

**MONDI SCUNTHORPE LIMITED**

**ANNUAL REPORT AND UNAUDITED  
FINANCIAL STATEMENTS**

**for the year ended 31 December 2019**

**Registered number: 01446927**

**MONDI SCUNTHORPE LIMITED**

**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**For the year ended 31 December 2019**

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**MONDI SCUNTHORPE LIMITED**

**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS  
For the year ended 31 December 2019**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

S Drakes  
J Leeb

**SECRETARY**

I Bragg

**REGISTERED OFFICE**

Parkway  
Deeside Industrial Park  
Deeside  
Flintshire  
CH5 2NS

**BANKERS**

Deutsche Bank AG  
6 Bishopgate  
London  
EC2P 2AT

**SOLICITORS**

Gordons LLP  
Riverside West  
Whitehall Road  
Leeds  
LS1 4AW

# **MONDI SCUNTHORPE LIMITED**

## **ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS For the year ended 31 December 2019**

### **STRATEGIC REPORT**

#### **REVIEW OF THE COMPANY'S BUSINESS AND FUTURE PROSPECTS**

The principal activity of the company in the year 2018 was that of flexible packaging manufacture including the printing and slitting of said material. In April 2018, the company entered into a consultation period with employees to close the business and transfer flexographic printing to Mondi Consumer Goods Packaging UK Ltd. This consultation period ended on 31<sup>st</sup> May 2018 with a conclusion to close the business.

2019 was a year to finalise payment of any remaining liabilities and exit the leases on the properties.

During 2019, the outstanding leases on operational buildings were settled in full, including all dilapidation claims. As a result, responsibility has transferred back to the relevant Landlords.

Once the remaining third party liabilities have been settled, expected in 2020, the company will then become dormant.

The results for the year and the financial position of the company are as shown in the financial statements. The operating profit for 2019 was £768,081 due in the main to the early termination of the leases (2018: operating loss £6,487,570).

#### **SECTION 172 STATEMENT**

This section of the strategic report describes how the directors have had regard to the matters set out in Section 172 (1) of the Companies Act 2006 ("s172") when performing their duty to promote the success of the Company for the benefit of its shareholders. As the Company is a wholly-owned subsidiary of the Mondi Group (the "Group"), its parent companies and other members of the Group are key stakeholders of the Company. Accordingly, the interests of the Group have been taken into account by the directors and decisions have been made in agreement with the Board of Mondi plc.

For more information on the Group, please see the s172 statement on page 20 of the Group's integrated report 2019, which does not form part of this report but provides details of the consideration given to stakeholders by the Group.

Approved by the Board of Directors on 11 August 2020  
and signed on behalf of the Board

S. Z. Drakes

S Drakes  
Director

# **MONDI SCUNTHORPE LIMITED**

## **ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS For the year ended 31 December 2019**

### **DIRECTORS' REPORT**

The directors present their annual report and the unaudited financial statements for the year ended 31 December 2019.

#### **COMPANY REGISTERED NUMBER**

01446927

#### **GOING CONCERN**

The Company is currently in the process of being wound down following the transfer of the flexographic printing to Mondi Consumer Goods Packaging UK Ltd with the Company becoming dormant in 2020. The Company's ultimate parent company, Mondi plc, has confirmed that it will provide continued support for the company to meet its obligations as they fall due for a period not less than 12 months from the signing of the Company's annual financial statements. The directors do not have the intention to liquidate the company in 2020. As a result, the directors have a reasonable expectation that the entity will continue to be a going concern into the foreseeable future and have adopted the going concern basis of accounting.

#### **RESULTS AND DIVIDENDS**

The results for the year are set out in the profit and loss account on page 5.

The operating profit for the year was £768,081 (2018: operating loss £6,487,570).

The directors do not recommend the payment of a dividend for the year (2018: nil).

