
Scapa Group Limited

Annual Report and Financial Statements

For the year ended 31 December 2022

Scapa Group Limited

Company Information

Directors	R J Nunez T Peacock (resigned 10 January 2023) A Wamser (resigned 1 April 2023) W Dickinson (appointed 10 January 2023) G Weitzel (appointed 2 April 2023)
Company secretary	D R Surbey
Registered number	00826179
Registered office	997 Manchester Road Ashton Under-Lyne Greater Manchester OL7 0ED
Independent auditors	Hurst Accountants Limited Chartered Accountants & Statutory Auditors Lancashire Gate 21 Tiviot Dale Stockport Cheshire SK1 1TD

Scapa Group Limited

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Scapa Group Limited

Strategic Report For the year ended 31 December 2022

Introduction

The directors present the audited annual report and accounts for the period ending 31 December 2022.

Business review

The ultimate controlling party of Scapa Group Limited during the year was Schweitzer- Maudit International Inc. In July 2022, Schweitzer- Maudit International Inc. merged with Neenah Inc. to form Mativ Holdings Inc.

The principal activity of the Company is to act as an intermediate holding company within the Mativ Holdings Inc. Group. There have not been any significant changes in the Company's principal activities in the period under review and the directors are not aware at the date of this report of any likely major changes in the next financial year. During the period ended 31 December 2022 the company made a loss before tax of £1,222k (9 months to December 2021 profit before tax: £265,326k); the movement from prior year is a result of an exceptional gain in the prior year following the sale of Porritts & Spencer Limited which arose from a company restructure. The Company is a subsidiary of Mativ Holdings Inc. and as such follows all Group policies.

Following the acquisition by SWM Inc, the financial year end for Scapa Group Limited was changed to December (formerly March) to align with SWM Inc, and as such the previous period was 9 months and therefore the comparative amounts presented in the financial statements are not entirely comparable.

Principal risks and uncertainties

The Company is a wholly owned subsidiary of Mativ Holdings Inc. (NYSE: MATV). The directors of Mativ Holdings Inc. manage the Group's risks at a Group level, rather than at an individual subsidiary level. Scapa Group Limited has net assets which are dependent upon the recoverability of intercompany debtors and are therefore reliant on the trading entities performance, with the risks and uncertainties of those entities being indirectly relevant to Scapa Group Limited. In addition, the Company's risks and uncertainties are also aligned with those of Mativ Holdings Inc. The principal risks and uncertainties of Mativ Holdings Inc, which include those of the Company, are discussed in the business review in the group's annual review which does not form part of this report. The Company mitigates the uncertainty over changes in interest rates by having fixed rate loan agreements.

Liquidity risk

In order to maintain liquidity and to ensure that sufficient funds are available for ongoing operations and future developments, the Company reviews its cash flow requirements on an on-going basis. Use of inter group borrowings is available as necessary.

Financial risk

The Company is exposed to various financial risks: foreign exchange risk, interest rate risk and liquidity risk. Foreign exchange risk arises primarily from recognised assets and liabilities, which is mitigated by a monthly hedge in place for the group. As part of the wider Group, the Company has access to financial support from Mativ Holdings, reducing any exposure to liquidity and interest rate risk.

Financial key performance indicators

Management uses a number of key performance indicators (KPI's) to monitor the performance of the business. The financial KPI's comprise the net assets as at 31 December 2022 of £176,573k (2021: £178,626k).

No non-financial KPIs have been presented as there are none monitored at the Scapa Group Limited level. Non-financial KPIs are only monitored on a Group basis.

Strategic Report (continued)
For the year ended 31 December 2022

Section 172 Statement

The directors take their duties and responsibilities seriously when managing the company. The way in which their duties and responsibilities are applied is covered, in part, within the Director's Report of these financial statements.

The following highlights how the directors have delivered against the requirements of Section 172 in the application of their duties:

S172(1)(A) "The likely consequences on any decision in the long term"

The company is a wholly owned subsidiary of Mativ Holdings Inc and all decisions of the company are aligned to the strategic priority of the Group which is 'Finding ways to improve everyday life'. All decisions of the company are taken in line with our written policies, our Code of Conduct and Mativ Holdings's guiding principles which require that directors and employees demonstrate trust, respect and integrity in all that we do.

S172(1)(B) "The Interests of the Company's employees"

Employees are a key stakeholder in the operations of the company and this is reflected in the fact that our first guiding principle states that 'Our employees are our most important asset', as this is fundamental and core to promoting the company's success.

Our actions are backed by four key values that are the foundation for everything that we do:

- We treat one another with respect,
- We keep an open mind to new ideas and various points of view,
- We value the differences that each person brings to the company,
- We believe in doing the right thing

We harness direct engagement with our employees through a 'culture of conversation' which encourages honest conversations, diversity of thought, teamwork, creativity and innovation.

A range of communication channels are used to keep employees informed of business performance, policy changes and people news including our company intranet, regular 'Town Hall' communications, social media, webinars, informal discussions together with videos and open question channels from the Group CEO.

During the Covid-19 pandemic, we regularly publicised the Employee Assistance Program and Government Financial Crisis Fund together with bi-weekly communication updates explaining control strategies and employee protection initiatives, and the company was able to remain 100% operational throughout the pandemic due to the support and dedication of our employees. In addition, during the pandemic the company protected the rights of shielding employees.

S172(1)(C) "The need to foster the Company's business relationships with suppliers, customers and others"

Customers

Whether it is through technology, manufacturing or global capabilities, we are committed to connecting our strengths to those of our customers. We do this through direct engagement with our customers on a regular basis to understand their particular challenges and how we may be able to solve them. Also, as a Group, we conduct customer satisfaction surveys to understand our customers' perceptions of how we are meeting their needs, together with attendance at trade shows and the development of specialised services to support business needs and partnerships.

