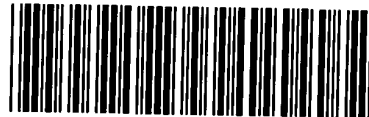


Company Registration No. 00408017 (England and Wales)

**La Seda UK Ltd**

**Annual report and financial statements  
for the year ended 31 December 2016**

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**La Seda UK Ltd**

**Company information**

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**Director** José Vicente Estrada Esteban

**Secretary** José Vicente Estrada Esteban

**Company number** 00408017

**Registered office** Ellice Way  
Wrexham Technology Park  
Wrexham  
Clwyd  
LL13 7YL

**Independent auditors** PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
8 Princess Parade  
St Nicolas Place  
Liverpool  
L3 1QJ

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## **La Seda UK Ltd**

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## **La Seda UK Ltd**

### **Strategic report**

**For the year ended 31 December 2016**

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The director presents the strategic report and financial statements for the year ended 31 December 2016.

Until 30 June 2015, the Company's principal activity was the provision of packaging solutions to a wide variety of industry sectors within the UK. The Company manufactures rigid plastic polyethylene terephthalate (PET) preforms, bottles and other containers for use in the beverage sector (carbonated soft drinks, mineral water and juice) as well as for food, personal care, healthcare and household chemical applications.

On 1 July 2015, the Company sold all its business assets, as well as its creditors, including pre-insolvent creditors and current trade payables, employee obligations, working capital to Plastipak UK, Ltd, a newly created company by Plastipak Holdings, Inc, the buyer of the Pan-European Packaging Division which La Seda UK Ltd formed part of.

#### **Fair review of the business**

As explained in more detail in note 1 to these accounts, on 3 January 2014 La Seda de Barcelona S.A., "en liquidación" ("LSB"), the parent company of La Seda UK Ltd presented an application to commence its own liquidation (sale of Business Units) in the Court as the best option to protect the value of its assets and to facilitate the orderly sale of the business. The Court accepted the application on 29 January 2014 confirming the liquidation of LSB and the removal of its Board of Directors whose authority was replaced by its Insolvency Administrator.

The sale of the Pan- European business of the Packaging Division (APPE) to Plastipak BAWT, S.a.r.l. was previously authorised by the Commercial Court number 1 of Barcelona on 26 January 2015. The Sale and Purchase agreement was signed on 31 March 2015 and due to the complexities of the debt structure of existing shareholder LSB, the sale transaction was an asset sale in the UK as a waiver to release share guarantees was blocked by LSB's syndicated loan holders. Unlike most asset sale deals however, due to a change in Spanish insolvency legislation the deal involved the sale of assets and various liabilities thus protecting the core business. The transaction was made effective on 1 July 2015 which consisted of the transfer of all the business assets together as a group in one single transaction, as a going concern (TOGC).

On 24 December 2015, the completion accounts were signed and the final price agreed, after deducting the insolvent debts and credit against the estate which have been voluntarily assumed by the buyer, and the amounts were deposited in the each of the company's bank accounts. For La Seda UK Ltd the total consideration for the business assets comprising of property, plant and equipment, trade and other receivables, inventories, trade and other payables as well as liabilities for pensions amounted to £53,694k (Eur75,507k ) and was satisfied by cash. The gain on disposal amounting to £15,440k was recognised in the profit and loss account in the year ended 31 December 2015.

## **La Seda UK Ltd**

### **Strategic report (continued)**

**For the year ended 31 December 2016**

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

As from 1 July 2015, the Company has ceased trading and is expected to go into liquidation, after the payment of the amounts due to the syndicated banks are made. All assets, principally intercompany receivables and cash proceeds from the sale of the business assets have been impaired to their net realizable value and no further adjustments are expected.

On 15 September 2015, in the Insolvency Proceedings 434/2013 of La Seda UK Ltd (formerly APPE U.K. Ltd) instigated in Spain, the Insolvency Administration FOREST PARTNERS ESTRADA Y ASOCIADOS, S.L.P. applied to the Commercial Court number 1 of Barcelona for the opening of the liquidation phase of the Company.

Based on the above, on 16 October 2015, the Commercial Court No. 1 of Barcelona, issued an Order approving the opening of the liquidation phase, the cessation of the Directors and the dissolution of the Company.

