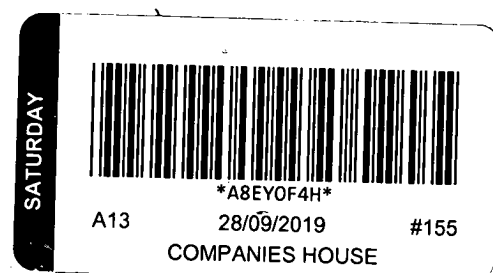


Financial Statements

Transcontinental Supraplast Holding UK LTD. (formerly Coveris Supraplast Holding Limited)

For the Period Ended 28 October 2018

Registered number: 09926789



Transcontinental Supraplast Holding UK LTD.

Company Information

Directors

D Lecavalier
P Morris
F Olivier
B Reid

Registered number

09926789

Registered office

Ash Road North
Wrexham Industrial Estate
Wrexham
LL13 9UF

Independent auditor

Grant Thornton UK LLP
Chartered Accountants & Senior Statutory Auditor
4 Hardman Square
Spinningfields
Manchester
M3 3EB

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Strategic Report

For the Period Ended 28 October 2018

Introduction

The directors present their Strategic Report for the period ended 28 October 2018.

Business review

Up until 30 April 2018 the company was part of the Coveris group holding 99.9% of the shares in Supraplast SA for a consideration of \$11.3 million.

On May 1 2018 the company was acquired by Transcontinental Inc. As a result of this transaction a number of existing intercompany loans and balances were waived and are represented as other comprehensive income in the profit and loss account.

The company still holds the shares in Supraplast SA.

No interest bearing loans remained following the transaction and the administrative expenses incurred after May 1 2018 are relatively small.

Principal risks and uncertainties

Being an investment company, the principal risk is around the ability of the company to recover its investment value and generate adequate returns. The performance of the underlying trading company is monitored regularly to ensure performance is in line with agreed budgets.

As part of the Transcontinental Inc group the financial risks are managed as part of the group.

Financial key performance indicators

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

This report was approved by the board on *24 September 2019.* and signed on its behalf.



P Morris

Director

24/9/19.

Transcontinental Supraplast Holding UK LTD.

Directors' Report

For the Period Ended 28 October 2018

The directors present their report and the financial statements for the period ended 28 October 2018.

On 25 June 2018, the Company changed its name from Coveris Supraplast Holding Limited to Transcontinental Supraplast Holding UK LTD.

On 15 June 2018, the Company amended its year end reference date to 28 October from 31 December.

Results and dividends

The loss for the period, after taxation, amounted to \$243 thousand (2017 - loss \$951 thousand).

No dividends were declared or paid during the year (2017 - \$Nil).

Directors

The directors who served during the period were:

P Morris (appointed 2 June 2018)

F Olivier (appointed 2 June 2018)

B Reid (appointed 2 June 2018)

N Gentiletti (appointed 2 June 2018, resigned 1 November 2018)

G Rehwinkel (resigned 2 June 2018)

C Reese (resigned 2 June 2018)

J Pallas (resigned 2 June 2018)

B Collins (resigned 2 June 2018)

Principal activity

The Company's principal activity is that of a holding company.

Future developments

The Directors do not anticipate any changes to the Company's principal activity and the Company is expected to continue in its function as a intermediate holding company.

Directors' Report (continued)

For the Period Ended 28 October 2018

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

Going concern

The financial statements have been prepared on a going concern basis which assumes that the Company will continue in operational existence for the foreseeable future. The activities of the Company consist primarily of holding investment in a trading subsidiary. The directors have a reasonable expectation that the Company has adequate resources and/or the ability to obtain funding from Group companies to continue in existence for the foreseeable future, following the receipt of confirmation of support from a parent undertaking for at least twelve months from the date of approval of these financial statements.

Qualifying third party indemnity provisions

The Company has indemnified, by means of directors' and officer's liability insurance, one or more directors of the Company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying indemnity provision was in force during the period and is in force at the date of approving the directors' report.

Directors' Report (continued)

For the Period Ended 28 October 2018

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 24 September 2019. and signed on its behalf.



P Morris
Director

24/9/19



Independent Auditor's Report to the Shareholders of Transcontinental Supraplast Holding UK LTD.

Opinion

We have audited the financial statements of Transcontinental Supraplast Holding UK LTD. (the 'company') for the period from 1 January 2018 to 28 October 2018, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 28 October 2018 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. 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.