Suppliers

Our key suppliers are an essential element of our supply chain and we have a Procurement function devoted to our engagement with suppliers, ensuring that we maintain direct engagement. Our attendance at Trade shows harnesses these relationships and we utilise questionnaires on materials and adherence to the Group's Code for Responsible Procurement.

Strategic Report (continued)
For the year ended 31 December 2022

Ultimate Parent

The Company's ultimate parent company was Mativ Holdings Inc. which is listed on the New York Stock Exchange (MATV). The interests of the Mativ Holdings Inc's stockholders is paramount and our parent company has an Investor Relations function which communicates regularly with stockholders to keep them informed of progress.

Government

The company undertakes meetings and engagement with local officials as required and ensures compliance with policy issues that impact our business and the community in which we operate.

S172(1)(D) "The impact of the Company's operations on the community and the environment"

Community

We are committed to building positive relationships with the communities in which we operate. The company liaises with the Community and Parish Council as part of any planning permission for any new facility build and partnerships with the Environment Agency, River Aire Trust, Wild Trout Trust, Angling Society and local neighbours regarding the weir removal for the waterway which crosses the company manufacturing site.

The Company also supports several local charitable events.

The Group has several relationships with global organisations, such as the Planet Water Foundation.

Sustainability

The Group has a long-standing commitment to environmental stewardship and sustainability, and we are committed to further integrating environmental principles into our strategies.

S172(1)(E) "The desirability of the Company maintaining a reputation for high standards of business conduct"

It is recognised by the directors that doing business the right way is key to long term success for the company and the Company uses a number of measures to ensure compliance.

The Group operates under a Code of Conduct which is Mativ Holdings Group's guide to ethics and responsibilities in the workplace and outlines the requirements of every director and employee. Ethics are fundamental to all aspects of our business, both internally and externally, and it is the role of all employees, managers and leaders to apply these requirements to their jobs and for reporting any suspected violations of law or the Code.

Regular updates and reminders of compliance requirements in the form of global emails are issued together with regular training updates.

The Group also operates a whistleblowing policy which allows any individual to report any form of non-compliance anonymously.

S172(1)(F) "the need to act fairly as between members of the Company"

The company is held directly by a single member and has one ultimate parent company, Mativ Holdings Inc, headquartered in the USA and listed on the New York Stock Exchange. The directors consider courses of action that enable delivery of our strategic priorities taking into account the impact on the Mativ Holdings group of companies globally.

Scapa Group Limited

Strategic Report (continued)
For the year ended 31 December 2022

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

W Dickinson

Director

Date: 7 September 2023

Directors' Report
For the year ended 31 December 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- 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 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.

Results and dividends

The loss for the year, after taxation, amounted to £1,871k (2021 - profit £268,587k).

Dividends paid during the period amounted to £Nil (December 2021: £260,799k).

Directors

The directors who served during the year were:

R J Nunez
T Peacock (resigned 10 January 2023)
A Wamser (resigned 1 April 2023)

Future developments

The directors expect the general level of activity to remain consistent with the period ended 31 December 2022 in the forthcoming year.

Directors' Report (continued)
For the year ended 31 December 2022

Environment, Health and Safety (EHS)

The Health and Safety of our employees continues to be the utmost priority for the business alongside the protection of the environment in which we work.

This philosophy extends to everyone who may be affected by our activities.

The company senior managers supported by the Group Head of EHS, ensure that adequate resources are available to successfully deploy and measure operational health, safety and environmental improvement plans.

EHS Programs and Performance

- Implementation of new Mativ EHS Software to deliver the Group strategy.
- Implementation of an EHS Integrated Management System.
- Implemented a new waste programme which diverts all waste from landfill, reduces waste sent for incineration, increases recycling and generate an income from premium waste.
- Certification to ISO 14001 (Environmental), ISO450001 Health and Safety and ISO50001 (Energy).
- Ensure EHS plays a central part of the Mativ Group culture through employee and other stakeholder engagement; and setting Prioritizing Safety as the primary Mativ Corporate Value.

Greenhouse gas emissions, energy consumption and energy efficiency action

What the Group has done on reducing Green House Gases emissions to date:

- There is an active Climate Change Agreement in place which sets defined sector reduction targets.
- Tracking of energy, waste and water usage as a KPI for the business and a site specific reduction target.
- Large scale project to replace lighting for new LED fittings.
- Procurement policy to only purchase energy efficient equipment.
- Investment in sub metering to gain a better understanding of energy usage.
- Targeted projects including scaled back usage of energy-intense equipment on site (e.g; variable operation of the

reduced thermal oxidiser in line with emissions risks).

What the Group plans to do on further Green House Gases reductions:

- Implementation of science based energy targets.
- Review energy purchasing and tariffs for consideration of green energy procurement.
- Energy transformation project to assess low carbon options such as photovoltaics and CHP (combined heat and power).
- Project to review energy infrastructure including upgrades to existing transformers.
- Completion of Energy Saving Opportunity Scheme (ESOS) phase 3.

The Group continues to assess opportunities to further reduce Green House Gases.

Scapa Group Limited

Directors' Report (continued) For the year ended 31 December 2022

Streamlined Energy and Carbon Reporting Requirements

The following assumptions, methodology, definitions and data validation processes have been used to report the Group's key environmental performance indicators in 2022. The reporting data complies with the Streamlined Energy and Carbon Reporting requirements:

- Boundary Scope: data from all locations which the Company has operational control is collected and measured.
- Primary data sources: these include billing, invoices and other systems provided by the supplier of the energy to communicate energy consumption.
- Secondary data sources: These include the Company's internal systems used to record and report the consumption data.
- Internal data validation: The process used to review and compare primary data with secondary data.
- Conversion factors: the 2022 Government GHG Conversion Factors for Company Reporting, published by the UK Department for Environment, Food & Rural Affairs (DEFRA), are used when converting gross emissions.
- Intensity metrics: total Carbon emissions per £m of revenue is used to calculate the Company's intensity metrics.

