

---

**MULTI PACKAGING SOLUTIONS BELFAST LIMITED**

---

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2019**

WEDNESDAY



\*A9ENV9Q0\*

A40

30/09/2020

#3

COMPANIES HOUSE

---

**MULTI PACKAGING SOLUTIONS BELFAST LIMITED**

---

**COMPANY INFORMATION**

---

**Directors** M Priestley (resigned 28 November 2019)  
M Wenham  
A Darrington  
K Maxwell (appointed 28 November 2019)  
N Wilkinson (appointed 28 November 2019)

**Registered number** NI004663

**Registered office** Enterprise Way  
Hightown Industrial Estate  
Newtownabbey  
Belfast  
BT36 4EW

**Independent auditor** Ernst & Young LLP  
No. 1 Colmore Square  
Birmingham  
B4 6HQ

---

# **MULTI PACKAGING SOLUTIONS BELFAST LIMITED**

---

## **CONTENTS**

---

	Page
<b>Strategic report</b>	1
<b>Directors' report</b>	2 - 4
<b>Independent auditor's report</b>	5 - 7
<b>Statement of comprehensive income</b>	8
<b>Balance sheet</b>	9
<b>Statement of changes in equity</b>	10
<b>Notes to the financial statements</b>	11 - 25

---

## MULTI PACKAGING SOLUTIONS BELFAST LIMITED

---

### STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019

---

The directors present the strategic report and financial statements for the year ended 30 September 2019.

#### Business review

The Company made a profit after tax for the year of £8,844,603 (2018: £6,880,012).

The directors consider the operating results for the year to be satisfactory.

#### Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the Company are considered to relate to future increases in raw material costs, competition from both large companies and local and regional producers, downturn in the target markets that we serve, loss of key personnel and future government regulations affecting the packaging industry.

#### Financial key performance indicators

The key performance indicators of the Company are:

	2019 £	2018 £
Turnover	33,056,240	26,703,193
Operating profit	7,535,078	4,819,972
Retained profit for the financial year	8,844,603	6,880,012

This report was approved by the board on 29 September 2020 and signed on its behalf.



**A Darrington**  
Director

---

## **MULTI PACKAGING SOLUTIONS BELFAST LIMITED**

---

### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019**

---

The directors present their report and the financial statements for the year ended 30 September 2019.

#### **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 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.

#### **Principal activity**

The Company is involved in the manufacture and sale of cartons, self-adhesive labels, leaflets and label/leaflets. The Company operates from a purpose built 12,000 square metre factory and office at Mallusk, seven miles outside of Belfast and services its customers in Great Britain, Northern Ireland and Europe.

#### **Dividends**

The directors do not recommend the payment of a dividend on ordinary shares (2018 - £nil).

#### **Directors**

The directors who served during the year were:

M Priestley (resigned 28 November 2019)  
M Wenham  
A Darrington

#### **Future developments**

The Company will continue to operate as a trading company for the foreseeable future.

---

## MULTI PACKAGING SOLUTIONS BELFAST LIMITED

---

### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2019

---

#### Going concern

The Company's business activities together with the factors likely to impact its future development, performance and position are set out in the Strategic Report. The Company has well established relationships with customers and suppliers. The Company's financial forecasts, taking into consideration the current environment and COVID-19 pandemic, show that the Company is expected to remain profitable and generate positive cash flows giving the Company the ability to continue to operate for the foreseeable future. As a consequence, the directors believe that the Company is a going concern and is well placed to manage its business risk successfully.

The Company has the financial support of a parent company, WRKCo Inc, which has sufficient cash and liquidity to fund the operations if necessary and a letter of support has been provided indicating that it will continue to support the business for at least 12 months from the date of approval of these financial statements.

WRKCo Inc has prepared a cash flow forecast for the period through 30 September 2021 and has considered both severe but plausible downside scenarios together with a reverse stress test, noting any controllable cost mitigations such as deferral of capital expenditure to protect liquidity. In the most severe but plausible scenario forecasted, WRKCo Inc would still have sufficient profitability and liquidity to service debt and fund operations.

Having considered all the above, including WRKCo Inc's current financial position and its willingness to provide financial support to the Company as needed, the directors remain confident in the long-term future prospects for the Company and its ability to continue as a going concern for the foreseeable future and therefore continue to adopt the going concern basis in preparing the financial statements.