On 19 November 2015, the Insolvency Administration presented the Company's Liquidation Plan for the realisation of assets and rights included in the bankruptcy mass of assets, once the liquidation phase has been opened and after the completion of the sales process of the production units of the pan-European Packaging Division of La Seda de Barcelona Group, including La Seda UK Ltd to Plastipak Holdings, Inc. On 4 March 2016, the Commercial Court No. 1 of Barcelona, issued an order, approving the Liquidation Plan of La Seda UK Ltd.

At 31 December 2015 the Company accounted for the provision for syndicate loan guarantee signed by the Parent Company. The amount recorded, £292,252k (Eur354,591k) was based on the best estimate by the Director, taking into account the information available at the time the accounts were prepared.

During the year 2016 the Insolvency Administrators requested the consent of the Lenders for a partial release of the guarantee granted by La Seda UK Ltd under the SFA and PIK Loan agreements to facilitate the liquidation of the Company since the monies obtained from the sale of the production unit will not be fully sufficient to repay the liabilities under the syndicate loan guarantee contract. On 28 February 2017 the Lenders granted the request thereby reducing the Company's obligation under the guarantee contract up to the maximum amount received out of the liquidation proceeds which was estimated to be £59.985k (Eur70.061k). The Company recorded the new amount of the guarantee at 31 December 2016 amounting to £59,985k, releasing the difference to the profit and loss account for the year.

On 17 and 24 March 2017, part of the proceeds from the sale of the business assets amounting to £41,195k (Eur47,497k) of the £53,694K (Eur75,507K) received was distributed amongst the ordinary insolvency creditors recognised by the Company. In particular, £40,411K was distributed to the lenders of the Syndicate Loan under the guarantee contract it signed on 10 June 2010 and £784k was distributed to the intercompany creditors.

The Insolvency Administration continues to work towards obtaining the final results of the realisation and sale of the assets of the Company, after the sale of the production unit and shall make the necessary arrangements for the registration of approved Court Orders on which the Liquidation Plan has been based upon, in the corresponding territory of the Company.

**La Seda UK Ltd**

**Strategic report (continued)**

**For the year ended 31 December 2016**

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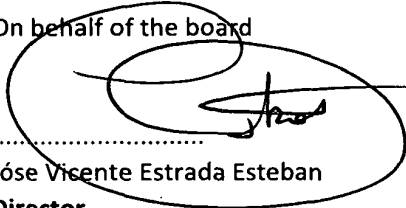
**Key performance indicators**

As mentioned in the preceding paragraphs, the Company ceased trading on 1 July 2015. Total revenue for the year ended 31 December 2016 is £nil. Operating income for the year ended 31 December 2016 amounted to £201m and includes exceptional income of £244m relating to the reversal of provision for guarantee of the syndicated loan signed by Parent company in 2010, after having obtained a waiver from the Lenders to reduce the company's commitment.

**Future developments**

Following the sale of all of the business assets to Plastipak, as from 1 July 2015, the company has ceased trading and its activity has been focused on the administrative tasks related to the transfer of assets to ensure compliance with local tax and company laws. It is the intention of the Directors to liquidate the company within the next financial year.

On behalf of the board

A handwritten signature in black ink, appearing to be 'J. Estrada', is enclosed within a large, hand-drawn oval. The signature is written over a dotted line.

.....  
Jóse Vicente Estrada Esteban  
**Director**

12 January 2018

**La Seda UK Ltd**

**Director's report**

**For the year ended 31 December 2016**

---

The director presents his annual report and financial statements for the year ended 31 December 2016.

**Director**

The director who held office during the year and up to the date of signature of the financial statements was as follows:

Jóse Vicente Estrada Esteban

**Results and dividends**

The results for the year are set out on page 8.

The director is unable to declare a dividend.

**Research and development**

Up to the transfer of the business on 1 July 2015, the primary aims of our research and development work were to improve the packaging and process technologies from both economic and environmental points of view. Improved technology helped us to continue meeting the expectations of our customers and end users.

**Future developments**

An indication of the likely future developments of the business is included in the Strategic report.

**Auditors**

PricewaterhouseCoopers LLP have expressed their willingness to continue in office.

**Statement of disclosure to auditors**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



Jóse Vicente Estrada Esteban

**Director**

12 January 2018

**Director's responsibilities statement**

**For the year ended 31 December 2016**

---

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the director must not approve the financial statements unless he is 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 director is 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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. He is 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.



