

Registered number: NI004663

MULTI PACKAGING SOLUTIONS BELFAST LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**



Independent auditor	Ernst & Young LLP No. 1 Colmore Square Birmingham B4 6HQ
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MULTI PACKAGING SOLUTIONS BELFAST LIMITED

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MULTI PACKAGING SOLUTIONS BELFAST LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2022

The directors present the strategic report and financial statements for the year ended 30 September 2022.

Business review

The Company made a profit after tax for the year of £6,429,302 (2021: £5,191,272).

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 inflationary price pressure, external competition, downturn in the target markets that we serve, loss of key personnel and future government regulations affecting the packaging industry. Management have adopted a rolling forecast which is routinely updated to project and model the implications of all of the key risks facing the business in order to proactively manage the challenges the business face.

Compliance with section 172(1) of the Companies Act 2006

In accordance with Section 172 (1) the directors act in a way they consider in good faith would be the most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- The likely consequence of any decisions in the long term
- The interest of the company's employees
- The need to foster the company's business relationships with suppliers, customers and others
- The desirability of the company maintaining a reputation for high standards of business conduct, and
- The need to act fairly as between members of the company

The directors consider the main stakeholders to be its customers, suppliers, employees and its shareholders.

The Company is part of the larger WestRock Company Group. The ultimate parent company is listed on the NYSE. The company is a wholly owned subsidiary of the larger Group and as with many international groups the Board of Directors delegate the day to day management of the company to the local teams and local directors. The objectives of the group are aligned with that of the company. The directors of the Group receive routine reports from their delegated management teams and have regular updates to ensure that the Company continues to meet the directors and Boards expectations.

Suppliers

Our suppliers are fundamental to the quality of our products. Innovation is also key and engaging with suppliers early enables research and innovation in to new products and ensures that a good relationship is maintained.

Having a stable and sound supply base is vital to our continued success.

MULTI PACKAGING SOLUTIONS BELFAST LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

Compliance with section 172(1) of the Companies Act 2006 (continued)
Employees

Our employees are vital in ensuring that we can provide quality products to our customers and that we can operate our business effectively and efficiently.

We engage with our employees through various forums, ranging from regular communications that promote an understanding of the financial performance of the group, to an annual employee engagement survey.

Customers

Our customers are vital for our business to succeed, and we recognise that a good working relationship is crucial to our future success.

We have global relationships with a number of multinational companies. We have key account management structures across the group to manage the relationships with customers. This helps ensure that we provide the best service we can for individual accounts.

We continue to develop and form long term strategic relationships with our customers, this is of mutual benefit to both parties. We engage with customers regularly and work closely with customers on innovation projects.

Energy and Carbon reporting
Quantification and Reporting Methodology

HM Government Environmental Reporting Guidelines: including streamlined energy and carbon reporting guidance (March 2021) has been used for the collation of data sources and reporting of emissions. UK Government GHG Conversion Factors for Company Reporting has been used for the reporting of emissions, using the 2022 version.

Target setting & Responsibilities

WestRock have committed to a Science Based Target. WestRock commits to reduce absolute scope 1 and GHG emissions by 27.5% by FY2030 from FY2019 base year*. WestRock also commits to reduce absolute scope 3 GHG emissions from purchased goods and services, fuel and energy activities, upstream and downstream transportation and distribution, and end of life treatment of sold products by 27.5% within the same timeframe.

*The target boundary includes biogenic emissions and removals from bioenergy feedstocks.

Intensity Measurement

The metric chosen for reporting is gross scope 1 & 2 emissions in tonnes of CO₂e per million m² production as this is closely matched to our business operation. The intensity measurement will be reported each year with comparison made against previous year to highlight performance.

Emissions from natural gas consumption	338.97 tonnes CO ₂ e (2021: 350.70 tonnes CO ₂ e)
Emissions from electricity consumption	924.49 tonnes CO ₂ e (2021: 976.41 tonnes CO ₂ e)
Annual energy consumption	6,637,661 kwh (2021: 6,513,243 kwh)
CO ₂ e per million m ² of print	27.94 tonnes per million m ² of print (2021: 34.66 tonnes per million m ² of print)

The company is committed to managing its environmental impact. During the year LED lighting has been installed in a number of areas throughout the factory and inverters have been fitted on certain machines. We will continue with our energy saving initiatives in FY23.