#### Brexit

The UK formally left the European Union effective January 31st 2020. MPS's management team continues to closely monitor developments associated with 'Brexit' through the transition period for any potential impact this may have on the business. MPS is maintaining the internal Brexit committee set up last year, with access to MPS business leaders and external consultants, to ensure that we are up-to-date with all of the latest developments. This approach will continue to allow us to prepare action plans in an effective and efficient manner, specifically in relation to supply chain and inventory management as well as cross border trade. We will continue to manage any potential business challenges that may arise and ensure minimal impact to the ongoing performance of the business and its ability to support our customers and trading partners. Based on the current position, MPS remains confident that Brexit will not have a material impact on our business or our ability to continue to support our customers with the high standards of service that we strive to deliver.

#### 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.

---

**MULTI PACKAGING SOLUTIONS BELFAST LIMITED**

---

---

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

---

**Events after the balance sheet date**

On 11 March 2020 the World Health Organisation declared COVID-19 to be a worldwide pandemic. Given this was an event occurring after the Balance Sheet date, management consider this to be a non-adjusting event. We quickly implemented social distancing guidance at all locations to protect the wellbeing of our employees. The long-term financial impact of the pandemic on both the entity and the Westrock (parent) Group cannot be quantified at this stage.

In considering the ongoing impact of COVID-19, the Company will, as part of its usual reporting process, conduct impairment reviews across all cash generating units. The process will be informed by any impact arising from challenging trading environments and macro-economic weakness, exacerbated by the uncertainty created by COVID-19.

There is the potential should COVID-19 persist and negatively impact the Company, for write down of fixed assets (tangible assets) alongside increases in bad debt provisions and debt write offs should customers enter financial difficulty.

**Auditor**

The auditor, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 29 September 2020 and signed on its behalf.



**A Darrington**  
Director

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MULTI PACKAGING SOLUTIONS BELFAST LIMITED**

### **Opinion**

We have audited the financial statements of Multi Packaging Solutions Belfast Limited for the year ended 30 September 2019 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of comprehensive income, the Statement of changes in equity and the related notes 1 to 21, 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 September 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Emphasis of matter**

We draw attention to Note 2.3 and 21 of the financial statements, which describes the economic and social consequences the company is facing as a result of COVID-19. Our opinion is not modified in respect of this matter.

### **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.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MULTI PACKAGING SOLUTIONS BELFAST 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 directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify 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 the 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 year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

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

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

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

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MULTI PACKAGING SOLUTIONS BELFAST LIMITED (continued)**

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 2, 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.

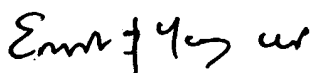
### **Auditor's responsibilities for the audit of the financial statements**

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 <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### **Use of our report**

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



Steven Bagworth (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Birmingham

Date: 29 September 2020

---

**MULTI PACKAGING SOLUTIONS BELFAST LIMITED**

---

---

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

---

	Note	2019 £	2018 £
Turnover	4	33,056,240	26,703,193
Cost of sales		(23,156,601)	(19,572,964)
<b>Gross profit</b>		<b>9,899,639</b>	<b>7,130,229</b>
Administrative expenses		(3,295,044)	(3,315,614)
Other operating income		930,483	1,005,357
<b>Operating profit</b>	5	<b>7,535,078</b>	<b>4,819,972</b>
Interest receivable and similar income	8	1,369,082	2,166,746
<b>Profit before tax</b>		<b>8,904,160</b>	<b>6,986,718</b>
Tax on profit	9	(59,557)	(106,706)
<b>Profit for the financial year</b>		<b>8,844,603</b>	<b>6,880,012</b>

There was no other comprehensive income for 2019 (2018:£NIL).

The notes on pages 11 to 25 form part of these financial statements.

**MULTI PACKAGING SOLUTIONS BELFAST LIMITED**  
**REGISTERED NUMBER: NI004663**

**BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	10	9,074,472	9,816,311
<b>Current assets</b>			
Stocks	11	2,063,443	2,276,646
Debtors: amounts falling due after more than one year	12	68,000,000	-
Debtors: amounts falling due within one year	12	5,878,940	71,608,020
Cash at bank and in hand		7,575,770	239,268
		<u>83,518,153</u>	<u>74,123,934</u>
Creditors: amounts falling due within one year	13	(4,630,353)	(4,842,857)
<b>Net current assets</b>		<u>78,887,800</u>	<u>69,281,077</u>
<b>Total assets less current liabilities</b>		<u>87,962,272</u>	<u>79,097,388</u>
Creditors: amounts falling due after more than one year	14	(847,365)	(886,641)
<b>Provisions for liabilities</b>			
Deferred tax	15	(335,534)	(275,977)
		<u>(335,534)</u>	<u>(275,977)</u>
<b>Net assets</b>		<u><u>86,779,373</u></u>	<u><u>77,934,770</u></u>
<b>Capital and reserves</b>			
Called up share capital	16	110,800	110,800
Profit and loss account	17	86,668,573	77,823,970
		<u><u>86,779,373</u></u>	<u><u>77,934,770</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 September 2020.