#### **DIRECTORS**

The directors, who held office during the year and to the date of this report, were as follows:

A Lock – resigned 30 September 2019  
S Kardos – resigned 13 May 2020  
S Drakes – appointed 25 September 2019  
J Leeb – appointed 13 May 2020

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 "Reduced Disclosure Framework". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The 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

# MONDI SCUNTHORPE LIMITED

## ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

For the year ended 31 December 2019

### DIRECTORS' REPORT


for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### AUDIT EXEMPTION

Advantage has been taken of the audit exemption available for subsidiary companies conferred by section 479A of the Companies Act 2006 on the grounds:

- a) that for the year ending 31 December 2019 the Company was entitled to the exemption from a statutory audit under the section 479A of the Companies Act 2006 relating to subsidiary companies; and
- b) that no notice has been deposited under section 476 of the Companies Act 2006 in relation to the financial statements for the financial year.

Approved by the Board of Directors on 11 August 2020  
and signed on behalf of the Board



I Bragg  
Secretary  
Company registered number: 01446927

# MONDI SCUNTHORPE LIMITED

## INCOME STATEMENT

For the year ended 31 December 2019

	Note	2019 £	2018 £
<b>DISCONTINUED OPERATIONS</b>			
Turnover	4	1,128	13,291,575
Cost of sales		28,952	(12,835,665)
		<u>30,080</u>	<u>455,910</u>
<b>GROSS PROFIT</b>			
Distribution		-	7,658
Administration		(55,145)	(2,630,543)
Other expenses		(1,370)	(169,046)
Restructuring costs	6	794,516	(4,151,549)
		<u>768,081</u>	<u>(6,487,570)</u>
<b>OPERATING PROFIT/ (LOSS)</b>	5		
Interest payable and similar expenses	7	(285,967)	(218,454)
		<u>482,114</u>	<u>(6,706,024)</u>
<b>PROFIT / (LOSS) BEFORE TAXATION</b>			
Tax on loss	8	-	-
		<u>482,114</u>	<u>(6,706,024)</u>
<b>PROFIT / (LOSS) FROM DISCONTINUED OPERATIONS</b>			
<b>PROFIT FROM DISCONTINUED OPERATIONS</b>	9	211,645	146,531
		<u>693,759</u>	<u>(6,559,493)</u>
<b>PROFIT/ (LOSS) FOR THE YEAR</b>			

There are no items of comprehensive income for the current or preceding financial year other than the loss for the financial year shown above and therefore no separate Statement of Comprehensive Income has been presented.

The Company is currently in the process of being wound down following the transfer of the flexographic printing to Mondi Consumer Goods Packaging UK Ltd with the Company expecting to become dormant in 2020. As such, there is no income associated with continued operations.

The notes on pages 8 to 18 form an integral part of these financial statements.

# MONDI SCUNTHORPE LIMITED

## BALANCE SHEET

As at 31 December 2019

	Note	2019 £	2018 £
<b>FIXED ASSETS</b>			
Intangible assets	11	-	-
Tangible assets	12	-	103,452
		<u>-</u>	<u>103,452</u>
<b>CURRENT ASSETS</b>			
Debtors	13	22,485	748,332
		<u>22,485</u>	<u>748,332</u>
<b>TOTAL ASSETS</b>			
		<u>22,485</u>	<u>851,784</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>			
Trade and other payables	14	(14,335,610)	(10,827,692)
Provision for liabilities	15	(35,000)	(5,065,976)
		<u>(14,348,125)</u>	<u>(15,145,336)</u>
<b>NET CURRENT LIABILITIES</b>			
		<u>(14,348,125)</u>	<u>(15,145,336)</u>
<b>NET LIABILITIES</b>			
		<u>(14,348,125)</u>	<u>(15,041,884)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	25,100	25,100
Profit and loss account		(14,373,225)	(15,066,984)
		<u>(14,348,125)</u>	<u>(15,041,884)</u>
<b>TOTAL SHAREHOLDERS' DEFICIT</b>			
		<u>(14,348,125)</u>	<u>(15,041,884)</u>

Advantage has been taken of the audit exemption available for subsidiary companies conferred by section 479A of the Companies Act 2006 on the grounds:

- that for the year ending 31 December 2019 the Company was entitled to the exemption from a statutory audit under the section 479A of the Companies Act 2006 relating to subsidiary companies; and
- that no notice has been deposited under section 476 of the Companies Act 2006 in relation to the financial statements for the financial year.

These financial statements were approved by the Board of Directors and authorised for issue on 11 August 2020

They were signed on its behalf by:

S. Z. Drakes

S Drakes

Director

Company registered number: 01446927

The notes on pages 8 to 18 form an integral part of these financial statements.



