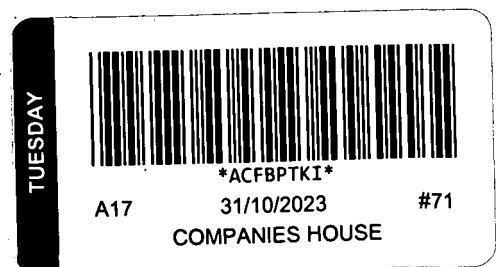


Registered number: 05429840

**SGS Packaging Europe Holdings Limited**

**Annual report and financial statements**

**for the year ended 31 December 2022**



**SGS Packaging Europe Holdings Limited**  
**Year ended 31 December 2022**

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# **SGS Packaging Europe Holdings Limited**

## **Year ended 31 December 2022**

### **Strategic Report (continued)**

#### **Company structure**

The directors present the Strategic Report for SGS Packaging Europe Holdings Limited for the year ended 31 December 2022. SGS Packaging Europe Holdings Limited is an intermediate holding company. Its main investments are in SGS Packaging Europe Limited (SGS Europe) and SGSCO France Holdings SAS (collectively known as 'SGS'). The investment in SGSCO France Holdings SAS is an intermediate holding company for the eight SGSCO Continental Europe subsidiaries which were acquired in February 2018. A further five SGSCO Continental Europe subsidiaries were acquired at the same time of which four now are subsidiaries directly beneath SGS Packaging Europe Holdings Limited.

SGS Europe is headquartered in Hull at Brewery House, one of five operating sites in the UK, employing 672 staff by the end of 2022. SGSCO Continental Europe (previously called Diadeis) is headquartered in Paris, France and it now has five subsidiaries based in France, one in Argentina and two in Mauritius. The four further subsidiaries falling directly under SGS Packaging Europe Holdings Limited are based in Spain, Germany, Russia and Switzerland. SGSCO Continental Europe employed 626 staff by the end of 2022. The Russia subsidiary is not a significant portion of the SGSCO Continental Europe activity.

The principal activities of SGS Europe and SGSCO Continental Europe are in supplying design, artwork and separation services to brand-owners, retailers, printers and converters as part of the process of taking packaging from design to final printed product. As well as supplying these products SGS Europe also provides and sells software solutions which allow clients to manage their graphical supply chain.

In addition to working on the digital artwork and separation files for designs, SGS Europe also manufactures flexographic printing plates at the Hull site in the UK. These printing plates are supplied to flexographic printers throughout the world - though primarily in Europe. The printing plates are produced from signed-off approved print-ready files using laser engraving of a photopolymer material.

SGS Europe and SGSCO Continental Europe has a global matrix structure, which means it takes a global approach to decision making by functional area. This global alignment improves the efficiency of the business. It is beneficial to our clients and suppliers who often have a global approach to business, and our employees who have benefited from increased investment in engagement activities.

#### **Goals and strategy**

The SGS mission is to globally enable brands to own the moment when consumer desire turns to action. Employee performance is key to this mission. So, employee development is a vital aspect of the work that SGS does. SGS employees are focused on delivering world-class service to clients. SGS invests in training employees to ensure they have the necessary expertise, management and leadership skills to provide this level of service. In addition, SGS Europe operates an approved two-year apprenticeship scheme in conjunction with Hull Training which ensures apprentices complete a focused but wide-ranging Graphic Arts apprenticeship integrating work-experience with classroom training on all aspects of print & packaging relevant to the markets in which SGS Europe operates. The course is structured so that apprentices spend an initial three months in college full time and then complete the rest of the two years apprenticeship combining on-site work with one day at college every two weeks. The syllabus of the course was developed in collaboration with Hull Training in order to ensure apprentices get experience in all aspects of print and packaging and is applicable to all entities within the group.