Energy Consumption (kWh)		12 months	9 months	
		Dec 2022	Dec 2021	
Scope 1: Combustion of fuel and operation of facilities	Natural Gas (kWh)	12,118,789	9,108,483	
	Red Diesel (kWh)	12,378	7,372	
	Refrigerant (kg)	80	98	
	Total Scope 1 Energy (kWh) ex. Refrigerants	12,131,167	9,115,855	
Scope 2: Electricity purchased	Total Electricity (kWh)	7,384,769	6,104,386	
Scope 3: Indirect emissions	Indirect Transport	24,485	25,490	
Total Scope 1, 2 and 3 Energy Consumption (kWh) ex. Refrigerants		19,540,421	15,245,731	
Emissions Assessment (tCO2e)		Dec 2022	Dec 2021	
Scope 1: Combustion of fuel and operation of facilities	Natural Gas (tCO2e)	2,212	1,668	
	Red Diesel (tCO2e)	3	2	
	Refrigerant (tCO2e)	112	137	
	Total Scope 1 (tCO2e)	2,327	1,808	
Scope 2: Electricity purchased and heat and steam generated	Location Based (LB) (tCO2e)	1,428	1,296	
	Market Based (MB) (tCO2e)	1,791	452	
Scope 3: Indirect emissions	Indirect Transport (tCO2e)	6	7	
Location Based	Total Scope 1, 2(LB) and 3 emissions (tCO2e)	3,761	3,110	
Market Based	Total Scope 1, 2 (MB) and 3 emissions	4,124	2,266	
Intensity Metric Assessment		Dec 2022	Dec 2021	Variance
Intensity ratio (Scope 1-3)	Revenue £m	84.9	78.3	8%

The site opportunistically pursues energy reduction projects and, due to our energy mix, when we reduce energy we also reduce greenhouse gas emissions. In 2022 the company ran a project using energy data loggers to establish areas of high energy use. The company also consolidated office space and have a comprehensive light swap out program for LED lights. The site also undergoes periodic energy assessments to identify new opportunities.

The table covers the 52 weeks to 31 December 2022 and the comparative is a period of 39 weeks for the period to December 2021 and only includes companies within the group who are required to report under SECR.

Scapa Group Limited

Directors' Report (continued)
For the year ended 31 December 2022

Exclusions: No Mandatory emissions have been excluded from this report.

Emission factors applied: DEFRA 2022.

Methodology: this report is aligned with GHG protocol and Environmental Reporting Guidelines including Streamlined Energy and Carbon Reporting guidance.

Estimations: 0.0% of energy (kWh) and 0.0% of emissions (tCO₂e) are based on estimated values.

Scope of emissions included in the report: Electricity, Natural Gas, Indirect Transport, Red Diesel and Refrigerants.

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.

Post balance sheet events

There have been no post balance sheet events.

Auditors

The auditors, Hurst Accountants Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

W Dickinson

Director

Date: 7 September 2023

Independent Auditors' Report to the Members of Scapa Group Limited

Opinion

We have audited the financial statements of Scapa Group Limited (the 'Company') for the year ended 31 December 2022, which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes, 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 Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent Auditors' Report to the Members of Scapa Group Limited (continued)

Opinion 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.

Matters on which we are required to report by exception

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent Auditors' Report to the Members of Scapa Group Limited (continued)

Auditors' 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 auditors' 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.

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Identifying and assessing potential risks related to irregularities

In identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the industry and sector in which the company operates; the control environment and business performance including key drivers for directors' remuneration, bonus levels and performance targets.
- The outcome of enquiries of local management and parent company management, including whether management was aware of any instances of non-compliance with laws and regulations, and whether management had knowledge of any actual, suspected, or alleged fraud.
- Supporting documentation relating to the Company's policies and procedures for:
 - Identifying, evaluating, and complying with laws and regulations
 - Detecting and responding to the risks of fraud
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
 - The outcome of discussions amongst the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.
 - The legal and regulatory framework in which the Company operates, particularly those laws and regulations which have a direct effect on the financial statements, such as the Companies Act 2006, pensions and tax legislation, or which had a fundamental effect on the operations of the Company, including General Data Protection requirements, and Anti-bribery and Corruption.

Audit response to risks identified

Our procedures to respond to the risks identified included the following:

- Reviewing the financial statements disclosures and testing to supporting documentation to assess compliance with the provisions of those relevant laws and regulations which have a direct effect on the financial statements.
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud.
- Evaluation the operating effectiveness of management's controls designed to prevent and detect irregularities.
- Enquiring of management about any actual and potential litigation and claims.
- Performing analytical procedures to identify any unusual or unexpected relationships which may indicate risks of material misstatement due to fraud.

Independent Auditors' Report to the Members of Scapa Group Limited (continued)

We have also considered the risk of fraud through management override of controls by:

- Testing the appropriateness of journal entries and other adjustments. We have used data analytics software to identify accounting transactions which may pose a heightened risk of material misstatement, whether due to fraud or error.
- Challenging assumptions made by management in their significant accounting estimates, and assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above, and the further removed non-compliance with laws and regulations are from the events and transactions reflected in the financial statements, the less likely we would become aware of them. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' 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 auditors' 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.

