balance sheet events

There have been no material adjusting and disclosable events since the financial period end.

Director's report
for the year ended 31 December 2022 (continued)

Going concern

The director has also considered the effect of the ongoing inflationary pressure caused by the current macroeconomic instability. The director believes that the inflationary pressure will not have a significant impact on the going concern assumption of the Company due to the nature of the Company's business. The financial statements have therefore been prepared on a going concern basis. Please refer to the accounting policies section for more information.

Financial risk management

Credit risk

The Company's credit risk principally arises from its intercompany loan recoverability due to the overall size of these balances. The management regularly reviews the balances to ensure that the amounts are recoverable.

Currency risk

The Company has intercompany borrowings denominated in foreign currency. To mitigate this risk, Company's receivables are denominated in foreign currency as well.

Future developments

The future development of the Group is detailed in the Kleopatra Holdings 2 S.C.A Annual report. The activity of the Company is expected to remain the same in the coming year.

Disclosure of information to the auditor

The director has taken steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The director confirms that there is no relevant information that he knows of and of which he knows the auditor is unaware. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Appointment of independent auditor

In accordance with section 487 of the Companies Act 2006, a resolution was proposed at the Annual General Meeting for re-appointment of Deloitte LLP as independent auditor of the Company.

Small companies provision statement

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006, including an exemption to produce a Strategic report.

Approved by the director on ~~the 17th of April 2024~~... and signed by:



.....
N Williamson
Director

Statement of director's responsibilities

The director is responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". 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 these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- 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 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. He 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.

Independent auditor's report to the members of LINPAC Europe Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of LINPAC Europe Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Profit and loss account;
- the Balance sheet;
- the Statement of changes in equity; and
- the Related notes 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's (the 'FRC's') Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Independent auditor's report to the members of LINPAC Europe Limited (continued)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The director is responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of director

As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director 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 have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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 Auditor's report.

Independent auditor's report to the members of LINPAC Europe Limited (continued)

Extent to which the audit was considered capable of detecting irregularities, including fraud

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.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and those charged with governance about their own identification and assessment of the risks of irregularities about their own identification and assessment of the risks of irregularities, including those that are specific to the Company's business sector.

We obtained an understanding of the legal and regulatory framework that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, tax legislation and pensions legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the entity's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Independent auditor's report to the members of LINPAC Europe Limited (continued)

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Director's report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Director's report.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the director's report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

Use of our report

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



.....
Sam Hore, FCA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP
Statutory Auditor
Leeds, United Kingdom
Date: 17 April 2024

**Profit and loss account
for the year ended 31 December 2022**

	<i>Note</i>	<i>2022 €000</i>	<i>2021 €000</i>
Administrative expenses		(1)	(1)
Operating loss		<u>(1)</u>	<u>(1)</u>
Interest receivable and similar income	5	8,821	8,709
Interest payable and similar charges	6	(9,385)	(8,779)
Loss before taxation		<u>(565)</u>	<u>(71)</u>
Tax on loss	8	-	-
Loss for the year		<u><u>(565)</u></u>	<u><u>(71)</u></u>

There was no other comprehensive income/(loss) for the year ended 31 December 2022 (2021: £nil) and therefore no separate Statement of comprehensive income/(loss) was prepared.

The above results were derived from continuing operations.

Balance sheet
as at 31 December 2022

Registration number: 07722841

	<i>Note</i>	<i>2022</i> <i>€000</i>	<i>2021</i> <i>€000</i>
Fixed assets			
Investments	9	413,535	417,121
Current assets			
Debtors: amounts falling due within one year	10	8,763	-
Creditors: amounts falling due within one year	11	(4,334)	-
Net current assets		4,429	-
Total assets less current liabilities		417,964	417,121
Creditors: amounts falling due after more than one year	12	(86,677)	(85,269)
Net assets		331,287	331,852
Capital and reserves			
Called up share capital	13	-	-
Share premium reserve		132,770	132,770
Profit and loss account	14	198,517	199,082
Total shareholders' funds		331,287	331,852

The financial statements on pages 9 to 21 were approved by the director on.....the 17th April 2024.....and signed by:



.....
N Williamson
Director

The notes on pages 12 to 21 form part of these financial statements.

**Statement of changes in equity
for the year ended 31 December 2022**

	<i>Called up share capital (note 13) €000</i>	<i>Share premium reserve €000</i>	<i>Capital contribution reserve €000</i>	<i>Profit and loss account €000</i>	<i>Total shareholders' fund €000</i>
At 1 January 2021	-	132,770	199,246	3,907	335,923
Loss for the year and total comprehensive expense	-	-	-	(71)	(71)
Dividends	-	-	-	(4,000)	(4,000)
Transfer of capital contribution reserve	-	-	(199,246)	199,246	-
At 31 December 2021 and at 1 January 2022	-	132,770	-	199,082	331,852
Loss for the year and total comprehensive expense	-	-	-	(565)	(565)
At 31 December 2022	-	132,770	-	198,517	331,287

The notes on pages 12 to 21 form part of these financial statements.

