

MULTI PACKAGING SOLUTIONS LITTLEHAMPTON LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2021

THURSDAY



AB87RWIB

A05

14/07/2022

#35

COMPANIES HOUSE

MULTI PACKAGING SOLUTIONS LITTLEHAMPTON LIMITED

COMPANY INFORMATION

Directors	A Darrington N Wilkinson K Maxwell (resigned 3 November 2021) M Wenham (resigned 24 August 2021) M Shaw (appointed 24 August 2021) S Nickerson (appointed 3 November 2021)
Registered number	06796940
Registered office	Suite 5, 2nd Floor Aspect House Bennerley Road Nottingham NG6 8WR
Independent auditors	Ernst & Young LLP No. 1 Colmore Square Birmingham B4 6HQ

MULTI PACKAGING SOLUTIONS LITTLEHAMPTON LIMITED

CONTENTS

	Page
Directors' report	1 - 4
Independent auditors' report	5 - 8
Statement of comprehensive income	9
Balance sheet	10
Statement of changes in equity	11
Notes to the financial statements	12 - 26

MULTI PACKAGING SOLUTIONS LITTLEHAMPTON LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

The directors present their report and the financial statements for the year ended 30 September 2021.

Directors

The directors who served during the year and subsequently were:

A Darrington
N Wilkinson
K Maxwell (resigned 3 November 2021)
M Wenham (resigned 24 August 2021)
M Shaw (appointed 24 August 2021)
S Nickerson (appointed 3 November 2021)

Principal activity

The principal activity of the Company is the manufacture of labels.

Results and dividends

The Company made a loss after tax for the year of £1,101,657 (2020 - £9,454).

No dividends will be distributed for the year ended 30 September 2021 (2020: £Nil).

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.

Future developments

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

Going concern

The global impact of the COVID-19 pandemic ("COVID-19") continues to evolve. The pandemic has affected our operational and financial performance and the extent of its ongoing effect will continue to depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration, scope and severity of the pandemic, the actions taken to contain or mitigate its impact (including the distribution and effectiveness of vaccines) the pandemic and related containment measures, among others.

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

The Company has the financial support of 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 for a period through to 30 September 2023.

MULTI PACKAGING SOLUTIONS LITTLEHAMPTON LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

Going concern (continued)

WRKCo Inc has prepared a cash flow forecast for the period through to 30 September 2023 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 Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies in accordance with Section 10 of FRS 102 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in 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 appropriate to presume that the Company will not continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MULTI PACKAGING SOLUTIONS LITTLEHAMPTON LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

Disclosure of information to auditors

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

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

Events during the year

Brexit

On 1st January 2021 the new UK-EU Trade and Cooperation Agreement came into force. This brought important changes to cross-border trade between the UK and EU. In particular, all goods moving from the UK to the EU (and vice versa) must be accompanied by a customs declaration. This also applies to goods moving from mainland Britain to Northern Ireland, due to Northern Ireland's open land border with the EU. WestRock's MPS worked hard throughout FY20 and FY21 to prepare for these Brexit related changes, engaging with our suppliers, logistics team and customers to put new systems and processes in place to ensure continuity of our operations.

MPS is maintaining the internal Brexit committee that it set up in FY20 throughout FY21, with access to MPS business leaders and external consultants, to ensure that we are up-to-date with all of the latest developments. This approach will continue to allow us to manage any business requirements effectively and efficiently, specifically in relation to supply chain and inventory management as well as cross border trade. WestRock's MPS Brexit preparations have proven robust and enabled us to cope well with the new trading rules. We will continue to manage any potential business challenges that may arise and ensure minimal impact to the ongoing performance of the business and its ability to support our customers and trading partners.

Covid-19 Pandemic

The global impact of the COVID-19 pandemic ("COVID-19") continues to evolve. The pandemic has affected our operational and financial performance and the extent of its ongoing effect will continue to depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration, scope and severity of the pandemic, the actions taken to contain or mitigate its impact (including the distribution and effectiveness of vaccines), and the direct and indirect economic effects of the pandemic and related containment measures, among others.