#### **Protection of the environment**

SGS Europe is accredited for ISO 14001 and SGSCO Continental Europe is accredited for ISO 9001. SGS see these accreditations as important in order to ensure that we meet the standards of environmental management, to minimise the impact of our processes on the environment and to meet the standards demanded by SGS clients. SGS Europe also maintained the Elite Status accreditation of the ISO 12647 Colour Management Standard, which demonstrates our commitment to ensuring we are constantly striving for continuous improvement and setting standards within the industry and is applicable to all entities within the group.

# **SGS Packaging Europe Holdings Limited**

## **Year ended 31 December 2022**

### **Strategic Report (continued)**

#### **Corporate and social responsibility**

SGS are committed to providing equal opportunities to all staff. In order to assist staff with families, SGS will allow employees to use government approved nursery voucher schemes, making deductions from the employee's salary and paying the nursery direct. SGS also operates a government-approved bike to work scheme to encourage staff to reduce pollution through reducing car usage and also providing encouragement to a healthier lifestyle. SGS also provides a private health scheme which is available to staff who wish to join, and which provides both in-patient treatments at hospital and out-patient treatment for acute conditions. SGS also provides help for dependents of employees through funding life-cover schemes both in the UK and across Europe.

#### **Principal activity**

The principal activity of the company is that of a holding company for a group which produces origination, colour separation and high-quality flexographic plates for the packaging and retail industries and is also engaged in design, artwork and flexographic reproduction.

#### **Review of developments, future prospects and key performance indicators**

The company made a loss before tax of £1,956,785 for the year as a result of interest charged on a loan from the parent company. In the prior year the company made a loss before tax of £1,699,704, as a result of interest charged on a loan from the parent company. The company has net assets of £20,083,388 at the balance sheet date, (2021: net assets of £23,996,085). The company use interest expense as KPI's which is also responsible for driving YoY movement in net assets.

The directors consider the performance of the company to be in line with expectations and no significant developments are anticipated in the foreseeable future.

#### **Principal risks and uncertainties**

As a holding company the principal risks and uncertainties relate to the underlying trading of its subsidiaries.

Competitive price pressure in the marketplace is a continuing risk for the group, which could result in it losing sales to its key competitors and therefore impact the carrying value of the company's investment in SGS Europe and SGSCO Continental Europe. SGS Europe and SGSCO Continental Europe manage this risk by providing added value services to their customers and by maintaining strong relationships with them.

The invasion of Ukraine by Russia and the sanctions imposed in response to this conflict have increased global economic and political uncertainty. While neither Russia nor Ukraine constitutes a material portion of our business, a significant escalation or expansion of economic disruption or the conflict's current scope could disrupt our supply chain, broaden inflationary costs, and have a material adverse effect on our results of operations.

#### **Section 172 Statement**

The directors have complied with their duty to promote the success of the company for the benefit of its members whilst having regard to the matters set out in section 172(1) (a)-(f) of the Companies Act 2006. The Directors have done this in various ways which are noted below and by cross reference in both the Strategic Report and the Directors' Report.

# **SGS Packaging Europe Holdings Limited**

## **Year ended 31 December 2022**

### **Strategic Report (continued)**

#### **Section 172 Statement (continued)**

##### ***Stakeholder engagement***

The directors consider that the key stakeholders of the company are those impacted by the inputs and outputs of the company, specifically these are (in no particular order): local community, banks, government organisations and regulators. The company, through the directors, engages with each stakeholder at the appropriate level of detail and frequency depending on their specific requirements and level of influence and interest. The directors use a variety of methods to do this, as described below and by cross reference in both the Strategic Report and the Directors' Report.

##### ***Principal decisions***

Principal decisions are those that are material to the company and also to the above stakeholder groups. During the financial year, the company has taken a number of operational and strategic decisions which the directors consider are for the benefit of the company, with a view to promoting its long-term success and sustainability. A specific example is the preparation and review of the subsidiary Company's annual budget which drives the Company's long-term strategy.

##### ***Engaging with other stakeholders***

During the financial year, the directors have endeavoured to foster the company's mutually beneficial business relationships with other stakeholders. This was achieved through positive interactions during meetings, written communication and telephone communications. The company main high standard of business conduct and act fairly between members.