**A Darrington**  
Director

The notes on pages 11 to 25 form part of these financial statements.

---

**MULTI PACKAGING SOLUTIONS BELFAST LIMITED**

---

---

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

---

	Called up share capital	Profit and loss account	Shareholder's funds
	£	£	£
At 1 October 2018	110,800	77,823,970	77,934,770
<b>Comprehensive income for the year</b>			
Profit for the year	-	8,844,603	8,844,603
<b>Other comprehensive income for the year</b>	-	-	-
<b>Total comprehensive income for the year</b>	-	8,844,603	8,844,603
<b>At 30 September 2019</b>	<b>110,800</b>	<b>86,668,573</b>	<b>86,779,373</b>

The notes on pages 11 to 25 form part of these financial statements.

---

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

---

	Called up share capital	Profit and loss account	Shareholder's funds
	£	£	£
At 1 October 2017	110,800	70,943,958	71,054,758
<b>Comprehensive income for the year</b>			
Profit for the year	-	6,880,012	6,880,012
<b>Other comprehensive income for the year</b>	-	-	-
<b>Total comprehensive income for the year</b>	-	6,880,012	6,880,012
<b>At 30 September 2018</b>	<b>110,800</b>	<b>77,823,970</b>	<b>77,934,770</b>

The notes on pages 11 to 25 form part of these financial statements.

---

## MULTI PACKAGING SOLUTIONS BELFAST LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

---

#### 1. General information

Multi Packaging Solutions Belfast Limited is a private limited liability company incorporated in the UK.

The Registered Office is Enterprise Way, Hightown Industrial Estate, Newtownabbey, Belfast, BT36 4EW.

#### 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 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in sterling, which is also the functional currency of the Company. The amounts are rounded off to the nearest thousand.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### 2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of WestRock Company as at 30 September 2019 and these financial statements may be obtained from Millennium Way West, Phoenix Centre, Nottingham, NG8 6AW.

---

## MULTI PACKAGING SOLUTIONS BELFAST LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

---

## 2. Accounting policies (continued)

### 2.3 Going concern

The Company's business activities together with the factors likely to impact its future development, performance and position are set out in the Strategic Report. The Company has well established relationships with customers and suppliers. The Company's financial forecasts, taking into consideration the current environment and COVID-19 pandemic, show that the Company is expected to remain profitable and generate positive cash flows giving the Company the ability to continue to operate for the foreseeable future. As a consequence, the directors believe that the Company is a going concern and is well placed to manage its business risk successfully.

The Company has the financial support of a parent company, WRKCo Inc, which has sufficient cash and liquidity to fund the operations if necessary and a letter of support has been provided indicating that it will continue to support the business for at least 12 months from the date of approval of these financial statements.

WRKCo Inc has prepared a cash flow forecast for the period through 30 September 2021 and has considered both severe but plausible downside scenarios together with a reverse stress test, noting any controllable cost mitigations such as deferral of capital expenditure to protect liquidity. In the most severe but plausible scenario forecasted, WRKCo Inc would still have sufficient profitability and liquidity to service debt and fund operations.

Having considered all the above, including WRKCo Inc's current financial position and its willingness to provide financial support to the Company as needed, the directors remain confident in the long-term future prospects for the Company and its ability to continue as a going concern for the foreseeable future and therefore continue to adopt the going concern basis in preparing the financial statements.

### 2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

The following criteria must also be met before revenue is recognised:

#### **Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Where payments are received from customers in advance of services provided, the amounts are recorded as Deferred Income and included as part of Creditors due within one year.

---

## MULTI PACKAGING SOLUTIONS BELFAST LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

---

#### 2. Accounting policies (continued)

##### 2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a straight line basis.

Depreciation is provided on the following basis:

Buildings freehold	- 46 years
Plant and machinery	- 3 - 13 years

##### 2.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term. Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate. The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard, 1 July 2014, to continue to be charged over the period to the first market rent review rather than the term of the lease.