At the balance sheet date, we evaluated the then current economic environment, including our assessment of the impact of COVID-19, as well as the ransomware incident discussed below, and there were no identified impairments of our long-lived assets, including goodwill. We performed a quantitative assessment and our estimates involved numerous assumptions about the future growth and potential volatility in revenues and costs, capital expenditures, industry and global economic factors, interest rate environment and future business strategy. Accordingly, our accounting estimates may materially change from period to period due to changing market factors, including those driven by COVID-19. We will continue to monitor future events, changes in circumstances and the potential impact thereof. If actual results are not consistent with our assumptions and estimates, we may be exposed to impairment losses that could be material.

Ransomware incident

On January 23, 2021 we detected a ransomware incident impacting certain of our systems. Promptly upon our detection of this incident, we initiated response and containment protocols and our security teams, supplemented by leading cyber defence firms, worked to remediate this incident. These actions included taking preventative measures, including shutting down certain systems out of an abundance of caution, as well as taking steps to supplement existing security monitoring, scanning and protective measures. We notified law enforcement and contacted our customers to apprise them of the situation.

MULTI PACKAGING SOLUTIONS LITTLEHAMPTON LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

Events during the year (continued)

Ransomware incident (continued)

We undertook extensive efforts to identify, contain and recover from this incident quickly and securely. Our teams worked to maintain our business operations and minimize the impact on our customers and teammates. The impact on the operational business was minimal. In locations where technology issues were identified, we used alternative methods, in many cases manual methods, to process and ship orders. We systematically brought our information systems back online in a controlled, phased approach.

We are making information technology investments that we had planned to make in future periods in order to further strengthen our information security infrastructure. We engaged a leading cybersecurity defence firm that completed a forensics investigation of the ransomware incident and we are taking appropriate actions in response to the findings. For example, in the short-term, we reset all credentials Company-wide and strengthened security tooling across our servers and workstations. In the long-term, we are continuing to advance the maturity and effectiveness of our information security resiliency strategy and capabilities. Our technology team has accelerated its roadmap to further strengthen the resilience of our information security infrastructure across the Company that aims to enable us to detect, respond and recover more quickly from security and technical incidents. More specifically, we plan to take actions to improve our security monitoring capabilities and enhance the information security within our plants.

Post balance sheet events

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

Auditors

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

Small companies

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 30 June 2022 and signed on its behalf.



A Darrington
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MULTI PACKAGING SOLUTIONS LITTLEHAMPTON LIMITED

Opinion

We have audited the financial statements of Multi Packaging Solutions Littlehampton Limited for the year ended 30 September 2021 which comprises the Statement of comprehensive income, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 26, 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 2021 and of its loss 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 through to 30 September 2023.

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 LITTLEHAMPTON 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 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.
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MULTI PACKAGING SOLUTIONS LITTLEHAMPTON LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

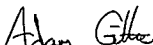
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and compliance with the relevant direct and indirect tax regulation in 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MULTI PACKAGING SOLUTIONS LITTLEHAMPTON LIMITED (CONTINUED)

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:

DSEDC A124A65451...

Adam Gittens (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Birmingham
30 June 2022

MULTI PACKAGING SOLUTIONS LITTLEHAMPTON LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Notes	2021 £	2020 £
Turnover	4	7,107,691	5,793,893
Cost of sales		(6,850,705)	(4,735,740)
Gross profit		256,986	1,058,153
Administrative expenses		(1,334,102)	(1,098,787)
Operating loss	5	(1,077,116)	(40,634)
Interest receivable and similar income	9	1,228	33,628
Interest payable and similar expenses	10	(110)	(2,795)
Loss before tax		(1,075,998)	(9,801)
Tax on loss	11	(25,659)	347
Loss for the financial year		(1,101,657)	(9,454)

There was no other comprehensive income for 2021 (2020:£NIL).

The notes on pages 12 to 26 form part of these financial statements.