Notes to the financial statements for the year ended 31 December 2022

1. General information

The Company is a private company limited by share capital, incorporated and domiciled in UK and registered in England & Wales under Companies' Act 2006. The principal activity of the Company is described in the Director's report.

The address of its registered office is:

Linpac Wakefield Road
Featherstone
Pontefract
West Yorkshire
WF7 5DE
United Kingdom

These financial statements were authorised for issue by the director on.....

2. Accounting policies

Summary of significant accounting policies and key accounting estimates

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.

The financial statements are presented in 'Euro' and rounded off to nearest thousand (€'000), which is also the Company's functional currency and the currency of the primary economic environment in which the Company operates.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework. The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006. As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard as follows:

Summary of disclosure exemptions

- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of paragraph 79(a)(iv) of IAS 1;
- Paragraphs 10(d), 10(f), 16, 38A, 38B-D, 40A-D, 111 and 134-136 of IAS 1;
- The requirements of IAS 7 Statement of Cash Flows,
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement, or the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective),
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities);
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation);
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered between two or more members of a group; and

Notes to the financial statements for the year ended 31 December 2022 (continued)

2. Accounting policies (continued)

Summary of disclosure exemptions (continued)

- The requirements of IFRS 7 Financial Instruments: Disclosures, provided that equivalent disclosures included in the consolidated financial statements of the group in which the entity is consolidated.

Going concern

In determining the appropriate basis of preparation of the financial statements, the director is required to consider whether the Company can continue in operational existence for the foreseeable future. The Company's business activities, together with factors that are likely to affect its future development, financial performance and financial position are set out in the Director's report. In addition, the material financial and operational risks and uncertainties that impact the Company's performance are outlined in the Director's report.

The director has also considered the effect of the ongoing inflationary pressure caused by the current macroeconomic instability. The director believes that the inflationary pressure will not have a significant impact on the going concern assumption of the Company due to the nature of the Company's business. The financial statements have therefore been prepared on a going concern basis.

The net assets of the Company at 31 December 2022 are €331,287,000 (2020: €331,852,000). Given the straightforward nature of this Company, the current macroeconomic instability are expected to have no material impact in determining the appropriate basis of preparation of the financial statements, the director is required to consider whether the Company can continue in operational existence for the foreseeable future. The Company's business activities, together with factors that are likely to affect its future development, financial performance are set out in the Director's report. The Company did not see any material impact due to these situations in the current year as well. As a result of this process, at the time of approving the financial statements, the director is of the opinion that it is appropriate to adopt the going concern basis of preparation of the financial statements.

Foreign currencies

Functional and presentation currency

Transactions in foreign currencies are recorded at the rates in effect at the transaction date. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rates ruling at the Statement of financial position date. All differences are taken to the Statement of profit or loss in the year in which they arise.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuations where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of profit or loss within 'Interest receivable and similar income' or 'Interest payable and similar charges'.

**Notes to the financial statements
for the year ended 31 December 2022 (continued)**

2. Accounting policies (continued)

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial asset - recognition and measurement

Financial assets are recognised when the entity becomes a party to the contract and, as a consequence, has a legal right to receive cash.

All financial assets are initially measured at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Company classifies its financial assets in the following measurement categories:

- those measured at amortised cost,
- those to be measured subsequently at fair value, either through other comprehensive income (FVTOCI) or through profit or loss (FVTPL).

Financial asset at amortised cost

A financial asset is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash-flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Notes to the financial statements for the year ended 31 December 2022 (continued)

2. Accounting policies (continued)

Financial instruments (continued)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

In accordance with IFRS 9, the Company applies expected credit loss (ECL) model for the measurement and recognition of impairment loss on financial assets measured at amortised cost e.g. investments, loans and bank balance.

ECL is the weighted average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider.

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Financial liabilities - recognition and measurement

Financial liabilities are recognised when the entity becomes a party to the contract and, as a consequence, has a legal obligation to pay cash.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives as appropriate.

All financial liabilities are initially measured at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities comprises of loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Notes to the financial statements

for the year ended 31 December 2022 (continued)

2. Accounting policies (continued)

Financial instruments (continued)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

The Company does not have any financial liabilities which are subsequently re-measured at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Notes to the financial statements
for the year ended 31 December 2022 (continued)

2. Accounting policies (continued)

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of profit and loss that are taxable or deductible in other years and it further excludes items which are not taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Investments

Investments in securities are classified on initial recognition as available-for-sale and are carried at fair value, except where their fair value cannot be measured reliably, in which case they are carried at cost, less any impairment. Impairment reviews are performed by the director where there has been an indication of potential impairment, such as producing a loss in the financial year under review and where that loss is forecast to continue.

Unrealised holding gains and losses other than impairments are recognised in other comprehensive income. On maturity or disposal, net gains and losses previously deferred in accumulated other comprehensive income are recognised in income.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Notes to the financial statements for the year ended 31 December 2022 (continued)

2. Accounting policies (continued)

Borrowings

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Share capital

Ordinary shares are classified as equity.