# ***Independent auditors' report to the members of La Seda UK Ltd***

## **Report on the financial statements**

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### **Our opinion**

In our opinion, La Seda UK Ltd's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

---

### **Emphasis of matter - Basis of preparation**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the basis of preparation. Following the sale of all of the business assets, as from 1 July 2015, the company has ceased trading. It is the intention of the Directors to liquidate the company within the next financial year. Accordingly, the going concern basis of preparation is no longer appropriate and the financial statements have been prepared on a basis other than going concern as described in note 1 to the financial statements. Adjustments were made in prior period financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision and to reclassify fixed assets and long-term liabilities as current assets and liabilities.

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### **What we have audited**

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Statement of financial position as at 31 December 2016;
- the Income statement and Statement of comprehensive income for the year then ended;
- the Statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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## **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 addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

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## **Other matters on which we are required to report by exception**

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### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

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# ***Independent auditors' report to the members of La Seda UK Ltd (continued)***

## **Report on the financial statements**

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### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

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## **Responsibilities for the financial statements and the audit**

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### **Our responsibilities and those of the directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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### **What an audit of financial statements involves**


We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.

  
Edward Moss (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Manchester

12 January 2018

**La Seda UK Ltd****Income statement****For the year ended 31 December 2016**

		<b>2016</b>	<b>2015</b>
	<b>Notes</b>	<b>£'000</b>	<b>£'000</b>
<b>Revenue</b>	<b>3</b>	-	74,890
Cost of sales		-	(52,650)
		<hr/>	<hr/>
<b>Gross profit</b>		-	22,240
Administrative expenses		(42,335)	(25,809)
Other operating income		-	3,084
Profit on disposal of operations	<b>4</b>	-	15,440
Exceptional items	<b>5</b>	243,609	(252,471)
		<hr/>	<hr/>
<b>Operating profit/(loss)</b>	<b>6</b>	201,274	(237,516)
Investment income	<b>10</b>	1,208	1,053
Finance costs	<b>11</b>	(910)	(877)
		<hr/>	<hr/>
<b>Profit/(loss) before taxation</b>		201,572	(237,340)
Taxation	<b>12</b>	(425)	(4,052)
		<hr/>	<hr/>
<b>Profit/(loss) for the financial year</b>	<b>19</b>	201,147	(241,392)
		<hr/>	<hr/>

The income statement has been prepared on the basis that all operations are discontinued.

**La Seda UK Ltd**

**Statement of comprehensive income**

**For the year ended 31 December 2016**

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	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
<b>Profit/(loss) for the year</b>	201,147	(241,392)
<b>Other comprehensive income</b>	-	-
	<hr/>	<hr/>
<b>Total comprehensive income for the year</b>	<u>201,147</u>	<u>(241,392)</u>

**La Seda UK Ltd**

**Statement of financial position**

**As at 31 December 2016**

	Notes	2016 £'000	2015 £'000
<b>Current assets</b>			
Trade and other receivables	13	7,640	11,816
Cash at bank and in hand		58,112	50,686
		<u>65,752</u>	<u>62,502</u>
<b>Current liabilities</b>	14	(49,878)	(47,508)
<b>Provisions for liabilities</b>	15	(59,985)	(260,252)
<b>Net liabilities</b>		<u>(44,111)</u>	<u>(245,258)</u>
<b>Equity</b>			
Called up share capital	17	7,000	7,000
Share premium account	18	8,500	8,500
Retained earnings	19	(59,611)	(260,758)
<b>Total equity</b>		<u>(44,111)</u>	<u>(245,258)</u>

The notes to the financial statements on pages 12 to 28 are an integral part of these financial statements.

The financial statements on pages 8 to 28 were approved and signed by the director and authorised for issue on 12 January 2018

  
.....  
José Vicente Estrada Esteban  
Director

**Company Registration No. 00408017**

**La Seda UK Ltd**

**Statement of changes in equity**

**For the year ended 31 December 2016**

	Share capital	Share premium account	Retained earnings	Total
	£'000	£'000	£'000	£'000
<b>Balance at 1 January 2015</b>	7,000	8,500	(19,366)	(3,866)
<b>Year ended 31 December 2015:</b>				
Loss and total comprehensive income for the year	-	-	(241,392)	(241,392)
<b>Balance at 31 December 2015</b>	7,000	8,500	(260,758)	(245,258)
<b>Year ended 31 December 2016:</b>				
Profit and total comprehensive income for the year	-	-	201,147	201,147
<b>Balance at 31 December 2016</b>	7,000	8,500	(59,611)	(44,111)