The nature of the company means that there are no direct customer or supplier stakeholders to engage with. Also the company don't have any employee.

##### ***Protection of the environment***

SGS Europe is also accredited for ISO 14001, the Company see this accreditation as important in order to ensure that we meet the standards of environmental management, to minimise the impact of our processes on the environment and to meet the standards demanded by SGS Europe clients. SGS Europe also maintained the Elite Status accreditation of the ISO 12647 Colour Management Standard, which demonstrates our commitment to ensuring we are constantly striving for continuous improvement and setting standards within the industry.

##### ***Corporate and social responsibility***

SGS Europe are committed to providing equal opportunities to all staff. As at 31 December 2022 female staff represented 40% of the total SGS Europe headcount. The proportion of female staff has increased as the Company has grown over the last ten years. Female staff represented just over 35% of staff in 2010. In order to assist staff with families, the Company will allow employees to use government approved nursery voucher schemes, making deductions from the employee's salary and paying the nursery direct. The Company also operates a government-approved bike to work scheme to encourage staff to reduce pollution through reducing car usage and also providing encouragement to a healthier lifestyle. SGS Europe also provides a private health scheme which is available to staff who wish to join and which provides both in-patient treatments at hospital and out-patient treatment for acute conditions. SGS Europe also provides help for dependents of employees through funding life-cover of three times basic annual pay for all UK staff.

##### ***Financial risk management policies***

The company's activities expose it to a number of financial risks including credit risk.

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

##### ***Credit risk***

The company's principal financial assets are amounts due from group companies.

##### ***Cash flow risk***

## **SGS Packaging Europe Holdings Limited**

### **Year ended 31 December 2022**

#### **Strategic Report (continued)**

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates which are mitigated by the use of foreign currency bank accounts. The Company only holds trading bank balances so it is not exposed to significant interest rate fluctuations.

#### **Events after the balance sheet date**

In April 2023, HPS Investment Partners, LLC ("HPS") became the ultimate controlling party and Logo Holdings I LP Inc is the largest group for which consolidated group financial statements are prepared of which the Company is a member. HPS was incorporated in the USA. Copies of the consolidated financial statements of HPS may be obtained from the Company secretary, at its registered address, 40 West 57<sup>th</sup> Street, 33<sup>rd</sup> Floor, New York, NY 10019 USA.

Approved by the Board and signed on its behalf.



T W Koontz

Director

#### **Registered Office:**

SGS Hull  
Brewery House  
Silvester Street  
Hull  
HU1 3HA

# **SGS Packaging Europe Holdings Limited**

## **Year ended 31 December 2022**

### **Directors' report**

The directors present their annual report on the affairs of the company, together with the audited financial statements and auditor's report, for the year ended 31 December 2022. Details of future developments, subsequent balance sheet events and principal risks and uncertainties can be found in the Strategic Report. Financial risk management has been disclosed in the strategic report section of the financial statement.

#### **Finance and going concern**

The company's funding is by way of a loan on commercial terms from the company's parent undertaking, Southern Graphics Inc.

The company's parent undertaking, Southern Graphics Inc has indicated in writing its willingness to provide continuing financial support to the company for the next 12 months from the date of approval of these financial statements. The directors, therefore, after making enquiries, have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of approval of these financial statements. Accordingly, they continue to prepare the financial statements on a going concern basis.

Further details regarding the adoption of the going concern basis can be found in the accounting policies in note 1 of the financial statements.

#### **Dividends**

The directors do not recommend the payment of any dividend (2021: £nil). The Company has no employees other than the directors and therefore has nothing to report in respect of employee engagement activity during the year.

#### **Statement of carbon emissions in compliance with Streamlined Energy and Carbon Reporting (SECR)**

The company is exempt from the requirement to include Streamlined Energy and Carbon Reporting disclosures as it has consumed less than 40,000 kWh of energy from its activities during the year.

#### **Engagement with suppliers, customers & Employees**

SGS Packaging Europe Holding Limited is by nature holding company only and don't deal with suppliers and customers. Also, there is no employee in the company.