Helen Besant-Roberts (senior statutory auditor)

for and on behalf of

Hurst Accountants Limited

Chartered Accountants

Statutory Auditors

Lancashire Gate

21 Tiviot Dale

Stockport

Cheshire

SK1 1TD

8 September 2023

Scapa Group Limited

Statement of Comprehensive Income
For the year ended 31 December 2022

		31 December 2022 £000	9 month period ended 31 December 2021 £000
	Note		
Administrative expenses		(2,317)	(15,204)
Exceptional administrative expenses	14	-	20,397
Operating (loss)/profit	4	(2,317)	5,193
Profit/(loss) on disposal of investments	8	-	257,354
Interest receivable and similar income	9	7,370	6,269
Interest payable and similar expenses	10	(6,457)	(3,556)
Interest on defined benefit schemes	11	182	66
(Loss)/profit before tax		(1,222)	265,326
Tax on (loss)/profit	12	(649)	3,261
(Loss)/profit for the financial year/period		(1,871)	268,587
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Actuarial gain on defined benefit schemes	25	1,537	4,776
Pension surplus not recognised	25	(1,537)	(4,776)
Interest on defined benefit schemes	11	(182)	(66)
		(182)	(66)
Total comprehensive income for the year/period		(2,053)	268,521

The notes on pages 17 to 39 form part of these financial statements.

Scapa Group Limited
Registered number: 00826179

Balance Sheet
As at 31 December 2022

	Note	2022 £000	2021 £000
Fixed assets			
Tangible assets	15	136	253
Investments	16	9,905	9,905
		<u>10,041</u>	<u>10,158</u>
Current assets			
Debtors: amounts falling due after more than one year	17	359,998	360,102
Debtors: amounts falling due within one year	17	11,694	7,391
Cash at bank and in hand	18	3,711	264
		<u>375,403</u>	<u>367,757</u>
Creditors: amounts falling due within one year	19	(8,590)	(4,719)
Net current assets		<u>366,813</u>	<u>363,038</u>
Total assets less current liabilities		<u>376,854</u>	<u>373,196</u>
Creditors: amounts falling due after more than one year	20	(200,281)	(194,570)
Net assets excluding pension asset		<u>176,573</u>	<u>178,626</u>
Pension liability	25	-	-
Net assets		<u><u>176,573</u></u>	<u><u>178,626</u></u>
Capital and reserves			
Called up share capital	22	10,201	10,201
Other reserves	23	10,100	10,100
Merger reserve	23	29,573	29,573
Profit and loss account	23	126,699	128,752
		<u><u>176,573</u></u>	<u><u>178,626</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

W Dickinson
Director

Date: 7 September 2023

The notes on pages 17 to 39 form part of these financial statements.

Scapa Group Limited

Statement of Changes in Equity
For the year ended 31 December 2022

	Called up share capital £000	Other reserves £000	Merger reserve £000	Profit and loss account £000	Total equity £000
At 1 January 2022	10,201	10,100	29,573	128,752	178,626
Comprehensive income for the year					
Loss for the year	-	-	-	(1,871)	(1,871)
Interest on defined benefit schemes	-	-	-	(182)	(182)
Other comprehensive income for the year	-	-	-	(182)	(182)
Total comprehensive income for the year	-	-	-	(2,053)	(2,053)
Total transactions with owners	-	-	-	-	-
At 31 December 2022	10,201	10,100	29,573	126,699	176,573

The notes on pages 17 to 39 form part of these financial statements.

Scapa Group Limited

Statement of Changes in Equity
For the year ended 31 December 2021

	Called up share capital £000	Share premium account £000	Other reserves £000	Merger reserve £000	Profit and loss account £000	Total equity £000
At 1 April 2021 (as previously stated)	9,393	1,361	10,100	29,573	65,592	116,019
Prior year adjustment	-	-	-	-	(6,743)	(6,743)
At 1 April 2021 (as restated)	9,393	1,361	10,100	29,573	58,849	109,276
Comprehensive income for the period						
Profit for the period	-	-	-	-	268,587	268,587
Issue of shares	-	-	-	-	(66)	(66)
Other comprehensive income for the period	-	-	-	-	(66)	(66)
Total comprehensive income for the period	-	-	-	-	268,521	268,521
Contributions by and distributions to owners						
Dividends: Equity capital	-	-	-	-	(260,799)	(260,799)
Shares issued during the period	808	60,432	-	-	-	61,240
Transfer to profit and loss account	-	(61,793)	-	-	61,793	-
Equity-settled share-based payments	-	-	-	-	388	388
Total transactions with owners	808	(1,361)	-	-	(198,618)	(199,171)
At 31 December 2021	10,201	-	10,100	29,573	128,752	178,626

The notes on pages 17 to 39 form part of these financial statements.

Notes to the Financial Statements
For the year ended 31 December 2022

1. General information

Scapa Group Limited is a private company limited by shares incorporated in England and Wales, registered number 00826179. The address of the registered office is Manchester Road, Ashton Under-Lyne, Greater Manchester, OL7 0ED. The principal activity is that of an intermediate holding company.

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 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The previous period was 9 months and therefore the comparative amounts presented in the financial statements are not entirely comparable with the year ended 31 December 2022.

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of IAS 7 Statement of Cash Flows
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

This information is included in the consolidated financial statements of Mativ Holdings Inc. as at 31 December 2022 and these financial statements may be obtained from the Company Secretary, Mativ Holdings Inc., 100 Kimball Place, Suite 600 Alpharetta, Georgia, 30009, USA..

2.3 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its ultimate parent undertaking established under the law of a non-EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006.

Copies of the consolidated financial statements of Mativ Holdings Inc. may be obtained from its registered office, Mativ Holdings Inc., 100 Kimball Place, Suite 600 Alpharetta, Georgia, 30009, USA.

Notes to the Financial Statements
For the year ended 31 December 2022

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

2.5 Interest income

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

2.6 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.