##### 2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in first out basis. Work in progress and finished goods include direct expenditure production overheads based on the normal level of activity.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss. Where necessary, provision is made for obsolete, slow moving and defective stock.

##### 2.8 Government grants

Capital based grants and funding are carried in the balance sheet as deferred income which is credited to the Profit and loss accounts at rates which reflect the expected useful lives of the related assets. Amounts not yet released to the profit and loss account are included in the balance sheet as deferred income. Other grants are credited to the profit and loss account to offset the matching expenditure.

##### 2.9 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.



---

**MULTI PACKAGING SOLUTIONS BELFAST LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

---

**2. Accounting policies (continued)****2.10 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.

**2.11 Foreign currency translation****Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions or, if hedged, at the forward contract rate. At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges. Where foreign currency borrowing has been used to finance equity investments in foreign currencies, exchange differences arising on the borrowing are dealt with through reserves to the extent that they are covered by exchange differences on the net assets represented by the equity investments.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2019

---

2. Accounting policies (continued)

2.12 Pensions

**Defined contribution pension plan**

For defined contribution schemes the contributions are recognised as an expense in the Profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

**Defined benefit pension plan**

For defined benefit schemes the liability recognised in the Balance sheet is the present value of the defined benefit obligation at the end of the balance sheet date less the fair value of plan assets at the balance sheet date (if any) out of which the obligations are to be settled. The defined benefit asset or liability, net of related deferred tax, is presented separately after other assets on the face of the Balance sheet. A defined benefit pension asset is only recognised if the Company has an unconditional right to a refund of the pension assets.

The defined benefit obligation is calculated using the projected unit credit method. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate'). The actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

The Company only recognises a cost equal to their contribution payable for the period because there is no contractual agreement or policy for charging the net defined benefit cost of the defined benefit plan.

---

**MULTI PACKAGING SOLUTIONS BELFAST LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

---

**2. Accounting policies (continued)****2.13 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and loss account, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

**Current tax**

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

**Deferred tax**

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by 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. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the 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.

---

## MULTI PACKAGING SOLUTIONS BELFAST LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

---

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

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

The following judgments (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

##### Operating lease commitments

The Company has entered into leases as a lessee on items of property, plant and equipment. The classification of such leases as operating or finance lease requires the Group to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the balance sheet. For further information on the Group's finance lease creditors and material operating lease commitments refer to note 19.

##### Taxation

The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 9.

##### Inventories

Inventories are stated at lower of cost or market value. Inventory cost includes materials, labour and manufacturing overheads. Obsolete inventory is identified based on analysis of inventory for known obsolescence issues and write down or write off is provided based on this analysis.

#### 4. Turnover

Analysis of turnover by country of destination:

	2019 £	2018 £
United Kingdom	7,538,285	1,880,804
Rest of Europe	25,300,677	24,757,330
Rest of the world	217,278	65,059
	<u>33,056,240</u>	<u>26,703,193</u>

Turnover represents the amounts derived from the provision of goods and services which fall within the Company's ordinary activities, stated net of value added tax. Turnover is attributable to the continuing activity of the manufacture and sale of consumer and healthcare packaging.

---

**MULTI PACKAGING SOLUTIONS BELFAST LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

---

**5. Operating profit**

The operating profit is stated after charging/(crediting):

	2019 £	2018 £
Depreciation of tangible fixed assets	837,136	666,536
Admin - difference on foreign exchange	42,541	25,046
Other operating lease rentals	5,857	109,771
Government grants	(39,276)	(39,276)
(Profit)/loss on disposal of tangible assets	(232,797)	125,525
	<u>          </u>	<u>          </u>

**6. Auditor's remuneration**

	2019 £	2018 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	35,765	32,445
	<u>          </u>	<u>          </u>

**7. Employees**

Staff costs were as follows:

	2019 £	2018 £
Wages and salaries	5,075,684	5,082,472
Social security costs	472,220	477,769
Cost of defined contribution scheme	205,502	178,781
	<u>5,753,406</u>	<u>5,739,022</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2019 No.	2018 No.
Production	138	146
Administration	14	16
	<u>152</u>	<u>162</u>

---

**MULTI PACKAGING SOLUTIONS BELFAST LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

---

**8. Interest receivable**

	2019 £	2018 £
Interest receivable from group undertakings	1,358,089	2,165,470
Other interest receivable	10,993	1,276
	<u>1,369,082</u>	<u>2,166,746</u>