MULTI PACKAGING SOLUTIONS BELFAST LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022

Financial key performance indicators

	2022	2021
	£	£
Turnover	41,185,170	35,822,092
Operating profit	5,234,277	4,500,211
Retained profit for the financial year	6,429,302	5,191,272

During FY22, the business saw an increase in the sale of packaging in relation to cold and flu remedies increase, which had all but disappeared during the pandemic. Sales to other customers also increased as the effects of the pandemic began to clear, however maintaining board supply has been challenging, with costs increasing. Other costs have also increased during FY22, particularly energy and this is expected to continue into FY23. The machines which had been transferred from a sister site were fully bedded in and operations made significant efficiency gains once they were running smoothly.

The directors expect the company to improve its results in the oncoming years.

This report was approved by the board on 12 January 2023 and signed on its behalf.


A Darrington
Director

MULTI PACKAGING SOLUTIONS BELFAST LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2022

The directors present their report and the financial statements for the year ended 30 September 2022.

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 (2021: £Nil).

Directors

The directors who served during the year and subsequently were:

A Darrington
K Maxwell (resigned 3 November 2021)
N Wilkinson
M Shaw
S Nickerson (appointed 3 November 2021)

Qualifying third party indemnity provisions

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

Events during the year

Impact of war in Ukraine

The Group is monitoring events related to the war in Ukraine, and at this time, we do not consider the impact to be material other than macro economic factors. The Group will continue to assess the situation and its impact on the businesses and markets that we operate in.

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 2022

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 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 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 a period of 12 months from date of approval of balance sheet.

WRKCo Inc has prepared a cash flow forecast through to 30 September 2024 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.

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 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 and 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 judgements and accounting estimates that are reasonable and prudent;
- provide additional disclosures when compliance with the specific requirements of FRS 102 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance;
- in respect of the Company's financial statements, state whether applicable UK standards, including FRS 102 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;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Under applicable law and regulations, the directors are also responsible for preparing a directors' report, that complies with that law and those regulations.

MULTI PACKAGING SOLUTIONS BELFAST LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

Disclosure of information to auditor

The directors confirm that:

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

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 12 January 2023 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 2022 which comprise the Statement of comprehensive income, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 25 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 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 2022 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' 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 12 months from the date of approval of the balance sheet.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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.

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 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 5, 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

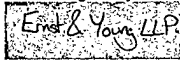
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee 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.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and compliance with the relevant direct and indirect tax regulation in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to its operations, including occupational health and safety, environmental, International Organisation for Standardisation (ISO) 9001 and General Data Protection Regulation (GDPR).
- We understood how the Company is complying with those frameworks by making enquiries of management and those charged with governance to understand how the Company maintains and communicates its policies and procedures in these areas. We corroborated our enquiries through our review of minutes of the meetings of those charged with governance. We understood any controls put in place by management to reduce the opportunities for fraudulent transactions and how monitoring of these processes is done to avoid any instance of non-compliance.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur through meeting with management to understand where they considered there was susceptibility to fraud. We also considered performance targets and the potential incentives or opportunities to manage earnings. We considered the processes and controls that the Company has established to address identified risks, or that otherwise prevent or detect fraud and how senior management monitors those processes and controls. Where the risk was considered to be higher, in particular in respect of adjustments to revenue arising other than through routine invoicing with the Company's customers, we performed audit procedures to address this identified fraud risk. These procedures included an obtaining the population of all journals processed during the year. We performed a three-way correlation between revenue, receivables and cash and obtained explanations for any material outliers. We also tested manual journals posted to revenue using professional judgement. We determined the sample based on either size or nature for further testing and agreed to source documentation. These procedures were designed to provide reasonable assurance that the financial statements were free from material fraud.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved understanding management's internal controls over compliance with laws and regulations, enquiries of management and performing focused testing by considering key phrases in identifying journals for further review. We verified that material transactions are recorded in compliance with FRS 102 and where appropriate Companies Act 2006.

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.