# **La Seda UK Ltd**

## **Notes to the financial statements**

**For the year ended 31 December 2016**

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### **1 Accounting policies**

#### **Company information**

La Seda UK Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Ellice Way, Wrexham Technology Park, Wrexham, Clwyd, LL13 7YL.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in UK sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

La Seda UK Ltd 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 financial statements. Exemptions have been taken in relation to presentation of a cash flow statement, financial instruments and remuneration of key management personnel. La Seda de Barcelona, S.A., "en liquidación" ("LSB"), incorporated in Spain is the parent of the group in whose consolidated financial statements the results of La Seda UK Ltd are included. The consolidated financial statements of LSB are publicly available and may be obtained from Av Remolar 2, 08820 El Prat de Llobregat, Barcelona, Spain.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

La Seda UK Ltd is a wholly owned subsidiary of La Seda Barcelona, S.A. "en liquidación" ("LSB") and the results of La Seda UK Ltd are included in the consolidated financial statements of LSB.

## **La Seda UK Ltd**

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

**For the year ended 31 December 2016**

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#### **1 Accounting policies (continued)**

##### **1.2 Going concern**

###### **Background**

On 11 August 2010 La Seda UK Ltd (formerly APPE U.K. Ltd) acted as joint guarantor in favour of La Seda de Barcelona, S.A., "en liquidación", its Parent Company ("the Parent Company" or "LSB") in the Senior Facility Agreement (SFA and PIK loans) granted to the latter by several lenders forming the Syndicate loan. The principal amount signed with Deutsche Bank amounted to Eur428.667.000.

###### **Insolvency Proceedings**

On 17 June 2013, after several unsuccessful attempts to restructure the Syndicate loan, the Parent Company filed for voluntary insolvency proceedings. In order to block all attempts to enforce the guarantee by the lenders, the Parent Company took advantage of EC Regulations (EC 1346/2000) that allow for a declaration of voluntary insolvency at the level of all the subsidiaries located in the European Union territory.

The Insolvency Proceedings of LSB and 12 of its subsidiaries, including the La Seda UK Ltd was approved by the Mercantile Court of Barcelona Number 1 on 4 July 2013 by means of the Court Order 434/2013.

On 3 January 2014, after failing to reach an agreement with the creditors, the Parent Company's Board of Directors filed for the LSB's liquidation in the same Mercantile Court of Barcelona who approved the application on 30 January 2014. The same Court resolution ordered the cessation of the Parent Company's Board of Directors' functions as well as the Executive Committee's functions and these were replaced by Forest Partners, the Insolvency Administrators.

###### **Sale of the Pan-European Production Unit**

The Parent Company's Liquidation Plan was submitted to the Court on 4 March 2014 and was approved on 29 July 2014 and contemplated the sale of the entire Packaging Division (APPE). The Division consisted of the following companies. LSB Iberia, S.A.U. (formerly APPE Iberia, S.A.U.), LSB France, S.A.S., (formerly APPE France, S.A.S.), La Seda UK Ltd (formerly APPE U.K. Ltd), APPE Deutschland, GmbH and La Seda Benelux, NV (formerly APPE Benelux, NV), all of them under liquidation within the framework of the Insolvency Proceedings, as well as APPE Polska, Sp. z o.o., APPE Turckpack, A.Ş., APPE Maroc, S.A.R.L.A.U. (subsidiary of LSB Iberia, S.A.U.) and APPE Nordic AB (subsidiary of La Seda UK Ltd).

The Parent Company's Liquidation Plan contemplated as a first option, the sale of the Division by the transfer of the shareholdings as one pan-european production unit, by means of an international, public, competitive and transparent sale process that will maximize the sales value of the Division for a minimum price ("equity value") of 229 million euro. The sale requires the release of the guarantee granted by most of the companies ("waiver") but this waiver was not granted by the lenders of the Syndicated loan.



**1 Accounting policies (continued)**

The Court was informed about the failure to obtain the waiver and under these circumstances, the Insolvency Administration considered the second option in the Liquidation Plan which is to proceed with the joint sale of the production units as a group in a single transaction, of all the companies under Insolvency Proceedings (LSB Iberia, S.A.U.; LSB France, S.A.S.; La Seda UK Ltd; APPE Deutschland, GmbH; y La Seda Benelux, N.V.), the sale of the shares of APPE Polska, Sp.zo.o and the shareholdings of the companies not included in the Insolvency Proceedings (APPE Maroc, S.A.R.L.A.U., APPE Turkpack, A.Ş. and APPE Nordic AB), as well as the intellectual property rights owned by the Parent Company. The Court approved the asset sale on 29 July 2014.