#### **Directors**

The directors, who served throughout the year and up to the date of the annual report, were as follows:

T W Koontz

S T Babb (resigned 31 August 2022)

M W Hooley (appointed 1 September 2022)

D J Davidson (appointed 12 July 2023)

#### **Directors' liabilities**

The company has taken out an indemnity insurance policy on behalf of the Directors, which indemnifies the Directors of the company against liability in respect of proceedings brought by third parties, subject to the condition set out in the Companies Act 2006. Such qualifying third-party indemnity provision was in force throughout the year and up to date of this report.

**SGS Packaging Europe Holdings Limited**  
**Year ended 31 December 2022**

**Directors' report (continued)**

**Auditor**

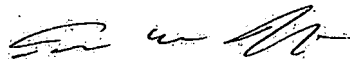
Each of the persons who is a director at the date of approval of this report confirms that:

- 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 he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board and signed on its behalf by:



T W Koontz

Director

SGS Hull  
Brewery House  
Silvester Street  
Hull  
HU1 3HA



## **SGS Packaging Europe Holdings Limited**

### **Year ended 31 December 2022**

#### **Directors' responsibilities statement**

The directors are responsible for preparing the Annual 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 of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# **SGS Packaging Europe Holdings Limited**

## **Year ended 31 December 2022**

### **Independent auditor's report to the members of SGS Packaging Europe Holdings Limited**

#### **Independent auditor's report to the members of SGS Packaging Europe Holdings Limited**

##### **Report on the audit of the financial statements**

###### **Opinion**

In our opinion the financial statements of SGS Packaging Europe Holdings Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 12.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

###### **Basis for opinion**

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

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

###### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the 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 at least twelve months from when the financial statements are authorised for issue.

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

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

## **SGS Packaging Europe Holdings Limited**

### **Year ended 31 December 2022**

## **Independent auditor's report to the members of SGS Packaging Europe Holdings Limited**

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

We have nothing to report in this regard.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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 FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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

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

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

## **SGS Packaging Europe Holdings Limited**

### **Year ended 31 December 2022**

## **Independent auditor's report to the members of SGS Packaging Europe Holdings Limited**

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

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

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

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

### **Report on other legal and regulatory requirements**

#### **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 the directors' report have been prepared in accordance with applicable legal requirements.

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

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

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

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

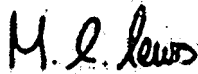
We have nothing to report in respect of these matters.

**SGS Packaging Europe Holdings Limited**  
**Year ended 31 December 2022**

**Independent auditor's report to the members of**  
**SGS Packaging Europe Holdings Limited**

**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.



Mark Lewis FCA (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
Leeds, United Kingdom  
29 September 2023

**SGS Packaging Europe Holdings Limited**  
**Year ended 31 December 2022**

**Statement of comprehensive income**

	Notes	2022 £	2021 £
Administrative Expenses - foreign exchange gains		44,088	30,641
<b>Operating Profit</b>		<u>-</u>	<u>-</u>
Finance costs (net)	3	(1,956,785)	(1,730,345)
<b>Loss before taxation</b>	4	(1,912,697)	(1,699,704)
Tax on loss	5	-	-
<b>Loss for the financial year</b>		<u>(1,912,697)</u>	<u>(1,699,704)</u>

All of the amounts above are in respect of continuing operations. There are no recognised gains and losses for the current or preceding financial year other than as stated in the Statement of comprehensive income.

The accounting policies on pages 15 to 16 along with the accompanying notes on pages 17 to 21 form part of these financial statements.