DocuSigned by:

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Adam Gittens (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Birmingham
12 January 2023

MULTI PACKAGING SOLUTIONS BELFAST LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Note	2022 £	2021 £
Turnover	4	41,185,170	35,822,092
Cost of sales		(32,206,556)	(28,021,166)
Gross profit		8,978,614	7,800,926
Administrative expenses		(4,821,174)	(3,853,114)
Other operating income		1,076,837	552,399
Operating profit	5	5,234,277	4,500,211
Interest receivable and similar income	9	1,373,063	826,705
Interest payable and similar expenses	10	(184,319)	(25,692)
Profit before tax		6,423,021	5,301,224
Tax on profit	11	6,281	(109,952)
Profit for the financial year		6,429,302	5,191,272

There was no other comprehensive income for 2022 (2021: £Nil).

The notes on pages 14 to 28 form part of these financial statements.

MULTI PACKAGING SOLUTIONS BELFAST LIMITED
REGISTERED NUMBER: NI004663

BALANCE SHEET
AS AT 30 SEPTEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	8,445,977	9,179,603
		<u>8,445,977</u>	<u>9,179,603</u>
Current assets			
Stocks	13	4,604,032	3,665,824
Debtors: amounts falling due after more than one year	14	68,000,000	68,000,000
Debtors: amounts falling due within one year	14	7,905,284	5,293,220
Cash at bank and in hand		23,835,308	20,066,695
		<u>104,344,624</u>	<u>97,025,739</u>
Creditors: amounts falling due within one year	15	(6,518,870)	(6,321,513)
Net current assets		<u>97,825,754</u>	<u>90,704,226</u>
Total assets less current liabilities		<u>106,271,731</u>	<u>99,883,829</u>
Creditors: amounts falling due after more than one year	16	(733,693)	(768,812)
Provisions for liabilities			
Deferred tax	17	(527,840)	(534,121)
		<u>(527,840)</u>	<u>(534,121)</u>
Net assets		<u>105,010,198</u>	<u>98,580,896</u>
Capital and reserves			
Called up share capital	18	110,800	110,800
Profit and loss account	19	104,899,398	98,470,096
		<u>105,010,198</u>	<u>98,580,896</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12 January 2023.


A. Darrington
 Director

The notes on pages 14 to 28 form part of these financial statements.

MULTI PACKAGING SOLUTIONS BELFAST LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Called up share capital	Profit and loss account	Shareholder's funds
	£	£	£
At 1 October 2021	110,800	98,470,096	98,580,896
Comprehensive income for the year			
Profit for the year	-	6,429,302	6,429,302
Total comprehensive income for the year	-	6,429,302	6,429,302
At 30 September 2022	110,800	104,899,398	105,010,198

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Called up share capital	Profit and loss account	Shareholder's funds
	£	£	£
At 1 October 2020	110,800	93,278,824	93,389,624
Comprehensive income for the year			
Profit for the year	-	5,191,272	5,191,272
Total comprehensive income for the year	-	5,191,272	5,191,272
At 30 September 2021	110,800	98,470,096	98,580,896

The notes on pages 14 to 28 form part of these financial statements.

MULTI PACKAGING SOLUTIONS BELFAST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

1. General information

Multi Packaging Solutions Belfast Limited is a private company limited by shares 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 to the nearest pound.

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 2022 and these financial statements may be obtained from Suite 5, 2nd Floor Aspect House, Bennerley Road, Nottingham, NG6 8WR.

MULTI PACKAGING SOLUTIONS BELFAST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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 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 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 a period of 12 months from date of approval of balance sheet.

WRKCo Inc has prepared a cash flow forecast through to 30 September 2024 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 2022**

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

Assets in the course of construction are stated at cost. These assets are not depreciated until they are available for use and are reviewed for impairment at each reporting date.

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 account 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 2022**

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.

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.

MULTI PACKAGING SOLUTIONS BELFAST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

2. Accounting policies (continued)

2.13 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.

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 Company 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 Company's material operating lease commitments refer to note 22.

MULTI PACKAGING SOLUTIONS BELFAST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

3. Judgements in applying accounting policies (continued)
Taxation

The Company 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 judgement 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 10.

Stocks

Stocks are stated at lower of cost or market value. Inventory cost includes materials, labour and manufacturing overheads. Obsolete stock 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:

	2022 £	2021 £
United Kingdom	19,262,167	14,717,510
Rest of Europe	21,587,436	21,025,090
Rest of the world	335,567	79,492
	<u>41,185,170</u>	<u>35,822,092</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.