**MONDI SCUNTHORPE LIMITED**

**STATEMENT OF CHANGES IN EQUITY**

**For the year ended 31 December 2019**

	<b>Called up share capital £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
<b>Balance at 1 January 2018</b>	25,100	(8,507,491)	(8,482,391)
Loss for the year	-	(6,559,493)	(6,559,493)
<b>Balance at 31 December 2018</b>	25,100	(15,066,984)	(15,041,884)
Profit for the year	-	693,759	693,759
<b>Balance at 31 December 2019</b>	25,100	(14,373,225)	(14,348,125)

The notes on pages 8 to 18 form an integral part of these financial statements.

# MONDI SCUNTHORPE LIMITED

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS Year ended 31 December 2019

### 1. GENERAL INFORMATION

Mondi Scunthorpe Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the strategic report on page 2.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### Basis of accounting

The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, in the year ended 31 December 2013 the Company changed its accounting framework from UK GAAP to FRS 101 as issued by the Financial Reporting Council. The financial statements have therefore been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to presentation of a cash-flow statement, financial instruments, capital management, related party transactions and standards not yet effective.

Where required, equivalent disclosures are given in the group accounts of Mondi plc. The group accounts are available to the public and can be obtained as set out in note 17.

The company's financial statements have been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for the assets. The principle accounting policies adopted are described below. They have all been applied consistently throughout the year and the preceding year.

#### New standards, amendments and IFRIC interpretations

IFRS 16 Leases replaced IAS 17 Leases and its related interpretations. IFRS 16 establishes new principles for the recognition, measurement, presentation and disclosure of leases and has been applied from 1 January 2019.

IFRS 16 requires lessees to recognise a lease liability in respect of the obligation to make lease payments and a right-of-use asset in respect of the lessee's right to the exclusive use and control of the asset. In the income statement, the operating lease charge as recognised under the previous rules is replaced with a straight-line depreciation charge on the right-of-use asset and an interest cost on the lease liability. Under IFRS 16, the lease payments are charged directly against the lease liability.

The Directors have selected the modified retrospective approach for the adoption of IFRS 16.

The Directors have elected to apply both of the IFRS 16 exemptions that permit lessees, under pre-defined conditions, to not recognise a lease liability and a right-of-use asset in respect of certain leases. The exemptions, which are voluntary, will be applied to all leases:

- that have a lease term of 12 months or less; or
- that are in respect of assets that have a low value purchase price when new, typically £5,000 or less.

The recognition of these "exempted" leases has continued unchanged – an operating lease charge is recognised in the income statement based on straight-line recognition of the lease payments payable on each lease after adjustment for lease incentives received.

Throughout the year ended 31 December 2019, all of the Group's leases, as a lessee, were exempt from the requirements of IFRS 16. Consequently, the company recognised a lease charge in the income statement in 2019 of £9,428 (2018 – £88,890) based on straight-line recognition of the lease payments payable on each lease after adjustment for lease incentives received.

Several other amendments and interpretations apply for the first time in 2019, but do not have an impact on the financial statements of the Company. The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

# MONDI SCUNTHORPE LIMITED

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS Year ended 31 December 2019

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Going concern

The Company is currently in the process of being wound down following the transfer of the flexographic printing to Mondi Consumer Goods Packaging UK Ltd with the Company expecting to become dormant in 2020. The Company's ultimate parent company, Mondi plc, has confirmed that it will provide continued support for the company to meet its obligations as they fall due for a period not less than 12 months from the signing of the Company's annual financial statements. The directors do not have the intention to liquidate the company in 2020. As a result, the directors have a reasonable expectation that the entity will continue to be a going concern into the foreseeable future and have adopted the going concern basis of accounting.

#### Turnover

Turnover is stated net of VAT and trade discounts.

#### Sale of goods

Revenue is recognised from the sale of goods and is measured at the amount of the transaction price received in exchange for transferring goods. The transaction price is the expected consideration to be received, to the extent that it is highly probable that there will not be a significant reversal of revenue in future, after deducting discounts, volume rebates, value added tax and other sales taxes. When the period of time between delivery of goods and subsequent payment by the customer is less than one year, no adjustment for a financing component is made.

Control of the goods is passed when title and insurance risk have passed to the customer, which is typically when the goods have been delivered to a contractually agreed location.