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 approved by the Company's shareholders.

3. Critical accounting judgements and key sources of estimation uncertainty

Key sources of estimation uncertainty

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below. There are no key sources of estimation uncertainty and no critical judgements were made in the process of applying the Company's accounting policies.

4. New and amended standards and interpretations

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2022 that have a material impact on the Company's financial statements.

5. Interest receivable and similar income

	2022 €000	2021 €000
Interest received from group undertakings	8,821	8,709

Notes to the financial statements for the year ended 31 December 2022 (continued)

6. Interest payable and similar charges

	2022 €000	2021 €000
Interest paid to group undertakings	4,334	4,128
Foreign exchange losses	5,051	4,651
	<u>9,385</u>	<u>8,779</u>

7. Auditors' remuneration

Fees payable to the Company's auditors in respect of auditing the Company's financial statements of €5,000 (2021: €6,000) have been borne by the parent company, LIMPAC Packaging Limited and not recharged. No fees were payable to Company's auditor for any non-audit services.

8. Tax on loss

Tax charged/(credited) in the profit and loss account:

	2022 €000	2021 €000
Current taxation		
UK corporation tax	-	-
	<u>-</u>	<u>-</u>

The tax on profit before tax for the year is higher than (2021: higher than) the standard rate of corporation tax in the UK of 19% (2021: 19%).

The differences are reconciled below:

	2022 €000	2021 €000
Loss before tax	<u>(565)</u>	<u>(71)</u>
Corporation tax at standard rate	(107)	(13)
Effects of group relief/ other reliefs	(1,080)	(1,119)
Transfer pricing adjustments	1,187	1,132
Total tax charge/(credit)	<u>-</u>	<u>-</u>

In the Budget 2021, the government announced that the rate of Corporation Tax will increase to 25% from 1 April 2023 for businesses with profits of £250,000 or more, the rate will remain at 19% until that date. This new law was substantively enacted in May 2021.

Notes to the financial statements for the year ended 31 December 2022 (continued)

9. Investments

	2022 €000	2021 €000
Amount owed by group undertakings	413,535	417,121

Amounts owed by group undertakings are unsecured and repayable on demand. Average fixed interest rate was charged at 3.2%. However, the director does not expect it to be repaid within the next 12 months.

10. Debtors: amounts falling due within one year

	2022 €000	2021 €000
Amounts owed by group undertakings	8,763	-

Amount owed by group undertakings relates to a cashpool balance of €8,763,000 (2021: €nil).

11. Creditors: amounts falling due within one year

	2022 €000	2021 €000
Interest payable to preference shareholders	4,334	-

Refer note 12 for the payment terms in relation to interest on preference shares.

12. Creditors: amounts falling due after more than one year

	2022 €000	2021 €000
Loans owed to group undertakings	86,677	85,269

Loans owed to group undertakings including cashpool balance of €nil (2021: €3,643,000) from KP Germany Erste GmbH.

Loans owed to group undertakings relates €86,677,000 (2021: includes €81,626,000) amount of preference shares, denominated in US Dollar (\$92m) payable to LINPAC Finco Limited with the interest payable of 5.05% (2021: 5.05%). The maturity date for these preference shares is 22 April 2026.

**Notes to the financial statements
for the year ended 31 December 2022 (continued)**

13. Called up share capital

	2022 €	2021 €
Allotted, called up and fully paid shares		
3 (2021: 3) Ordinary shares shares of €1.00 each	3	3
	<u>3</u>	<u>3</u>

There is a single class of ordinary shares.

The Company have redeemable preference shares amounting to \$92,450,000 equivalent to €81,626,000 which had no voting rights and were entitled to a fixed dividend of 5.05%. Hence the preference shares have been classified as debt rather than equity.

14. Reserves

Profit and loss account

Profit and loss account represents cumulative profit and loss net of distributions to owners.

Capital contribution reserve

Capital contributions reserve represents contributions made by parent companies.

As the capital contribution reserve represented a realised profit that arose prior to 2020, the balance on that reserve at 1 January 2021 of €199,246,000 was represented as part of the profit and loss account balance at that date.

15. Parent and ultimate parent undertaking

The Company's immediate parent undertaking is LINPAC Group Holdings Limited, a company registered in England.

The Company's ultimate parent undertaking is Kleopatra Holdings I S.C.A, a Company incorporated in Luxembourg. The Company's ultimate controlling party is Strategic Value Partners LLC. As at 31 December 2022, they manage funds holding 93.11% of the equity (2021: 92.96%).

Kleopatra Holdings 2 S.C.A. is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Kleopatra Holdings 2 S.C.A.'s consolidated financial statements can be obtained from the Company Secretary at the registered address of 46A Avenue John F. Kennedy, 1855 Luxembourg.

16. Post balance sheet events

There have been no material adjusting and disclosable events since the financial period end.