**9. Taxation**

	2019 £	2018 £
<b>Corporation tax</b>		
Current tax on profits for the year/period	-	(626)
<b>Total current tax</b>	<u>-</u>	<u>(626)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	59,557	107,332
<b>Total deferred tax</b>	<u>59,557</u>	<u>107,332</u>
<b>Taxation on profit on ordinary activities</b>	<u>59,557</u>	<u>106,706</u>

---

**MULTI PACKAGING SOLUTIONS BELFAST LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

---

**9. Taxation (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	<u>8,904,160</u>	<u>6,986,719</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	<u>1,691,790</u>	<u>1,327,477</u>
<b>Effects of:</b>		
Fixed asset differences	17,835	15,958
Expenses not deductible for tax purposes	-	570
Capital allowances for year in excess of depreciation	-	(10,749)
Adjustments to tax charge in respect of prior periods	-	(626)
Group relief claimed for nil consideration	(1,643,062)	(1,225,924)
Effect of change in tax rate	(7,006)	-
<b>Total tax charge for the year</b>	<u><u>59,557</u></u>	<u><u>106,706</u></u>

**Factors that may affect future tax charges**

The Group's profits for the financial period are taxed at a rate of 19% (2018 - 19%). The Finance Act 2015 provided for a reduction in the standard rate of tax from 19% to 18% with effect from 1 April 2020. This rate is reduced further to 17% by the Finance Act 2016.

Subsequent to the year end it was announced in the Spring Budget 2020 that the Corporation Tax rate would remain at 19% for the tax year beginning 1 April 2020. Deferred tax at the year end would increase to £374,814 if calculated at 19%

---

**MULTI PACKAGING SOLUTIONS BELFAST LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

---

**10. Tangible fixed assets**

	<b>Buildings freehold £</b>	<b>Plant and machinery £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
At 1 October 2018	8,022,067	15,034,072	23,056,139
Additions	-	99,500	99,500
Disposals	-	(1,828,356)	(1,828,356)
At 30 September 2019	<u>8,022,067</u>	<u>13,305,216</u>	<u>21,327,283</u>
<b>Depreciation</b>			
At 1 October 2018	3,535,839	9,703,989	13,239,828
Charge for the year on owned assets	93,086	744,050	837,136
Disposals	-	(1,824,153)	(1,824,153)
At 30 September 2019	<u>3,628,925</u>	<u>8,623,886</u>	<u>12,252,811</u>
<b>Net book value</b>			
At 30 September 2019	<u>4,393,142</u>	<u>4,681,330</u>	<u>9,074,472</u>
At 30 September 2018	<u>4,486,228</u>	<u>5,330,083</u>	<u>9,816,311</u>

Buildings Freehold includes £687,500 of land (2018 - £687,500) which is not being depreciated.



---

**MULTI PACKAGING SOLUTIONS BELFAST LIMITED**

---

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

---

**11. Stocks**

	2019 £	2018 £
Raw materials and consumables	574,701	367,405
Work in progress	203,284	133,559
Finished goods and goods for resale	1,285,458	1,775,682
	<u>2,063,443</u>	<u>2,276,646</u>

**12. Debtors**

	2019 £	2018 £
<b>Due after more than one year</b>		
Amounts owed by group undertakings	68,000,000	-
	<u>68,000,000</u>	<u>-</u>

The amounts owed by group undertakings is a loan to Multi Packaging Solutions Acquisitions 2 Limited and bears interest at LIBOR plus a margin of 1.125%. The loan is due to mature on 5 April 2028.

	2019 £	2018 £
<b>Due within one year</b>		
Trade debtors	5,065,469	3,842,436
Amounts owed by group undertakings	154,260	67,067,339
Other debtors	464,146	623,325
Prepayments and accrued income	195,065	74,920
	<u>5,878,940</u>	<u>71,608,020</u>

All amounts are due within one year. Included in amounts owed by group undertakings in the prior year was a loan to Multi Packaging Solutions Acquisitions 2 Limited and bore interest at LIBOR plus a margin of 1.125%. The outstanding balance at the year end is £nil (2018 - £66,440,057). The loan is repayable on demand.