**SGS Packaging Europe Holdings Limited**  
**Year ended 31 December 2022**

**Balance sheet**

As at 31 December 2022

	Notes	2022 £'000	2021 £'000
<b>Fixed assets</b>			
Investments	6	44,527,029	44,527,029
		<u>44,527,029</u>	<u>44,527,029</u>
<b>Current assets</b>			
Debtors			
– due within one year	7	1,670,845	1,712,299
		<u>1,670,845</u>	<u>1,712,299</u>
<b>Creditors: amounts falling due within one year</b>	8	(26,114,486)	(24,243,243)
<b>Net current liabilities</b>		<u>(24,443,641)</u>	<u>(22,530,944)</u>
<b>Total assets less current liabilities</b>		<u>20,083,388</u>	<u>21,996,085</u>
<b>Net assets</b>		<u>20,083,388</u>	<u>21,996,085</u>
<b>Capital and reserves</b>			
Called-up share capital	9	27,160,408	27,160,408
Share premium account		4,252,493	4,252,493
Capital contribution	9	751,901	751,901
Profit and loss account		<u>(12,081,414)</u>	<u>(10,168,717)</u>
<b>Shareholders' funds</b>		<u>20,083,388</u>	<u>21,996,085</u>

The accounting policies on pages 15 to 16 along with the accompanying notes on pages 17 to 21 form part of these financial statements.

The financial statements of SGS Packaging Europe Holdings Limited (registered number 05429840) were approved by the board of directors and authorised for issue on . They were signed on its behalf by:

M W Hooley  
Director

**SGS Packaging Europe Holdings Limited**  
**Year ended 31 December 2022**

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

	<b>Called-up share Capital £</b>	<b>Share premium account £</b>	<b>Capital Contribution £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
<b>At 1 January 2021</b>	27,160,408	4,252,493	751,901	(8,469,013)	23,695,789
Loss and total comprehensive expense for the financial year	-	-	-	(1,699,704)	(1,699,704)
<b>At 31 December 2021</b>	27,160,408	4,252,493	751,901	(10,168,717)	21,996,085
Loss and total comprehensive expense for the financial year	-	-	-	(1,912,697)	(1,912,697)
<b>At 31 December 2022</b>	<u>27,160,408</u>	<u>4,252,493</u>	<u>751,901</u>	<u>(12,081,414)</u>	<u>22,083,388</u>

The accounting policies on pages 15 to 16 along with the accompanying notes on pages 17 to 21 form part of these financial statements.



# **SGS Packaging Europe Holdings Limited**

## **Year ended 31 December 2022**

### **Notes to the financial statements**

**For the year ended 31 December 2022**

#### **1. Accounting policies**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

##### **a. General information and basis of accounting**

SGS Packaging Europe Holdings Limited is a private company, limited by shares, registered in England and Wales and incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 4. The nature of the company's operations and its principal activities are set out in the Strategic Report on pages 2 to 4.

The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of SGS Packaging Europe Holdings Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates. Foreign operations are included in accordance with the policies set out below.

SGS Packaging Europe Holdings Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to presentation of a cash flow statement, financial instruments, remuneration of key management personnel and related party transactions.

##### **b. Basis of consolidation**

The financial statements contain information about SGS Packaging Europe Limited as an individual Company and do not contain consolidated financial information as the parent of a group. The Company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated group financial statements of Strategic Value Partners LLC, incorporated in the USA. Copies of the consolidated financial statements of SVP Global may be obtained from the Company secretary, at its registered address, 100 West Putnam Ave Greenwich CT 06830 USA.

##### **c. Going concern**

The company's funding is by way of a loan on commercial terms from the company's parent undertaking, Southern Graphics Inc.

The company's parent undertaking, SGS International LLC has indicated in writing its willingness to provide continuing financial support to the company for the 12 months from the date of approval of the financial statements. The directors, therefore, after making enquiries, have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to prepare the financial statements on a going concern basis.

##### **d. Investments**

Investments in subsidiaries are measured at cost less impairment. See note 2 for further information.

##### **e. Financial instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

# **SGS Packaging Europe Holdings Limited**

## **Year ended 31 December 2022**

### **Notes to the financial statements (continued)**

For the year ended 31 December 2022

**1. Accounting policies (continued)**

**e. Financial instruments (continued)**

*(i) Financial assets and liabilities*

All financial assets and liabilities are initially measured at transaction price (including transaction costs).