On 13 October 2014 at the joint request of the Insolvency Administration and each of the Management Board of the companies, the Court issued an Order approving the suspension of the management powers of the Directors of LSB France, S.A.S., La Seda UK Ltd, APPE Deutschland, GmbH, La Seda Benelux, N.V., LSB Iberia, S.A.U. y APPE Polska, Sp.z.o.o. This action was done in order to guarantee the success of the sale of the Division, allowing the Insolvency Administration to directly negotiate and execute the sale, under the terms authorised by the Court.

Following the procedures established in the rules governing the process of the competitive sale, the Insolvency Administration selected three candidates for the second round of improved offers and candidate selected was Plastipak Holdings Inc. who offered the highest bid in terms of price for the Pan-European Packaging Division. Plastipak Holdings, Inc. offered 327.900 thousand euros after assigning a value to the business and assets of the Division amounting to 360.000 thousand euros and deducting certain assumed financial debt, pension and labour obligations. The offer also includes the voluntary assumption of all other claims against the estate relating to trade payables, labour, public and tax authorities, working capital requirements which will finally be deducted from the aforementioned price.

On 26 January 2015 the Mercantile Court of Barcelona issued an Order authorizing the sale of the Packaging Division to Plastipak Holdings, Inc. Several creditors appealed for reversal against the Court's decision. On 4 March and 10 April 2015, the Court dismissed the appeals made by the creditors who then launched a protest against the Court's ruling.

On 31 March 2015, the Master Share and Asset Purchase Agreement ("SPA") of the business assets of the Packaging Division was signed with the previously selected bidder, Plastipak BAWT, S.a.r.l, subsidiary of Plastipak Holding, Inc. The SPA was signed subject to conditions precedents, the most relevant one being the authorization by the European authorities on market competition. Once the conditions precedents were complied with, on 1 July 2015, the sale and purchase contracts specific to each company and territory were signed thereby making the transfer of the sale / shares effective.

On 24 December 2015, the Completion accounts were signed and the final price was agreed, after deducting the insolvent debts and credit against the estate which have been voluntarily assumed by the buyer, and the amounts were deposited in each of the company's bank accounts.

**1 Accounting policies (continued)**

For La Seda UK Ltd the total consideration for the business assets comprising of property, plant and equipment, trade and other receivables, inventories, trade and other payables as well as liabilities for pensions amounted to £53.694k and was satisfied by cash. The gain on disposal recognized in the profit and loss account in the prior year amounted to £15.440k (Note 4).

Opening of the Liquidation and dissolution phase of the Company

On 15 September 2015, after having completed the sale and transfer of the business assets, the Insolvency Administrators applied for the opening of the liquidation procedures of the Company. This was approved by the Mercantile Court on 16 October 2015 which also approved the company's dissolution.

On 19 November 2015, the mandatory Liquidation Plan was presented to the Court which was approved by means of a Court Order on 4 March 2016.

The Insolvency Administration is currently working towards obtaining the final results of the realization and sale of the assets of the Company, after the sale of the production unit and shall make the necessary arrangements for the registration of approved Court Orders on which the Liquidation Plan has been based upon, in the corresponding territory of the Company.

Due to these factors, in prior years the Directors decided to prepare the financial statements on a basis other than going concern basis and have continued this policy for the current year and hence these financial statements are prepared on a basis other than going concern basis.

**1 Accounting policies (continued)**

**1.3 Revenue**

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the provision of services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

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 principal outstanding and the effective interest rate applicable.

**1.4 Cash and cash equivalents**

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1.5 Financial instruments**

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**1 Accounting policies (continued)**

***Basic financial assets***

Basic financial assets, which include trade and other receivables, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

***Classification of financial liabilities***

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.

**1 Accounting policies (continued)**

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

**1.6 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

**1.7 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

***Current tax***

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. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

***Deferred tax***

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exception.

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reversed, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**1 Accounting policies (continued)**

**1.8 Provisions**

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

**1.9 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**1.10 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

**1.11 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

**1.12 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

**1.13 Research and development**

Research and development expenditure is written off to the income statement in the year it is

**1 Accounting policies (continued)**

**1.14 Finance costs**

Financial expenses comprise interest expense on borrowings which is recognised on an accruals basis using the effective interest method.