5. Operating profit

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

	2022 £	2021 £
Rebates received	(1,076,837)	(552,399)
Depreciation of tangible fixed assets	987,107	997,828
Admin - difference on foreign exchange	(17,722)	158,160
Other operating lease rentals	92,273	87,208
Government grants	(39,146)	(39,276)
	<u></u>	<u></u>

MULTI PACKAGING SOLUTIONS BELFAST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

6. Auditor's remuneration

During the year, the Company obtained the following services from the Company's auditor:

	2022 £	2021 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	<u>37,850</u>	<u>33,000</u>

7. Employees

Staff costs were as follows:

	2022 £	2021 £
Wages and salaries	6,745,788	6,178,030
Social security costs	673,841	599,247
Cost of defined contribution scheme	232,370	231,791
	<u>7,651,999</u>	<u>7,009,068</u>

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

	2022 No.	2021 No.
Production	145	157
Administration	16	16
	<u>161</u>	<u>173</u>

8. Directors' remuneration

No directors received any remuneration for their services to the Company during the current or prior year and they were remunerated by another company within the WestRock Company Group. There is no allocation of costs for the directors as this is considered to be inconsequential to their wider role.

MULTI PACKAGING SOLUTIONS BELFAST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

9. Interest receivable

	2022 £	2021 £
Interest receivable from group companies	1,253,488	819,402
Other interest receivable	119,575	7,303
	<u>1,373,063</u>	<u>826,705</u>

10. Interest payable and similar expenses

	2022 £	2021 £
Other loan interest payable	184,319	25,692
	<u>184,319</u>	<u>25,692</u>

11. Taxation

	2022 £	2021 £
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	(6,281)	110,480
Adjustment in respect of prior year	-	(528)
Total deferred tax	<u>(6,281)</u>	<u>109,952</u>
Taxation on profit on ordinary activities	<u>(6,281)</u>	<u>109,952</u>

MULTI PACKAGING SOLUTIONS BELFAST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

11. Taxation (continued)**Factors affecting tax (credit)/charge for the year**

The tax assessed for the year is lower than (2021 - *lower than*) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	<u>6,423,021</u>	<u>5,301,224</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	1,220,374	1,007,233
Effects of:		
Fixed asset differences	12,753	17,835
Group relief claimed for nil consideration	(1,244,584)	(1,042,912)
Effect of change in tax rate	5,176	128,189
Expenses disallowable for tax	-	135
Adjustment in respect of prior year	-	(528)
Total tax (credit)/charge for the year	<u><u>(6,281)</u></u>	<u><u>109,952</u></u>

Factors that may affect future tax charges

The Company's profit for the financial period are taxed at a rate of 19% (2021: 19%).

The Finance Act 2021 provided for an increase in the rate of corporation tax from 19% to 25% as from 1 April 2023.

Deferred tax is already recognised at 25%.

MULTI PACKAGING SOLUTIONS BELFAST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

12. Tangible fixed assets

	Buildings freehold £	Plant and machinery £	Total £
Cost or valuation			
At 1 October 2021	8,022,067	15,235,493	23,257,560
Additions	62,125	191,356	253,481
	<hr/>	<hr/>	<hr/>
At 30 September 2022	8,084,192	15,426,849	23,511,041
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 October 2021	3,830,643	10,247,314	14,077,957
Charge for the year on owned assets	102,413	884,694	987,107
	<hr/>	<hr/>	<hr/>
At 30 September 2022	3,933,056	11,132,008	15,065,064
	<hr/>	<hr/>	<hr/>
Net book value			
At 30 September 2022	4,151,136	4,294,841	8,445,977
	<hr/>	<hr/>	<hr/>
At 30 September 2021	4,191,424	4,988,179	9,179,603
	<hr/>	<hr/>	<hr/>

Buildings Freehold includes £687,500 of land (2021: £687,500) which is not being depreciated.

13. Stocks

	2022 £	2021 £
Raw materials and consumables	2,477,051	1,458,870
Work in progress	532,562	244,869
Finished goods and goods for resale	1,594,419	1,962,085
	<hr/>	<hr/>
	4,604,032	3,665,824
	<hr/>	<hr/>

There were impairment losses of £146,205 (2021: gains of £15,835) in the period. These have been recognised in cost of sales.