The incremental costs of obtaining a contract are recognised as an expense when the period of amortisation over which the costs would have been recognised is one year or less. If not, these costs are capitalised and amortised on a basis consistent with the transfer of goods to the customer to which the asset relates.

#### Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable.

#### Tangible assets

All classes of fixed asset are stated at cost less accumulated depreciation and any provision for impairment. Cost includes all costs incurred in bringing the equipment to the location and condition for its intended use.

Depreciation is provided on all tangible fixed assets at the following annual rates in order to write off each asset over its estimated useful life on a straight line basis:

Improvements to leasehold property	-	5% on cost
Plant and machinery	-	between 7% and 10% on cost
Fixtures and fittings	-	10% on cost
Motor vehicles	-	20% on cost

Assets under construction, for production, supply or administrative purposes are carried at cost, less any required impairment loss. Cost includes professional fees, in accordance with the company's accounting policy. Depreciation of these assets commences when the assets are ready for their intended use.

Residual value is calculated on prices prevailing at the date of acquisition or revaluation. Useful lives and residual values are reviewed at the end of every reporting period.

# MONDI SCUNTHORPE LIMITED

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS Year ended 31 December 2019

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Intangible assets**

Goodwill is included at cost and amortised in equal instalments over a period of 7 years, software is impaired over 5 years, both subject to an annual review. These terms relate to their estimated useful economic life.

#### **Taxation**

##### Current tax

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 reporting date. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

##### Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

#### **Foreign currencies**

The financial statements are presented in pounds sterling, which is the currency of the primary economic environment in which the Company operates (its functional currency).

Transactions in currencies other than the functional currency are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies have been translated at the rates of exchange prevailing at the reporting date. All exchange differences were accounted for in the Profit and loss account.

#### **Pensions**

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

# MONDI SCUNTHORPE LIMITED

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS Year ended 31 December 2019

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Financial instruments**

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. There are no financial assets held at fair value.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and on demand deposits, together with short-term, highly liquid investments of a maturity of three months or less from the date of acquisition that are readily convertible to a known amount of cash and that are subject to an insignificant risk of changes in value. All deposits are held within a group cash pool account which transfers cash in and out of the Company's bank account overnight to satisfy requirements, as such there are no cash and cash equivalents within the business.

#### Trade and other receivables

Trade and other receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business, if longer), they are classified as current assets. If not, they are presented as non-current assets.

#### Creditors

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

#### Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised where:

- the company has a present legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources will be required to settle the obligation;
- and the amount has been reliably estimated.

Reorganisation provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

#### Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

#### Impairment of financial assets

Assets carried at amortised cost

The company assesses, at the end of each reporting period, whether there is objective evidence that a financial asset or group of financial assets is impaired.

#### **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 2 above, 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.

## MONDI SCUNTHORPE LIMITED

### NOTES TO THE UNAUDITED FINANCIAL STATEMENTS Year ended 31 December 2019

#### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Key sources of estimation uncertainty:

Key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include the risk of occurrence of unknown costs.

#### 3. DIRECTORS AND EMPLOYEES

	2019 No.	2018 No.
<b>Average number of persons employed</b>		
Office management	-	3
Manufacturing	-	40
Sales and administration	3	23
Agency staff	-	7
	3	73
	3	73
<b>Directors' remuneration</b>		
Emoluments	-	147,335
Company contributions to money purchase pension schemes	-	10,300
	-	157,635
	-	157,635

During the year, all directors were paid by another group company.

	2019 £	2018 £
<b>Staff costs during the year</b>		
Wages and salaries	66,510	2,950,856
Social security costs	12,899	328,641
Other pension costs	9,469	69,658
	88,878	3,349,155
	88,878	3,349,155

#### 4. TURNOVER

The turnover and profit before taxation are attributable to the principal activity of the company and of the sale of these goods.