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

*(ii) Investments*

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

**f. Impairment of assets**

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

*Financial assets*

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

**g. Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

**h. Foreign currency**

Transactions in foreign currencies are translated at the rate of exchange ruling at the transaction date. Monetary assets and liabilities denominated in foreign currencies in the balance sheet are reported at the rates of exchange prevailing at the balance sheet date. All exchange differences are dealt with through the profit and loss account.

# SGS Packaging Europe Holdings Limited

## Year ended 31 December 2022

### Notes to the financial statements (continued)

#### For the year ended 31 December 2022

#### 2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

##### *Critical judgements in applying the company's accounting policies*

The company did not identify any critical judgements that the directors have made in the process of applying the company's accounting policies.

##### *Key source of estimation uncertainty - impairment of investments*

Determining whether investments are impaired requires a level of judgement applied as to whether there are any indicators of impairment. Should indicators be identified, an impairment review is required. This involves an estimation of the value in use of the cash-generating units to which investment has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Carrying amounts of the investments are presented in note 6.

#### 3. Finance costs (net)

##### *Interest payable and similar expenses*

	2022 £	2021 £
Loans from group undertakings	1,956,785	1,730,345

#### 4. Loss before taxation

The company's expenses including audit fees in respect of the annual report of £2,000 (2021: £2,000) were borne by a fellow group company. No other remuneration was paid to the auditors.

The directors received no remuneration for their services to this company in the current and preceding year. The directors are also directors of SGS Europe Packaging Ltd and the majority of their activities relate to services carried out in respect of this company. Therefore, the directors deemed it inappropriate to directly allocate any of their costs to this company. Qualifying services provided by the directors are minimal.

There are no other employees of the company, (2021: NIL).

# SGS Packaging Europe Holdings Limited

## Year ended 31 December 2022

### Notes to the financial statements (continued)

For the year ended 31 December 2022

#### 5. Tax on loss

The standard rate of tax applied to reported profit on ordinary activities is 19% (2021: 19%). The March 2021 Budget announced an increase in corporation tax rate to 25% from 1 April 2023 which was substantively enacted on 24 May 2021. The Company's deferred tax balances are measured using the corporation tax rates that have been enacted or substantively enacted at the statement of financial position date (25%), based on the periods in which the temporary differences are forecast to reverse.

There is no expiry date on timing differences, unused tax losses or tax credits.

There is no current tax charge in either the current or prior year.

The amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	2022 £	2021 £
<b>Company loss before tax</b>	<u>(1,912,697)</u>	<u>(1,699,704)</u>
Tax on company loss at standard UK corporation tax rate of 19% (2021: 19%)	(363,412)	(322,944)
Effects of:		
- Amounts not recognised in deferred tax	<u>363,412</u>	<u>322,944</u>
<b>Company total tax charge for year</b>	<u>-</u>	<u>-</u>

There is an unprovided deferred tax asset of £1,418,796 in 2021 (2021: £1,199,764).

#### 6. Fixed asset investments

	2022 £	2021 £
Subsidiary undertakings	<u>44,527,029</u>	<u>44,527,029</u>

#### 6. Fixed asset investments (continued)

The company has investments in the following subsidiary undertakings.