MULTI PACKAGING SOLUTIONS BELFAST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

14. Debtors

	2022 £	2021 £
Due after more than one year		
Amounts owed by group undertakings	68,000,000	68,000,000

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

	2022 £	2021 £
Due within one year		
Trade debtors	6,985,532	4,514,694
Amounts owed by group undertakings	176,120	352,362
Other debtors	258,938	245,536
Prepayments and accrued income	484,694	180,628
	7,905,284	5,293,220

Amounts owed by group undertakings are repayable on demand and bear no interest.

15. Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	4,456,464	4,274,132
Amounts owed to group undertakings	919,322	934,837
Other taxation and social security	202,283	272,254
Other creditors	231,669	159,609
Accruals and deferred income	673,883	641,405
Government grants received	35,249	39,276
	6,518,870	6,321,513

Amounts owed to group undertakings are repayable on demand and bear no interest.

MULTI PACKAGING SOLUTIONS BELFAST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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

	2022 £	2021 £
Government grants received	<u>733,693</u>	<u>768,812</u>

17. Deferred taxation

	2022 £
At beginning of year	(534,121)
Credited to profit or loss	6,281
At end of year	<u>(527,840)</u>

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Fixed asset timing differences	(720,071)	(748,009)
Short term timing differences	192,231	213,888
	<u>(527,840)</u>	<u>(534,121)</u>

18. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
80,000 (2021 - 80,000) Ordinary shares of £0.01 each	800	800
80,000 (2021 - 80,000) Deferred shares of £1.00 each	80,000	80,000
30,000 (2021 - 30,000) Ordinary shares of £1.00 each	30,000	30,000
	<u>110,800</u>	<u>110,800</u>

MULTI PACKAGING SOLUTIONS BELFAST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

18. Share capital (continued)

The share capital of the Company consists of (a) deferred shares of £1 each; (b) ordinary shares of £1 each and (c) ordinary shares of £0.01 each (ordinary shares in (b) and (c) referred to as "Ordinary Shares")

The Ordinary Shares have attached to them a right to vote and a right to a dividend in proportion to the amounts paid up on them. On a return of capital, the holders of Ordinary Shares are entitled to a distribution of £100 per Ordinary Share, before the amount paid up on the deferred shares are distributed, with the balance remaining to be distributed to the holder of Ordinary Shares in proportion to the amounts paid up on them.

The deferred shares do not carry any rights to vote or to a dividend and are entitled to the amounts paid up on them prior to the general distribution of the balance as set out above.

19. Reserves**Profit and loss account**

Includes all current and prior period retained profits and losses.

20. Capital commitments

At 30 September 2022 the Company had capital commitments as follows:

	2022 £	2021 £
Contracted for but not provided in these financial statements	784,500	-
	<u>784,500</u>	<u>-</u>

MULTI PACKAGING SOLUTIONS BELFAST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

21. Pension commitments
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 2022 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 2022 the pension asset recorded in Multi Packaging Solutions UK Limited was £Nil (2021: £813,000).

The total defined benefit pension charge for the year was £4,965 (2021: £18,230). At 30 September 2022 contributions amounting to £80 (2021: £303) 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 £227,405 (2021: £213,561). At 30 September 2022 contributions amounting to £46,510 (2021: £47,159) were payable to the Scheme and included in creditors.

22. Commitments under operating leases

At 30 September 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Plant and machinery		
Not later than 1 year	78,648	51,771
Later than 1 year and not later than 5 years	82,767	116,032
	<u>161,415</u>	<u>167,803</u>

23. Related party transactions

The Company has taken advantage of the exemption, under the terms of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", not to disclose related party transactions with wholly owned subsidiaries within the group.

MULTI PACKAGING SOLUTIONS BELFAST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

24. Contingent liabilities

The Company is part of a cross guarantee agreement with one of its Banks, along with other members of the group. All parties in the agreement are jointly and severally liable for the overdrafts held with the Bank of all of the other participants in the agreement. At the year end the financial liability was £235,578 (2021: £Nil).

25. 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 Suite 5, 2nd Floor Aspect House, Bennerley Road, Nottingham, NG6 8WR.