Notes to the Financial Statements
For the year ended 31 December 2022

2. Accounting policies (continued)

2.7 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.

Defined benefit pension plan

The amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. Actuarial gains and losses are recognised immediately in the Statement of Comprehensive Income.

For defined benefit schemes, the Company recognises plan assets where they are separable, solely for payment to the fund or to fund employee benefits, not available to the Company's creditors in bankruptcy and where assets cannot be returned to the Company unless all employee benefit obligations are met.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the Group, in separate Trustee-administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained annually and are updated at each Balance Sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the Balance Sheet.

Where a defined benefit pension scheme is in surplus, this is recognised on the Balance Sheet only to the extent the Group can demonstrate that it has an unconditional right to refund in relation to the surplus. Where an unconditional right to a refund can't be demonstrated, the asset is restricted to nil.

Notes to the Financial Statements
For the year ended 31 December 2022

2. Accounting policies (continued)

2.8 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

2.9 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, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.10 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

Notes to the Financial Statements
For the year ended 31 December 2022

2. Accounting policies (continued)

2.11 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.

Depreciation is provided on the following basis:

Fixtures and fittings	- 4-8 years
Computer equipment	- 7-13 years

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.

2.12 Impairment of fixed assets

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.14 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.

Notes to the Financial Statements
For the year ended 31 December 2022

2. Accounting policies (continued)

2.15 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.16 Creditors

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

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.17 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

Notes to the Financial Statements
For the year ended 31 December 2022

2. Accounting policies (continued)

2.19 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

Fair value through profit or loss

All of the Company's financial assets are subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses being recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

Financial liabilities

Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss, when the financial liability is held for trading, or is designated as at fair value through profit or loss. This designation may be made if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, or the financial liability forms part of a group of financial instruments which is managed and its performance is evaluated on a fair value basis, or the financial liability forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at fair value through profit or loss. Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

At amortised cost

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

2.20 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Notes to the Financial Statements
For the year ended 31 December 2022

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

Preparation of the financial statements requires management to make significant judgements and estimates that effect amounts recognised for assets and liabilities at the reporting date and the amount of revenue and expenses incurred during the reporting period. Actual outcomes may differ from these judgements, estimates and assumptions. The judgements, estimates and assumptions that have the most significant effect on the carrying value of the assets and liabilities of the Company as at 31 December 2022 are as follows:

Critical judgements in applying the Company's accounting policies

In process of applying the Company's accounting policies, which are described above, the directors have made the following judgement that has the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below) and has been particularly complex or involving subjective assessments:

The Pension scheme, when measured under IAS 19, resulted in a surplus of £10.3m and the recognition of this surplus was assessed in-line with IFRIC 14. This states that the pension surplus can be recognised in the accounts if the Company can demonstrate an unconditional right to a refund in the circumstances specified in IFRIC 14. As the Company cannot demonstrate an unconditional right to a refund, no surplus has been recognised for the defined benefit scheme in the Company accounts.

Key sources of estimation uncertainty

Defined benefit pension scheme

Accounting for retirement benefit schemes under IAS 19 (revised) requires an assessment of the future benefits payable in accordance with the actuarial assumptions. The future assumptions in relation to the discount rate applied in the calculation of scheme liabilities which are set out in note 25, represent a key source of uncertainty for the Company. The Company also applies sensitivities to these assumptions to assess the financial impact; these sensitivities are set out in note 25.

Carrying value of investments and subsidiary loan impairments

The assessment of the discounted cash flows and the key inputs into the future forecasts for the investments involve the use of market participant discount rate calculated at a CGU level. This includes the addition of a premium to reflect the current size and market capitalisation of the Company and compares this to a set of relevant comparators. The cash flows used for these assessments have been calculated using a management approved forecast.

Should these estimates vary, the profit or loss and balance sheet of the following years could be significantly impacted.

Scapa Group Limited

Notes to the Financial Statements
For the year ended 31 December 2022

4. Operating (loss)/profit

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

	31 December 2022 £000	9 month period ended 31 December 2021 £000
Depreciation of tangible fixed assets	74	81
Exchange (gains)/losses	94	(221)
Share based payments	-	388
Defined contribution pension cost	<u>101</u>	<u>128</u>

5. Auditors' remuneration

During the year, the Company obtained the following services from the Company's auditors and their associates:

	31 December 2022 £000	9 month period ended 31 December 2021 £000
Fees payable to the Company's auditors and their associates for the audit of the Company's financial statements	6	5
Fees payable to the Company's auditors and their associates in respect of:		
Taxation compliance services	5	-
All non-audit services not included above	<u>2</u>	<u>2</u>

Scapa Group Limited

Notes to the Financial Statements
For the year ended 31 December 2022

6. Employees

Staff costs, including directors' remuneration, were as follows:

	31 December 2022 £000	9 month period ended 31 December 2021 £000
Wages and salaries	2,407	4,074
Social security costs	281	559
Cost of defined contribution scheme	101	128
	<u>2,789</u>	<u>4,761</u>

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

	31 December 2022 No.	9 month period ended 31 December 2021 No.
Average number of employees	<u>24</u>	<u>31</u>

7. Directors' remuneration

	31 December 2022 £000	9 month period ended 31 December 2021 £000
Directors' emoluments	257	477
Company contributions to defined contribution pension schemes	-	4
	<u>257</u>	<u>481</u>

During the year retirement benefits were accruing to no directors (2021 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £257k (2021 - £210k).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £ NIL (2021 - £4k).

Scapa Group Limited

Notes to the Financial Statements
For the year ended 31 December 2022

8. Profit/(loss) on disposal of investments

	2022 £000	2021 £000
Disposal of investment	-	257,354

In the prior period, the company disposed of its investment in Porritts & Spencer Limited recognising a gain on disposal of £257,354k.