Independent Auditor's Report to the Shareholders of Transcontinental Supraplast Holding UK LTD. (continued)

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinions 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 Strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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



Independent Auditor's Report to the Shareholders of Transcontinental Supraplast Holding UK LTD. (continued)

Responsibilities of directors for the financial statements

As explained more fully in the Directors' responsibilities statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Use of our report

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

Grant Thornton UK LLP

Michael Lowe

Senior statutory auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Manchester
Date:

27 September 2019

Statement of Comprehensive Income

For the Period Ended 28 October 2018

		10 months ended 28 October 2018 \$'000	31 December 2017 \$000
	Note		
Administrative expenses		33	(110)
Operating profit/(loss)		33	(110)
Interest payable and expenses	6	(276)	(841)
Loss before tax		(243)	(951)
Loss for the financial period		(243)	(951)

There was no other comprehensive income for 2018 (2017:NIL).

The notes on pages 11 to 17 form part of these financial statements.

Balance Sheet

As at 28 October 2018

	Note	28 October 2018 \$000	31 December 2017 \$000
Fixed assets			
Investments	8	11,305	11,305
		<u>11,305</u>	<u>11,305</u>
Current assets			
Debtors: amounts falling due within one year	9	198	-
Cash at bank and in hand	10	-	97
		<u>198</u>	<u>97</u>
Creditors: amounts falling due within one year	11	(34)	(14,009)
Net current assets/(liabilities)		<u>164</u>	<u>(13,912)</u>
Total assets less current liabilities		<u>11,469</u>	<u>(2,607)</u>
Net assets/(liabilities)		<u>11,469</u>	<u>(2,607)</u>
Capital and reserves			
Share premium account	13	1,636	1,636
Capital contribution reserve	13	14,319	-
Profit and loss account	13	(4,486)	(4,243)
		<u>11,469</u>	<u>(2,607)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



P Morris
Director

24/9/19.

The notes on pages 11 to 16 form part of these financial statements.

Statement of Changes in Equity

For the Period Ended 28 October 2018

	Called up share capital \$000	Share premium account \$000	Capital contribution reserve \$000	Profit and loss account \$000	Total equity \$000
At 1 January 2017	-	1,636	-	(3,292)	(1,656)
Comprehensive income for the year					
Loss for the year	-	-	-	(951)	(951)
Total comprehensive income for the year	-	-	-	(951)	(951)
Total transactions with owners	-	-	-	-	-
At 1 January 2018	-	1,636	-	(4,243)	(2,607)
Comprehensive income for the period					
Loss for the period	-	-	-	(243)	(243)
Total comprehensive income for the period	-	-	-	(243)	(243)
Transactions with owners - capital contribution	-	-	14,319	-	14,319
At 28 October 2018	-	1,636	14,319	(4,486)	11,469

The notes on pages 11 to 17 form part of these financial statements.

Notes to the Financial Statements

For the Period Ended 28 October 2018

1. General information

The Company is a private company limited by shares and is incorporated in England and Wales.

The address of its registered office is Ash Road North, Wrexham Industrial Estate, Wrexham, LL13 9UF.
The principal activity of the Company is that of an intermediate holding company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The functional and presentational currency of the company is USD. This set of financial statements is for the company only and does not present a consolidated set of financial statements for this entity and its subsidiary undertaking due to the entity taking advantage of the exemption not to prepare consolidated accounts. This exemption is available due to the results of the entity and its subsidiary undertaking being included in the consolidated financial statements of its ultimate parent undertaking, Transcontinental Inc. These accounts are publicly available on the Transcontinental Inc website (tctranscontinental.com)

The following principal accounting policies have been applied:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

Notes to the Financial Statements

For the Period Ended 28 October 2018

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on a going concern basis which assumes that the Company will continue in operational existence for the foreseeable future. The activities of the Company consist primarily of holding investment in a trading subsidiary. The directors have a reasonable expectation that the Company has adequate resources and/or the ability to obtain funding from Group companies to continue in existence for the foreseeable future, following the receipt of confirmation of support from a parent undertaking for at least twelve months from the date of approval of these financial statements.

2.4 Finance costs

Finance costs are charged to the profit and loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.6 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.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.9 Financial instruments

Financial assets and financial liabilities are initially measured at fair value.