---

**MULTI PACKAGING SOLUTIONS BELFAST LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

---

**13. Creditors: amounts falling due within one year**

	2019 £	2018 £
Trade creditors	3,417,087	3,373,393
Amounts owed to group undertakings	549,618	733,465
Taxation and social security	125,816	133,124
Other creditors	172,793	277,803
Accruals and deferred income	325,763	285,796
Government grants received	39,276	39,276
	<u>4,630,353</u>	<u>4,842,857</u>

**14. Creditors: amounts falling due after more than one year**

	2019 £	2018 £
Government grants received	<u>847,365</u>	<u>886,641</u>

**15. Deferred taxation**

	2019 £
At 1 October 2018	(275,977)
Charged to profit or loss	(59,557)
<b>At 30 September 2019</b>	<u><b>(335,534)</b></u>

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Fixed asset timing differences	491,986	438,001
Short term timing differences	(156,452)	(162,024)
	<u>335,534</u>	<u>275,977</u>

---

## MULTI PACKAGING SOLUTIONS BELFAST LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

---

#### 16. Share capital

	2019 £	2018 £
<b>Allotted, called up and fully paid</b>		
80,000 (2018 - 80,000) Ordinary shares of £0.01 each	800	800
80,000 (2018 - 80,000) Deferred shares of £1.00 each	80,000	80,000
30,000 (2018 - 30,000) Ordinary shares of £1.00 each	30,000	30,000
	<hr/>	<hr/>
	110,800	110,800
	<hr/>	<hr/>

#### 17. Reserves

##### Profit and loss account

Includes all current and prior period retained profits and losses.

#### 18. Pension commitments

##### Defined contribution

##### Chesapeake Group Defined Benefit Scheme

The Company participates in a group defined benefit scheme which is operated for the employees by Multi Packaging Solutions UK Limited. The Scheme provides benefits based on final pensionable pay. The Scheme assets are held separately from those of the Company and the group. The contributions are determined by a qualified actuary on the basis of the triennial valuations.

The most recent actuarial assessments of the Chesapeake Group Pension Schemes were carried out as at 5 April 2013 and details of the valuation are disclosed in the accounts of Multi Packaging Solutions UK Limited. The Company has no agreement to settle deficit on the Chesapeake Group Defined Benefit Scheme. Under FRS 102 section 28, the Company has only recognised a cost equal to the contribution payable for the period. Therefore, the disclosures in accordance with the standard have been made as if the scheme was a defined contribution scheme. At 30 September 2019 the pension asset recorded in Multi Packaging Solutions UK Limited was £7,151,000 (2018 - £449,000).

The total defined benefit pension charge for the year was £17,438 (2018 - £25,221). At 30 September 2019 contributions amounting to £320 (2018 - £331) were payable to the Scheme and included in creditors.

##### Other defined contribution pension schemes

Additionally some employees participate in a defined contribution scheme operated by Multi Packaging Solutions UK Limited. The total charge for the year was £188,064 (2018 - £153,561). At 30 September 2019 contributions amounting to £33,345 (2018 - £26,837) were payable to the Scheme and included in creditors.

---

## MULTI PACKAGING SOLUTIONS BELFAST LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

---

#### 19. Commitments under operating leases

At 30 September 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	4,398	9,408
Later than 1 year and not later than 5 years	2,807	8,172
	<u>7,205</u>	<u>17,580</u>

#### 20. Controlling party

The Company's immediate parent undertaking is William W Cleland Holdings Limited, a company incorporated in the UK.

The ultimate parent company and controlling party is WestRock Company, a company incorporated in the United States of America. WestRock Company is the largest and smallest company to consolidate these financial statements. Copies of the group financial statements of that company can be obtained from Millennium Way West, Phoenix Centre, Nottingham, Nottinghamshire, NG8 6AW.

#### 21. Events after the balance sheet date

On 11 March 2020 the World Health Organisation declared COVID-19 to be a worldwide pandemic. Given this was an event occurring after the Balance Sheet date, management consider this to be a non-adjusting event. We quickly implemented social distancing guidance at all locations to protect the wellbeing of our employees. The long-term financial impact of the pandemic on both the entity and the Westrock (parent) Group cannot be quantified at this stage.

In considering the ongoing impact of COVID-19, the Company will, as part of its usual reporting process, conduct impairment reviews across all cash generating units. The process will be informed by any impact arising from challenging trading environments and macro-economic weakness, exacerbated by the uncertainty created by COVID-19.

There is the potential should COVID-19 persist and negatively impact the Company, for write down of fixed assets (tangible assets) alongside increases in bad debt provisions and debt write offs should customers enter financial difficulty.