9. Interest receivable

	31 December 2022 £000	9 month period ended 31 December 2021 £000
Interest receivable from group companies	7,368	6,269
Other interest receivable	2	-
	<u>7,370</u>	<u>6,269</u>

10. Interest payable and similar expenses

	31 December 2022 £000	9 month period ended 31 December 2021 £000
Bank interest payable	-	412
Loans from group undertakings	6,457	3,144
	<u>6,457</u>	<u>3,556</u>

Scapa Group Limited

Notes to the Financial Statements
For the year ended 31 December 2022

11. Other finance costs

	31 December 2022 £000	9 month period ended 31 December 2021 £000
Interest income on pension scheme assets	1,880	1,439
Net interest on net defined benefit liability	(1,698)	(1,373)
	<u>182</u>	<u>66</u>

12. Taxation

	31 December 2022 £000	9 month period ended 31 December 2021 £000
Corporation tax		
Current tax on profits for the year	-	(387)
Total current tax	-	(387)
Deferred tax		
Origination and reversal of timing differences	(295)	(2,615)
Changes to tax rates	-	(259)
Adjustments in respect of prior periods	944	-
Total deferred tax	649	(2,874)
Taxation on profit/(loss) on ordinary activities	<u>649</u>	<u>(3,261)</u>

Notes to the Financial Statements
For the year ended 31 December 2022

12. Taxation (continued)

Factors affecting tax charge for the year/period

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

	31 December 2022 £000	9 month period ended 31 December 2021 £000
(Loss)/profit on ordinary activities before tax	(1,222)	265,326
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	(232)	50,412
Effects of:		
Non-tax chargeable impairment reversals	-	(3,400)
Expenses not deductible for tax purposes	8	-
Profit on disposal of subsidiary	-	(48,897)
Income not taxable and other deductions	-	(1,376)
Adjustments to tax charge in respect of prior periods	944	-
Short term timing difference leading to an increase (decrease) in taxation	(71)	-
Total tax charge for the year/period	649	(3,261)

Factors that may affect future tax charges

Corporation tax main rates are due to increase to 25% in the tax year commencing 1 April 2023 for companies whose profits exceed £250k. A tapered rate will be introduced for profits above £50k up to the £250k limit.

13. Dividends

	2022 £000	2021 £000
Ordinary		
Dividends paid on equity capital	-	260,799

Scapa Group Limited

Notes to the Financial Statements
For the year ended 31 December 2022

14. Exceptional items

	31 December 2022 £000	9 month period ended 31 December 2021 £000
Reversal of intercompany impairments	-	17,897
Reversal of investment impairments	-	2,500
	<u>-</u>	<u>20,397</u>

In the prior period, intercompany loan impairments were reversed in Scapa North America Inc. (£16,887k), Scapa Deutschland GmbH (£809k) and Scapa Brasil Ltda. (£200k) and an investment impairment was reversed in Scapa Blackburn Limited (£2,500k).

15. Tangible fixed assets

	Fixtures and fittings £000	Computer equipment £000	Total £000
Cost or valuation			
At 1 January 2022	449	13,136	13,585
Disposals	-	(84)	(84)
At 31 December 2022	<u>449</u>	<u>13,052</u>	<u>13,501</u>
Depreciation			
At 1 January 2022	434	12,898	13,332
Charge for the year on owned assets	4	70	74
Disposals	-	(41)	(41)
At 31 December 2022	<u>438</u>	<u>12,927</u>	<u>13,365</u>
Net book value			
At 31 December 2022	<u>11</u>	<u>125</u>	<u>136</u>
At 31 December 2021	<u>15</u>	<u>238</u>	<u>253</u>

Scapa Group Limited

Notes to the Financial Statements
For the year ended 31 December 2022

16. Fixed asset investments

	Investments in subsidiary companies £000	Unlisted investments £000	Total £000
Cost or valuation			
At 1 January 2022	13,051	7,405	20,456
At 31 December 2022	13,051	7,405	20,456
Impairment			
At 1 January 2022	10,551	-	10,551
At 31 December 2022	10,551	-	10,551
Net book value			
At 31 December 2022	2,500	7,405	9,905
At 31 December 2021	2,500	7,405	9,905

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Scapa Blackburn Limited	Ordinary	100 %
First Water Limited	Ordinary	100 %
First Water Ramsbury Limited*	Ordinary	100 %
Scapa Healthcare Limited*	Ordinary	100 %
Systagenix Wound Management Manufacturing Limited*	Ordinary	100 %
Crawford Manufacturing Limited*	Ordinary	100 %
HiMedica Limited**	Ordinary	100 %
Scapa Denver (North) Limited*	Ordinary	100 %

* These subsidiaries are owned by First Water Limited

** This subsidiary is owned by Crawford Manufacturing Limited

All the subsidiaries listed have a registered office address of 997 Manchester Road, Ashton Under-Lyne, Manchester, England.

Scapa Group Limited

Notes to the Financial Statements
For the year ended 31 December 2022

17. Debtors

	2022 £000	2021 £000
Due after more than one year		
Amounts owed by group undertakings	359,998	360,102
	<u>359,998</u>	<u>360,102</u>
Due within one year		
Trade debtors	-	10
Amounts owed by group undertakings	9,195	4,210
Other debtors	185	174
Prepayments and accrued income	89	123
Deferred taxation	2,225	2,874
	<u>11,694</u>	<u>7,391</u>

The terms of loans owed by group undertakings vary; expiry of these ranges from 2022 to 2027. The loans are unsecured and carry interest at a variable rate between 0.99% and 6.25%.