An analysis of turnover by geographical area is given below:

	2019 £	2018 £
United Kingdom	1,128	11,981,218
Netherlands	-	1,451
France	-	(8,983)
Belgium	-	2,018
Rest of Europe	-	1,315,871
Rest of World	-	-
	1,128	13,291,575
	1,128	13,291,575

## MONDI SCUNTHORPE LIMITED

### NOTES TO THE UNAUDITED FINANCIAL STATEMENTS Year ended 31 December 2019

#### 5. OPERATING PROFIT/ (LOSS)

Operating profit/ loss for the year has been arrived at after charging/ (crediting):

	2019 £	2018 £
Depreciation of tangible assets (note 12)	-	170,014
Impairment of tangible assets (note 12)	-	(54,676)
Impairment of software (note 11)	-	3,543
Fees payable to the Company's auditors for the audit of the Company's financial statements	-	30,700
Net foreign exchange losses	4,084	26,109
Staff costs (note 3)	88,878	3,349,155
Operating leases:		
Plant and machinery	9,428	88,890
Other	-	-
Cost of stock recognised as an expense	-	10,971,107
Impairment of stock	-	(123,455)
	<u>                    </u>	<u>                    </u>

No non-audit fees were incurred by the company's auditors in either 2019 or 2018.

#### 6. RESTRUCTURING COSTS

	2019 £	2018 £
Personnel and other HR costs	108,671	1,256,750
Machinery transfer costs	(11,809)	1,129,904
Fixed asset impairment	-	553,396
Site security	(425,796)	505,721
Onerous lease-Roxburgh House	(108,940)	-
Onerous lease-Atkinson's Way	(16,630)	447,571
Stock write off	-	143,291
Customer penalties	-	76,965
Environmental costs	-	-
Other	(340,012)	37,951
	<u>                    </u>	<u>                    </u>
	<u>(794,516)</u>	<u>4,151,549</u>

In April 2018, the company entered into a consultation period with employees to close the business and transfer flexographic printing to Mondi Consumer Goods Packaging UK Ltd. This consultation period ended on 31<sup>st</sup> May 2018 with a conclusion to close the business.

During the year the company exited early out of the leases of both Roxburgh House and Atkinson's Way

Due to the earlier exit out of the leases, the excess restructuring costs have been released in the period

**MONDI SCUNTHORPE LIMITED**

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**  
**Year ended 31 December 2019**

**7. INTEREST PAYABLE AND SIMILAR EXPENSES**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Interest payable to group undertakings	285,967	218,454

**8. TAX ON LOSS**

**(a) Analysis of tax charge for the year**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
<b>UK corporation tax</b>		
Adjustment in respect of prior year	-	-
Total corporation tax	-	-

**(b) Factors affecting tax charge for the year**

The current tax assessed for both years differ from the standard rate of corporation tax in the UK. The differences are explained below:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Profit / (Loss) before taxation	482,114	(6,706,024)
Profit / (Loss) before taxation multiplied by the standard rate of corporation tax in the UK of 19% (2018: 19%)	(91,602)	(1,246,304)
Tax effects of:		
Expenses not deductible for tax purposes	14,121	535,407
Depreciation in excess of capital allowances	(205,171)	21,914
Other timing differences not recognised in deferred tax	99,448	688,983
Total tax charge for the year	-	-



## MONDI SCUNTHORPE LIMITED

### NOTES TO THE UNAUDITED FINANCIAL STATEMENTS Year ended 31 December 2019

#### 9. PROFIT FROM DISCONTINUED OPERATIONS

As discussed in note 6, the company has sold its remaining flexographic printing and as a result, a profit of £211,645 was recognised. The financial information relating to this sale is set out below:

	2019 £	2018 £
<b>(a) Financial performance and cash flow information</b>		
Gain on sale of assets after income tax (see b below)	211,645	146,531
<b>Profit from discontinued operations</b>	<u>211,645</u>	<u>146,531</u>
Net cash inflow from investing activities	211,645	146,531
<b>Net increase in cash generated from the asset sale</b>	<u>211,645</u>	<u>146,531</u>
<b>(b) Details of the sale of assets</b>		
Cash	315,097	2,047,456
Carrying amount of net assets sold	(103,452)	(1,900,925)
<b>Gain on sale before income tax</b>	<u>211,645</u>	<u>146,531</u>
Tax charge on gain	-	-
<b>Gain on sale of assets after tax</b>	<u><u>211,645</u></u>	<u><u>146,531</u></u>