MULTI PACKAGING SOLUTIONS LITTLEHAMPTON LIMITED
REGISTERED NUMBER:06796940

BALANCE SHEET
AS AT 30 SEPTEMBER 2021

	Notes	2021 £	2020 £
Fixed assets			
Intangible assets	12	37,713	53,746
Tangible assets	13	1,094,038	1,027,277
		<u>1,131,751</u>	<u>1,081,023</u>
Current assets			
Stocks	14	654,993	565,637
Debtors: amounts falling due within one year	15	2,007,890	1,388,409
Cash at bank and in hand	16	2,806,516	2,896,389
		<u>5,469,399</u>	<u>4,850,435</u>
Creditors: amounts falling due within one year	17	(2,811,864)	(1,040,515)
Net current assets		<u>2,657,535</u>	<u>3,809,920</u>
Total assets less current liabilities		<u>3,789,286</u>	<u>4,890,943</u>
Net assets		<u>3,789,286</u>	<u>4,890,943</u>
Capital and reserves			
Called up share capital	19	100	100
Profit and loss account	20	3,789,186	4,890,843
		<u>3,789,286</u>	<u>4,890,943</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 June 2022.



A Darrington
Director

The notes on pages 12 to 26 form part of these financial statements.

MULTI PACKAGING SOLUTIONS LITTLEHAMPTON LIMITED

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

	Called up share capital	Profit and loss account	Shareholders' funds
	£	£	£
At 1 October 2020	100	4,890,843	4,890,943
Comprehensive expense for the year			
Loss for the year	-	(1,101,657)	(1,101,657)
Total comprehensive expense for the year	-	(1,101,657)	(1,101,657)
At 30 September 2021	100	3,789,186	3,789,286

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

	Called up share capital	Profit and loss account	Shareholders' funds
	£	£	£
At 1 October 2019	100	4,900,297	4,900,397
Comprehensive expense for the year			
Loss for the year	-	(9,454)	(9,454)
Total comprehensive expense for the year	-	(9,454)	(9,454)
At 30 September 2020	100	4,890,843	4,890,943

The notes on pages 12 to 26 form part of these financial statements.

MULTI PACKAGING SOLUTIONS LITTLEHAMPTON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

1. General information

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

The Registered Office is Suite 5, 2nd Floor Aspect House, Bennerley Road, Nottingham, NG6 8WR.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in sterling, which is also the functional currency of the Company. The amounts are rounded off to the nearest 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 judgment 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 2021 and these financial statements may be obtained from Suite 5, 2nd Floor Aspect House, Bennerley Road, Nottingham, NG6 8WR.

MULTI PACKAGING SOLUTIONS LITTLEHAMPTON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

2. Accounting policies (continued)**2.3 Going concern**

The global impact of the COVID-19 pandemic ("COVID-19") continues to evolve. The pandemic has affected our operational and financial performance and the extent of its ongoing effect will continue to depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the duration, scope and severity of the pandemic, the actions taken to contain or mitigate its impact (including the distribution and effectiveness of vaccines) the pandemic and related containment measures, among others.

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

The Company has the financial support of 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 for a period through to 30 September 2023.

WRKCo Inc has prepared a cash flow forecast for the period through to 30 September 2023 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.

MULTI PACKAGING SOLUTIONS LITTLEHAMPTON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

2. Accounting policies (continued)

2.5 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Software	-	25 % on reducing balance
----------	---	--------------------------

2.6 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, using the straight-line method.

The estimated useful lives range as follows:

Plant and machinery	-	3, 5, 7 and 10 years straight line
Motor vehicles	-	3 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

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 labour and attributable overheads.

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.

2.8 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 LITTLEHAMPTON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

2. Accounting policies (continued)

2.9 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.

2.10 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.11 Finance costs

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

2.12 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.13 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss 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 LITTLEHAMPTON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

2. Accounting policies (continued)

2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge 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.

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 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.

2.15 Research and development

Expenditure on research and development is written off in the year in which it is incurred.