18. Cash and cash equivalents

	2022 £000	2021 £000
Cash at bank and in hand	<u>3,711</u>	<u>264</u>

Scapa Group Limited

Notes to the Financial Statements
For the year ended 31 December 2022

19. Creditors: Amounts falling due within one year

	2022 £000	2021 £000
Trade creditors	494	214
Amounts owed to group undertakings	7,468	3,353
Other taxation and social security	-	4
Other creditors	15	15
Accruals and deferred income	484	1,133
Derivatives	129	-
	<u>8,590</u>	<u>4,719</u>

The terms of loans owed to group undertakings vary; expiry of these ranges from 2024 to 2025. The loans are unsecured and carry interest at a fixed or variable rate between 1.83% and 6.25%.

20. Creditors: Amounts falling due after more than one year

	2022 £000	2021 £000
Loans owed to group undertakings	<u>200,281</u>	<u>194,570</u>

The terms of loans owed to group undertakings vary; expiry of these ranges from 2024 to 2025. The loans are unsecured and carry interest at a fixed or variable rate between 1.83% and 6.25%.

21. Deferred taxation

	2022 £000	2021 £000
At beginning of year	2,874	-
Charged/(credited) to the profit or loss	(649)	2,874
At end of year	<u>2,225</u>	<u>2,874</u>

Scapa Group Limited

Notes to the Financial Statements
For the year ended 31 December 2022

21. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	2022 £000	2021 £000
Accelerated capital allowances	1,226	1,207
Tax losses carried forward	999	1,667
	<u>2,225</u>	<u>2,874</u>

22. Share capital

	2022 £000	2021 £000
Allotted, called up and fully paid		
204,023,321 (2021 - 204,023,321) Ordinary shares of £0.05 each	<u>10,201</u>	<u>10,201</u>

23. Reserves

Other reserves

Other reserves, which are non-distributable, represent unrealised intra-group profits on the sale of a subsidiary by the Company to an intermediate holding company.

Merger Reserve

Merger reserve represents the difference between the value of shares issued by the Company in exchange for the value of shares acquired in respect of the acquisition of subsidiaries.

Profit and loss account

The profit and loss account reserve is the accumulation of profits and losses made by the company since incorporation, net of dividends paid.

Notes to the Financial Statements
For the year ended 31 December 2022

24. Share based payments

Potential issues of ordinary shares

The company had a share option scheme for certain managers and other staff, allowing them to hold options to subscribe for shares in the company. The scheme was equity settled upon the sale of the business to SWM International Inc on 15 April 2021.

Options were exercisable at a price equal to the average quoted market price of the Group's shares on the date of grant. Options were forfeited if the employee leaves the Group through resignation or dismissal before the options vest.

Equity-settled share options are measured at fair value at the date of grant. The fair value determined at the date of grant is expensed over the vesting period, based upon the Group's estimate of shares that will eventually vest.

The fair value was measured by use of a Black Scholes model according to the relevant measures of performance. The model includes adjustments, based upon management's best estimate, for the effects of exercise restrictions, behavioural considerations and expected dividend payments. The option life is derived from models based upon these assumptions.

The Company recognised total expenses of £nil (£388k) related to equity-settled share-based payments. This expense includes the charge for the new options granted during the year, net of release of charge for the options for which it has been concluded that vesting criteria will not be met.

	Weighted average exercise price (pence) 2022	Number 2022	Weighted average exercise price (pence) 2021	Number 2021
Outstanding at the beginning of the year	0	-	215	3,410,550
Granted during the year	0	-	0	-
Forfeited during the year	0	-	-215	(3,410,550)
Exercised during the year	0	-	0	-
Expired during the year	0	-	0	-
Outstanding at the end of the year	0	-	0	-
			2022	2021
Weighted average share price (pence)			n/a	215
Exercise price (pence)			n/a	nil
Weighted average contractual life (days)			n/a	n/a
Expected volatility			n/a	n/a
Risk-free interest rate			n/a	n/a

Notes to the Financial Statements
For the year ended 31 December 2022

24. Share based payments (continued)

Scapa Group 2015 Value Creation Plan

The Company implemented the Value Creation Plan (VCP) in 2015/16 to reward participants for creating value through growth in the Company's share price. If defined share price targets are met on defined dates, the growth in excess of £1.95 (up to a maximum of £5.00) will be shared by the Plan's participants. The total amount awarded to participants in the Plan was set as 5% of the number of shares in issue.

As at 1 April 2021, a total of 1,645,766 options remained to be exercised. These were equity settled upon the sale of the business to SWM International Inc on 15 April 2021.

25. Pension commitments

Defined contribution scheme

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The total pension cost for the Company in respect of this scheme for the period ended 31 December 2022 was £101k (2021: £128k). Outstanding contributions as at 31 December 2022 totaled £8k (2021: £6k).

Defined benefit scheme

The Company operates a defined benefit pension scheme.

The Scapa Group Limited Pension Scheme, which has the assets and liabilities of former employees. The scheme has been closed to new members and future accrual since 2007/08 and is wholly funded by the sponsoring employers, Scapa Group Limited and Scapa UK Limited. The assets of the scheme are held separately from the Company under Trust and both the assets and liabilities are held on a nonsectionalised basis. This scheme is managed by a professional trustee.

Scheme assets are stated at their market value as at 31 December 2022. The next formal triennial valuation is due 1 April 2023 and will be completed no later than 30 September 2024.

The expected investment returns have been calculated using the weighted average of the expected investment returns for the different asset classes. The expected return on investments for the UK scheme is set out in the table in this note.