#### 10. DEFERRED TAX

	2019 Provided £	2019 Unprovided £	2018 Provided £	2018 Unprovided £
Capital allowances in advance of depreciation	-	(921,810)	-	(1,481,800)
Other short term timing differences	-	-	-	(57,404)
Tax losses	<u>-</u>	<u>(2,010,739)</u>	<u>-</u>	<u>(1,463,425)</u>
	<u><u>-</u></u>	<u><u>(2,932,549)</u></u>	<u><u>-</u></u>	<u><u>(3,002,629)</u></u>

# MONDI SCUNTHORPE LIMITED

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS Year ended 31 December 2019

### 11. INTANGIBLE ASSETS

	Software £
<b>Cost</b>	
At 1 January 2019	553,746
Addition	-
Disposal	(553,746)
	<hr/>
At 31 December 2019	-
	<hr/>
<b>Accumulated depreciation and impairment</b>	
At 1 January 2019	553,746
Amortisation	-
Disposal	(553,746)
	<hr/>
At 31 December 2019	-
	<hr/>
<b>Net book value</b>	
	<hr/> <hr/>
At 31 December 2018 and 2019	-
	<hr/> <hr/>

In April 2018, the company entered a consultation process to close the business, as a result all Software assets were fully impaired.

### 12. TANGIBLE ASSETS

	Short leasehold property £	Plant and machinery £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 1 January 2019	3,224,395	3,513,398	384,605	7,122,398
Additions	-	-	-	-
Disposals	(3,224,395)	(3,513,398)	(384,605)	(7,122,398)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2019	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Accumulated depreciation and impairment</b>				
At 1 January 2019	3,224,395	3,409,946	384,605	7,018,946
Disposals	(3,224,395)	(3,409,946)	(384,605)	(7,018,946)
Charge for the year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2019	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>				
At 31 December 2019	-	-	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2018	-	103,452	-	103,452
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

# MONDI SCUNTHORPE LIMITED

## NOTES TO THE UNAUDITED FINANCIAL STATEMENTS Year ended 31 December 2019

### 13. DEBTORS

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	-	-
Other debtors	14	307,945
Amounts owed by group undertakings	22,471	440,387
	<u>22,485</u>	<u>748,332</u>

Amounts owed by group undertakings are interest free and repayable on demand.

### 14. TRADE AND OTHER PAYABLES

	2019 £	2018 £
Trade payables	206	265,162
Tax and social security	-	2,328
Amounts owed to group companies	14,335,404	10,318,184
Accruals	-	242,018
	<u>14,335,610</u>	<u>10,827,692</u>

Interest on amounts owing to group undertakings were charged at current market rates and amounts owing are repayable on demand.

### 15. PROVISION FOR LIABILITIES

	2019 £	2018 £
As 1 January	5,065,976	5,108,568
Additions (note 6)	-	4,151,549
Release of Provision (note 6)	(794,516)	-
Amounts utilised	(4,236,460)	(4,194,141)
At 31 December	<u>35,000</u>	<u>5,065,976</u>

### 16. CALLED UP SHARE CAPITAL

	2019 £	2018 £
<b>Issued and fully paid</b>		
25,100 (2018: 25,100) ordinary shares of £1 each	<u>25,100</u>	<u>25,100</u>

The rights of all classes of authorised share capital rank pari passu in respect of transfer, transmission, voting and appointment.

On a return of capital in a winding up of the company or otherwise the holders of each class of share shall rank pari passu.

There are no cumulative redeemable preference shares in issue in the current or prior year.

## **MONDI SCUNTHORPE LIMITED**

### **NOTES TO THE UNAUDITED FINANCIAL STATEMENTS Year ended 31 December 2019**

#### **17. ULTIMATE PARENT COMPANY**

The company's immediate parent company is Mondi Consumer Bags & Films B.V, a company registered in the Netherlands.

The directors consider the company's ultimate parent and controlling company to be Mondi plc, a company registered in England and Wales.

The smallest group of which the company is a member and for which group financial statements are drawn up is that headed by Mondi A.G., the financial statements are available from the registered office at Marxergasse 4A, 1030 Vienna, Austria.

The largest group of which the company is a member and for which group financial statements are drawn up is that headed by Mondi plc, and the financial statements are available from the registered office at Building 1, 1<sup>st</sup> Floor, Aviator Park, Station Road, Addlestone, Surrey, KT15 2PG.