2.16 Share capital and distributions to equity holders

Ordinary shares are classified as equity. Dividends and other distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the shareholders. These amounts are recognised in the Statement of changes in equity.

MULTI PACKAGING SOLUTIONS LITTLEHAMPTON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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

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

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

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 levels of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 11.

4. Turnover

An analysis of turnover by class of business is as follows:

	2021 £	2020 £
Sale of goods	7,107,691	5,793,893
	<u>7,107,691</u>	<u>5,793,893</u>

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	5,845,517	5,635,466
Rest of Europe	1,203,354	154,020
Rest of the world	58,820	4,407
	<u>7,107,691</u>	<u>5,793,893</u>

MULTI PACKAGING SOLUTIONS LITTLEHAMPTON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

5. Operating loss

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

	2021 £	2020 £
Depreciation of tangible fixed assets	273,407	212,949
Amortisation of intangible fixed assets	16,469	16,528
Exchange differences	12,724	5,008
Operating lease rentals	197,533	192,448
Defined contribution pension cost	40,924	38,875
Profit on sale of fixed assets	(15,000)	4,334
	<u>273,407</u>	<u>212,949</u>

6. Auditors' remuneration

	2021 £	2020 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	16,000	27,528
	<u>16,000</u>	<u>27,528</u>

7. Employees

Staff costs were as follows:

	2021 £	2020 £
Wages and salaries	1,458,230	1,334,256
Social security costs	133,496	117,407
Cost of defined contribution scheme	40,924	38,875
	<u>1,632,650</u>	<u>1,490,538</u>

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

	2021 No.	2020 No.
Administration	10	7
Production	38	40
	<u>48</u>	<u>47</u>

MULTI PACKAGING SOLUTIONS LITTLEHAMPTON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

7. Employees (continued)

The Company operates a defined contributions pension scheme. The pension cost charge for the period represents contributions payable by the Company to the scheme and amounted to £40,924 (2020: £38,875). Contributions totalling £8,565 (2020: £6,200) were payable to the scheme at the end of the period and are included in creditors.

8. Directors' remuneration

The directors were remunerated by another Company in the WestRock Company Group. There is no allocation of costs for the directors as this is considered to inconsequential to their wider role.

9. Interest receivable

	2021	2020
	£	£
Interest receivable from group companies	-	33,628
Other interest receivable	1,228	-
	1,228	33,628
	1,228	33,628

10. Interest payable and similar expenses

	2021	2020
	£	£
Other interest payable	110	2,795
	110	2,795
	110	2,795

MULTI PACKAGING SOLUTIONS LITTLEHAMPTON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

11. Taxation

	2021 £	2020 £
Total current tax	-	-
Deferred tax		
Write off of deferred tax asset	25,659	(347)
Total deferred tax	25,659	(347)
Taxation on loss	25,659	(347)

Factors affecting tax charge for the period

The tax assessed for the period is lower than (2020 - *higher than*) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Loss on ordinary activities before tax	(1,075,998)	(9,801)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(204,440)	(1,862)
Effects of:		
Fixed asset differences	(2,130)	331
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	171	124
Movement on tax in relation to change in tax rates	(11,763)	(2,978)
Group relief claimed	198,924	4,038
Deferred tax not recognised	44,897	-
Total tax charge for the year	25,659	(347)

MULTI PACKAGING SOLUTIONS LITTLEHAMPTON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

11. Taxation (continued)

Factors that may affect future tax charges

The Company's profit for the financial period are taxed at a rate of 19% (2020 - 19%).

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

The effect of these changes are not considered significant for the Company.