**SGS Packaging Europe Holdings Limited**  
**Year ended 31 December 2022**

**Notes to the financial statements (continued)**

For the year ended 31 December 2022

<b>Subsidiary undertakings</b>	<b>Registered office</b>	<b>Principal activity</b>	<b>Holding</b>	<b>%</b>
SGS Packaging Netherlands BV+	Herengracht 598-600 1017 CJ Amsterdam The Netherlands	Packaging artwork and repro	Ordinary Shares	100%
SGS Packaging Europe Limited+	SGS Hull Brewery House Silvester Street Hull HU1 3HA	Packaging, artwork, repro and plate making	Ordinary Shares	100%
SGSCO France Holdings SAS+	49 bd du Général Martial Valin 75015 Paris France	Holding Company	Ordinary Shares	100%
Diadeis Iberia SLU+	Calle Laureà Miró, 153, 1a planta, 08950, Esplugues de Llobregat, Barcelona, Spain	Packaging artwork and repro	Ordinary Shares	100%
SGSCO Deutschland+	Franziusstraße 8-14, 60314 Frankfurt am Main, Germany	Acquisition and data processing, digitalization, document management and photogravure packaging, prepress services	Ordinary Shares	100%
Diadeis Rus LLC+	115093, Moscow, Bol'shaya Serpukhovskaya St., h. 44, premises I, room 19. Russia	Packaging Design, Graphic Design, Consulting on Print Process	Ordinary Shares	100%
SGSCO Switzerland+	Place St François 2 1003 Lausanne, Switzerland	Packaging, advertising, multimedia and information technology	Ordinary Shares	100%

+ Held directly by SGS Packaging Europe Holdings Limited.

**6. Fixed asset investments (continued)**

**Subsidiary undertakings**

**SGS Packaging Europe Holdings Limited**  
**Year ended 31 December 2022**

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

	£
<b>Cost and carrying value</b>	
At 1 January 2022	44,527,029
Additions	-
At 31 December 2022	<u>44,527,029</u>

**7. Debtors due within one year**

	2022 £	2021 £
Amounts owed by Parent company	24,997	24,997
Amounts owed by Group undertakings	1,645,848	1,687,302
	<u>1,670,845</u>	<u>1,712,299</u>

The amounts due from group companies are due on demand, no interest and are unsecured.

**8. Creditors – amounts falling due within one year**

	2022 £	2021 £
Amounts owed to Group undertakings	26,114,486	24,243,243
	<u>26,114,486</u>	<u>24,243,243</u>

The amounts due to group companies are repayable in 2024, unless payment is demanded earlier by the lender, in which case they are repayable on demand. Interest is charged at 7.5% per annum and is unsecured.

**9. Called-up share capital**

	2022 £	2021 £
<b>Allotted, called-up and fully-paid</b>		
27,160,408 ordinary shares of £1 each	27,160,408	27,160,408
	<u>27,160,408</u>	<u>27,160,408</u>

The company has one class of ordinary share which carry no right to fixed income.

## **SGS Packaging Europe Holdings Limited**

### **Year ended 31 December 2022**

#### **Notes to the financial statements (continued)**

For the year ended 31 December 2022

##### **Other reserves**

The company's other reserves are as follows:

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

The capital contribution reserve arose in 2018 due to a capital contribution of £751,902 from Multinational Conglomerate Cooperatief U.A. The funds were used to repay £751,901 interest liability due to SGS Quid LP.

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

##### **10. Related party transactions**

The Company has taken advantage of the exemption in section 33 of Financial Reporting Standard No.102 'Related Party Disclosures' not to disclose any transactions with entities that are part of the group headed by Strategic Value Partners LLC, on the grounds that 100% of the voting rights in the Company are controlled within that group.

##### **11. Ultimate parent company**

The immediate parent company is Multinational Conglomerate Cooperatief U.A. which was incorporated in the Netherlands. Until 16 November 2021, Onex Corporation was the ultimate parent Company and the ultimate controlling party. On 17 November 2021, Strategic Value Partners LLC ("SVP Global") became the ultimate controlling party. Logo Holdings I LP is the largest group and Southern Graphics Inc the smallest group for which consolidated group financial statements are prepared of which the Company is a member. SVP Global was incorporated in the USA. Copies of the consolidated financial statements of SVP Global may be obtained from the Company secretary, at its registered address, 100 West Putnam Ave Greenwich CT 06830 USA.

##### **12. Subsequent Event**

In April 2023, HPS Investment Partners, LLC ("HPS") became the ultimate controlling party and Logo Holdings I LP Inc is the largest group for which consolidated group financial statements are prepared of which the Company is a member. HPS was incorporated in the USA. Copies of the consolidated financial statements of HPS may be obtained from the Company secretary, at its registered address, 40 West 57<sup>th</sup> Street, 33<sup>rd</sup> Floor, New York, NY 10019 USA.