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

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

***Provision for syndicated loan***

The company is a guarantor, in part along with other fellow subsidiaries, to a syndicated loan liability entered into by its parent company. The total amount of the loan became due and commitments made by the guarantors crystallised on 30 January 2014. The liability of the company is estimated based upon the cash resources of the company once all creditors have been settled. The cash resources of the company has been estimated based upon the workings of the Insolvency Administrator.

**3 Revenue**

An analysis of the company's revenue is as follows:

	2016 £'000	2015 £'000
<b>Turnover</b>		
Sales of goods	-	74,103
Rendering of services	-	787
	<hr/>	<hr/>
	-	74,890
	<hr/>	<hr/>

**La Seda UK Ltd**

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

**For the year ended 31 December 2016**

**3 Revenue (continued)**

**Revenue analysed by geographical market**

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
United Kingdom	-	68,478
Rest of Europe	-	6,412
	<u>-</u>	<u>74,890</u>

**4 Profit on disposal of operations**

On 1 July 2015 the company sold its trade, assets and liabilities as follows:

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Property, plant and equipment	-	28,019
Investments	-	8
Trade and other receivables	-	22,001
Inventories	-	14,775
Trade and other payables	-	(22,591)
Provisions	-	(1,376)
Retirement benefit pension scheme	-	(3,265)
Deferred tax	-	683
	<u>-</u>	<u>38,254</u>
Gain on disposal	-	15,440
	<u>-</u>	<u>53,694</u>
Total consideration	-	53,694

All consideration was satisfied by cash.



## Notes to the financial statements (continued)

For the year ended 31 December 2016

**5 Exceptional (income)/costs**

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Syndicated loan liability	(243,609)	252,471

In the prior year, the above costs relate to the company's liability in party to a syndicated loan signed by its parent company in August 2010. The parent company entered into voluntary liquidation which involved the sale of its business units. The total amount of the loan became due and commitments made by the guarantors crystallised 30 January 2014. The estimated amount of the guarantee for each of the parent company guarantors was not determined until late April 2015.

In the current year the company obtained a waiver from the lenders of the syndicated loan, limiting the company's obligations as guarantor under the agreements to the maximum amount received out of the liquidation process of the company. As a result £244 million of the syndicated loan provision has been released to the income statement (see note 15 for further details).

**6 Operating profit/(loss)**

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Operating profit/(loss) for the year is stated after charging/(crediting):		
Exchange losses	35,457	6,165
Cost of inventories recognised as an expense	-	52,650
Operating lease charges	-	458

**7 Auditors' remuneration**

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Fees payable to the company's auditors and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	43	55
<b>For other services</b>		
All other non-audit services	-	70

**8 Employees**

The average monthly number of persons (including directors) employed by the company during the year was:

	<b>2016 Number</b>	<b>2015 Number</b>
Indirect	-	177
Direct	-	116
	<u>-</u>	<u>293</u>

Their aggregate remuneration comprised:

	<b>2016 £'000</b>	<b>2015 £'000</b>
Wages and salaries	-	6,242
Social security costs	-	596
Pension costs	-	542
	<u>-</u>	<u>7,380</u>

**9 Director's remuneration**

	<b>2016 £'000</b>	<b>2015 £'000</b>
Remuneration for qualifying services	-	157
Company pension contributions to defined contribution schemes	-	14
	<u>-</u>	<u>171</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 0 (2015 - 1).

**La Seda UK Ltd**

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

**For the year ended 31 December 2016**

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**10 Investment income**

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
<b>Interest income</b>		
Interest receivable from group companies	1,098	1,017
Other interest income	110	36
	<u>          </u>	<u>          </u>
Total income	<u>1,208</u>	<u>1,053</u>

**11 Finance costs**

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Interest on bank overdrafts and loans	-	162
Interest payable to group undertakings	873	702
Other interest	37	13
	<u>          </u>	<u>          </u>
	<u>910</u>	<u>877</u>

**12 Taxation**

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
<b>Current tax</b>		
UK corporation tax on profits for the current period	278	4,052
Adjustments in respect of prior periods	147	-
	<u>          </u>	<u>          </u>
Total current tax	<u>425</u>	<u>4,052</u>

Notes to the financial statements (continued)