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

Financial assets

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

Notes to the Financial Statements

For the Period Ended 28 October 2018

2. Accounting policies (continued)

2.9 Financial instruments (continued)

Debt instruments at amortised cost

Debt instruments are subsequently measured at amortised cost where they are financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and selling the financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Amortised cost is calculated using the effective interest method and represents the amount measured at initial recognition less repayments of principal plus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Financial liabilities

At amortised cost

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenses during the period. However the nature of estimation means that actual outcomes could differ from these estimates.

The directors consider that the only critical accounting estimate relates to the recoverability of the investment in subsidiary. The ability of the subsidiary to generate sufficient returns to repay the initial investment are monitored annually by the directors and any provisions for impairment are made as and when required. The future financial performance of the subsidiary could deteriorate following this review and therefore this is kept under review by the directors.

4. Auditor's remuneration

Auditors' remuneration of \$9,620 (2017: \$10,000) has been paid to the auditor in respect of the audit of the Company's annual financial statements.

Notes to the Financial Statements

For the Period Ended 28 October 2018

5. Employees

The Company has no employees other than the directors (2017: none).

The remuneration of all Directors is paid by other Group entities. The Directors are Directors of a number of subsidiaries and it is not possible to make an accurate apportionment of remuneration in respect of each Company in the Group.

6. Interest payable and similar expenses

	10 months ended 28 October 2018 \$000	31 December 2017 \$000
Loans from group undertakings	276	841
	<u>276</u>	<u>841</u>

7. Taxation

	10 months ended 28 October 2018 \$000	31 December 2017 \$000
Total current tax	-	-
Deferred tax		
Total deferred tax	-	-
Taxation on profit on ordinary activities	-	-

Notes to the Financial Statements

For the Period Ended 28 October 2018

7. Taxation (continued)

Factors affecting tax charge for the period/year

The tax assessed for the period/year is higher than (2017 - higher than) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	10 months ended 28 October 2018 \$000	31 December 2017 \$000
Loss on ordinary activities before tax	(243)	(951)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	(46)	(183)
Effects of:		
Expenses not deductible for tax purposes	-	129
Group relief	46	54
Total tax charge for the period/year	-	-

8. Fixed asset investments

	Investments in subsidiary companies \$000
Cost or valuation	
At 1 January 2018	11,305
At 28 October 2018	11,305

The company holds 99.99% of the ordinary share capital of Supraplast S.A., a company registered in Ecuador.

The registered office of the subsidiary is Av. Pascuales Km 16.5 via a Daule/ Calle Av Pascuales e Interseccion Acero, Solar 2 Manzana 13. Ecuador. The principal activity of the subsidiary is the manufacture of labels and packaging. The net assets of the entity as at 31 August 2019 were \$9.9 million.

Notes to the Financial Statements

For the Period Ended 28 October 2018

9. Debtors

	28 October 2018 \$000	31 December 2017 \$000
Amounts owed by group undertakings	198	-
	<u>198</u>	<u>-</u>

10. Cash and cash equivalents

	28 October 2018 \$000	31 December 2017 \$000
Cash at bank and in hand	-	97
	<u>-</u>	<u>97</u>

11. Creditors: Amounts falling due within one year

	28 October 2018 \$000	31 December 2017 \$000
Trade creditors	-	1
Amounts owed to group undertakings	34	14,008
	<u>34</u>	<u>14,009</u>

During the period, an amount of \$14,319,000 was forgiven by the group counterparty (see note 13).

12. Share capital

	28 October 2018 \$000	31 December 2017 \$000
Allotted, called up and fully paid		
101 (2017 - 101) Ordinary share capital shares of \$0.01 each	-	-
	<u>-</u>	<u>-</u>

Notes to the Financial Statements

For the Period Ended 28 October 2018

13. Reserves

Share premium

The share premium account includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Capital contribution reserve

During the period, forgiveness of an intercompany payable by the group counterparty took place. The has been recorded as a capital contribution by the parent company.

Profit and loss account

The profit and loss account includes all current and prior period retained profits and losses.

Capital redemption reserve

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14. Controlling party

Up until 1 May 2018, the ultimate parent undertaking was Coveris S.A., registered in Luxembourg. Sun Capital Partners was the company's ultimate controlling party by virtue of its sharholding in Coveris S.A.

From 1 May 2018, the ulimate parent undertaking is Transcontinental Inc. There is no individual controlling party.