The assumptions relating to UK longevity underlying the pension liabilities at the balance sheet date are based on standard actuarial mortality tables, with adjustments to reflect actual experience. For the period to 31 December 2022, the IAS 19 calculations have been performed using standard actuarial tables known as S2PA. Future improvements in mortality have been allowed for using the core CMI 2021 model, with a long-term rate of improvement of 1.25% per annum. In the current period these tables have been adjusted with a loading to reflect the geographic membership profile of the scheme. During the year to March 2016 a postcode mortality exercise was conducted on the scheme's membership. The results of this exercise showed that a best estimate adjustment to the base table used by the formal triennial actuarial valuation was 115% for all members. This assumption, reducing the expected longevity of members, has been used in the disclosures.

Scapa Group Limited

Notes to the Financial Statements
For the year ended 31 December 2022

25. Pension commitments (continued)

Reconciliation of present value of plan liabilities:

	2022 £000	2021 £000
Reconciliation of present value of plan liabilities		
At the beginning of the year	94,931	96,748
Interest cost	1,698	1,373
Actuarial gains/losses	(21,850)	2,035
Benefits paid	(6,387)	(5,225)
At the end of the year	68,392	94,931

Reconciliation of present value of plan assets:

	2022 £000	2021 £000
Reconciliation of present value of plan assets		
At the beginning of the year	103,718	100,759
Current service cost	(598)	-
Interest income	1,880	1,439
Actuarial gains/losses	(22,704)	5,359
Contributions	2,807	1,386
Benefits paid	(6,387)	(5,225)
At the end of the year	78,716	103,718

Composition of plan assets:

	2022 £000	2021 £000
UK and overseas equities	-	10,257
Corporate bonds	37,279	46,975
Fixed interest government bonds	12,281	22,256
Index linked government bonds	15,576	20,504
Property	-	1,665
Hedge funds	6,314	830
Cash	7,266	1,231
Total plan assets	78,716	103,718

Scapa Group Limited

**Notes to the Financial Statements
For the year ended 31 December 2022**

25. Pension commitments (continued)

	2022	<i>2021</i>
	£000	<i>£000</i>
Fair value of plan assets	78,716	<i>103,718</i>
Present value of plan liabilities	(68,392)	<i>(94,931)</i>
Cumulative surplus not recognised	(10,324)	<i>(8,787)</i>
Net pension scheme liability	-	<i>-</i>

The amounts recognised in profit or loss are as follows:

	2022	<i>2021</i>
	£000	<i>£000</i>
Interest on obligation	(1,698)	<i>(1,373)</i>
Interest income on plan assets	1,880	<i>1,439</i>
Administrative costs	(654)	<i>(415)</i>
Total	(472)	<i>(349)</i>

The Company expects to contribute £NIL to its defined benefit pension scheme in 2023.

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2022	<i>2021</i>
	%	<i>%</i>
Discount rate	4.80	<i>1.85</i>
RPI inflation assumption (non-pensioner)	3.15	<i>3.26</i>
CPI inflation assumption (non-pensioner)	2.45	<i>2.59</i>
Amount of pension commuted for cash	25.00	<i>25.00</i>
Mortality rates		
- for a male aged 65 now	19.9	<i>20.50</i>
- at 65 for a male aged 45 now	21.3	<i>21.80</i>
- for a female aged 65 now	22.2	<i>22.60</i>
- at 65 for a female member aged 45 now	23.7	<i>24.10</i>

Scapa Group Limited

**Notes to the Financial Statements
For the year ended 31 December 2022**

25. Pension commitments (continued)

Assumed healthcare cost trend rates have a significant effect on the amounts recognised in profit or loss. A 0.5 percentage point change in assumed healthcare cost trend rates would have the following effects:

	31 December 2022	<i>31 December 2021</i>
Discount rate + 0.50%	(3,500)	<i>(6,336)</i>
Discount rate - 0.50%	3,835	<i>7,049</i>
Inflation rate + 0.50%	1,404	<i>3,117</i>
Inflation rate - 0.50%	<u>(1,411)</u>	<i><u>(3,183)</u></i>

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

	2022	<i>2021</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>
	£000	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Defined benefit obligation	(68,392)	<i>(94,931)</i>	<i>(96,748)</i>	<i>(90,135)</i>	<i>(97,030)</i>
Fair value of plan assets	78,716	<i>103,718</i>	<i>100,759</i>	<i>92,909</i>	<i>95,570</i>
Cumulative asset restriction	(10,324)	<i>(8,787)</i>	<i>(4,011)</i>	<i>(2,774)</i>	<i>-</i>
	<u>-</u>	<i><u>-</u></i>	<i><u>-</u></i>	<i><u>-</u></i>	<i><u>(1,460)</u></i>
Surplus/(Deficit)					
Experience adjustments on scheme liabilities	21,850	<i>(2,035)</i>	<i>(10,440)</i>	<i>2,599</i>	<i>2,869</i>
Experience adjustments on scheme assets	(22,704)	<i>5,359</i>	<i>7,428</i>	<i>211</i>	<i>3,210</i>
	<u>(854)</u>	<i><u>3,324</u></i>	<i><u>(3,012)</u></i>	<i><u>2,810</u></i>	<i><u>6,079</u></i>
))		

26. Controlling party

The immediate parent Company is AMS Holdco 2 Limited, a company incorporated in England and Wales, registration number 12608527. The registered address is 125 Old Broad Street, London, England EC2N 1AR.

Until July 2022, the company's ultimate parent company was Schweitzer-Mauduit International Inc. In July 2022, Schweitzer-Mauduit International Inc. merged with Necnah Inc. to form Mativ Holdings Inc. The ultimate parent undertaking and controlling party is now Mativ Holdings Inc., which is the parent undertaking of the smallest and largest group to consolidate these financial statements.

Copies of the consolidated financial statements of Mativ Holdings Inc. may be obtained from its registered office, from the Company Secretary, Mativ Holdings Inc., 100 Kimball Place, Suite 600 Alpharetta, Georgia, 30009, USA.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.