For the year ended 31 December 2016

**12 Taxation (continued)**

The actual charge for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Profit/(loss) before taxation	201,572	(237,340)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.50%)	40,314	(48,655)
Tax effect of expenses that are not deductible in determining taxable profit	8,686	53,719
Tax effect of income not taxable in determining taxable profit	(48,722)	(528)
Unutilised tax losses carried forward	-	1,278
Adjustments in respect of prior years	147	-
Permanent capital allowances in excess of depreciation	-	(1,762)
Taxation charge for the year	425	4,052

Within 'Tax effect of expenses that are not deductible' above is the tax effect of £43,342,000 of foreign exchange (see Note 15) which, based on advice from the Company's tax advisor, has been determined to be not allowable for tax purposes.

**13 Trade and other receivables**

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Amounts falling due within one year:		
Trade receivables	-	1
Amount due from group undertakings	7,585	7,198
Other receivables	55	4,617
	7,640	11,816

Trade receivables are stated after provisions for impairment.

**La Seda UK Ltd**

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

**For the year ended 31 December 2016**

**14 Current liabilities**

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Trade payables	-	1
Amounts due to group undertakings	49,229	43,368
Corporation tax	610	4,068
Accruals and deferred income	39	71
	<u>49,878</u>	<u>47,508</u>

**15 Provisions for liabilities**

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Syndicated loan provision	<u>59,985</u>	<u>260,252</u>

Movements on provisions:

	<b>Syndicated loan provision £'000</b>
At 1 January 2016	260,252
Reversal of provision	(243,609)
Exchange difference	43,342
At 31 December 2016	<u>59,985</u>

The Company was a joint guarantor for the full amount of the Syndicated Loan signed in 2010 by its parent company, La Seda de Barcelona, S.A., "en liquidación". In the prior year the Director estimated the Company's liability towards this guarantee to be Eur355 million, equivalent to £260 million at 31 December 2015.

During the current year the company obtained a waiver from the lenders of the Syndicated Loan, limiting the company's obligations as guarantor under the agreements to the maximum amount received out of the liquidation process of the company and releasing the guarantees granted by the company under the agreements as of the date on which the maximum proceeds are paid amongst the lenders. The company has estimated the maximum proceeds to be Eur70,060, equivalent to £59,985 as at 31 December 2016, and has reduced the provision accordingly.

**La Seda UK Ltd****Notes to the financial statements (continued)****For the year ended 31 December 2016****16 Retirement benefit schemes**

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	-	542

In the prior year, the company operated a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

**Defined benefit schemes**

During the period up until 1 July 2015 the Company operated a funded defined benefit pension scheme which is contracted out of the state scheme. The scheme is now closed and therefore future accruals for existing members have ceased. It provides benefits based on final pensionable pay and the assets of the scheme are held separately from those of the Company.

On 1 July 2015 the defined benefit scheme was transferred along with other assets and liabilities of the company as detailed in note 4.

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
<i>Movements in the present value of defined benefit obligations</i>		
Liabilities at 1 January 2016	-	38,775
Disposals	-	(38,775)
At 31 December 2016	-	-

**17 Share capital**

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
7,000,000 Ordinary shares of £1 each	7,000	7,000

The Ordinary shares have no restrictions on the distribution of dividends or repayment of capital.

**18 Share premium account**

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

**19 Retained earnings**

The retained earnings represents accumulated comprehensive income for the year and prior periods, net of dividends and other adjustments.

**20 Events after the reporting date**

On 17 and 24 March 2017, part of the proceeds from the sale of the business assets amounting to £41,195k (Eur47,497k) of the £53,694K (Eur75,507K) received was distributed amongst the ordinary insolvency creditors recognised by the Company. In particular, £40,411K was distributed to the lenders of the Syndicate Loan under the guarantee contract it signed on 10 June 2010 and £784k was distributed to the intercompany creditors.

**21 Related party transactions**

The company participates as a guarantor to the syndicated loan signed by its parent company in 2010. See note 5.

**22 Controlling party**

The ultimate parent undertaking and controlling party is La Seda de Barcelona, S.A., "en liquidación" ("LSB"), incorporated in Spain.

The largest group in which the results of the Company are consolidated is that headed by La Seda de Barcelona, S.A., "en liquidación" ("LSB"). The consolidated financial statements of LSB are publicly available and may be obtained from Av Remolar 2, 08820 El Prat de Llobregat, Barcelona, Spain. No other group financial statements include the results of the company.