12. Intangible assets

	Software £
Cost	
At 1 October 2020	234,989
Additions	436
	235,425
At 30 September 2021	235,425
Amortisation	
At 1 October 2020	181,243
Charge for the year	16,469
	197,712
At 30 September 2021	197,712
Net book value	
At 30 September 2021	37,713
At 30 September 2020	53,746

MULTI PACKAGING SOLUTIONS LITTLEHAMPTON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

13. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Construction in progress £	Total £
Cost or valuation					
At 1 October 2020	130,381	3,247,713	28,196	178,288	3,584,578
Additions	-	274,564	-	105,606	380,170
Disposals	-	(55,716)	-	-	(55,716)
Transfers between classes	-	283,894	-	(283,894)	-
At 30 September 2021	<u>130,381</u>	<u>3,750,455</u>	<u>28,196</u>	<u>-</u>	<u>3,909,032</u>
Depreciation					
At 1 October 2020	22,817	2,506,288	28,196	-	2,557,301
Charge for the year	13,038	260,369	-	-	273,407
Disposals	-	(15,714)	-	-	(15,714)
At 30 September 2021	<u>35,855</u>	<u>2,750,943</u>	<u>28,196</u>	<u>-</u>	<u>2,814,994</u>
Net book value					
At 30 September 2021	<u>94,526</u>	<u>999,512</u>	<u>-</u>	<u>-</u>	<u>1,094,038</u>
At 30 September 2020	<u>107,564</u>	<u>741,425</u>	<u>-</u>	<u>178,288</u>	<u>1,027,277</u>

14. Stocks

	2021 £	2020 £
Raw materials and consumables	363,364	228,828
Work in progress	14,309	26,188
Finished goods	277,320	310,621
	<u>654,993</u>	<u>565,637</u>

MULTI PACKAGING SOLUTIONS LITTLEHAMPTON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

15. Debtors

	2021 £	2020 £
Trade debtors	1,772,202	1,266,311
Amounts owed by group undertakings	84,697	796
Other debtors	50,994	49,650
Prepayments and accrued income	99,997	45,993
Deferred taxation (see note 18)	-	25,659
	<u>2,007,890</u>	<u>1,388,409</u>

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

16. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	<u>2,806,516</u>	<u>2,896,389</u>

17. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank overdrafts	1,434,643	-
Trade creditors	601,467	353,754
Amounts owed to group undertakings	253,444	105,537
Other taxation and social security	85,018	217,983
Other creditors	49,110	6,200
Accruals and deferred income	388,182	357,041
	<u>2,811,864</u>	<u>1,040,515</u>

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

The bank overdraft with Bank Mendes Gans N.V. is secured against assets of the West Rock Company Group. The agreement shall continue until terminated by the bank or the Company. It bears interest at the Bank's Base Rate + 1.125%.

MULTI PACKAGING SOLUTIONS LITTLEHAMPTON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

18. Deferred taxation

	2021 £
At beginning of year	25,659
Charged to profit or loss	(25,659)
At end of year	-

The deferred tax asset is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	-	24,443
Short term timing differences	-	1,216
	-	25,659
	-	25,659

19. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
100 (2020 - 100) Ordinary shares of £1 each	100	100
	100	100
	100	100

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

Called up share capital represents the nominal value of shares that have been issued.

20. Reserves**Profit and loss account**

Includes all current and prior period retained profits and losses.

MULTI PACKAGING SOLUTIONS LITTLEHAMPTON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

21. Contingent liabilities

As a result of group registration for VAT purposes, the Company is held jointly and severally liable for VAT liabilities in the group, which at the balance sheet date amounted to a creditor of £41,365 (2020: £179,877).

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 nil (2020: £537,012).

22. Pension commitments

The Company operates a defined contributions pension scheme. The pension cost charge for the period represents contributions payable by the Company to the scheme and amounted to £40,924 (2020: £38,875). Contributions totaling £8,565 (2020: £6,200) were payable to the scheme at the end of the period and are included in creditors.

23. Commitments under operating leases

At 30 September 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	208,550	210,623
Later than 1 year and not later than 5 years	282,347	490,230
	<u>490,897</u>	<u>700,853</u>

24. 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.

25. Controlling party

The Company's immediate parent undertaking is AJS Group Limited, a company incorporated in the UK.

The Company's domestic ultimate parent is WRK Merger Holding Sub 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.

MULTI PACKAGING SOLUTIONS LITTLEHAMPTON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

26. Post balance sheet events

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