

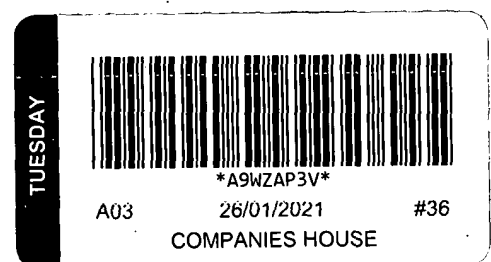
Kleopatra UK Limited

Report and financial statements

For the Year Ended

31 December 2019

Company Number
06200724



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Directors

Adam Richard Barnett
James Andrew Diprose
Neil Armstrong Hancock

Company Secretary

Roxane Tamas

Company registered office

Unit 34 Fern Close, Pen-y-Fan Industrial Estate, Crumlin, Gwent NP11 3EH

Company number

06200724

Auditor

DELOITTE LLP, 1 City Square, Leeds, LS1 2AL

Kleopatra UK Limited

Strategic report for the year ended 31 December 2019

The directors of Kleopatra UK Limited (the "Company") present their Strategic Report together with the audited financial statements of the company for the year ended 31 December 2019.

The company holds investments in the companies shown in Note 7. No change to the company's activities is expected going forward.

Business Review and Dividends

The company's profit/(loss) for the period after taxation was (£1,351,344) loss, (2018: £18,421,936 profit).

The directors have considered the company's current financial position, and having reviewed its distributable reserves, consider it justified to not recommend a dividend payment this period (2018: £0).

Dividend income received in the period was £0 (2018: £26,940,865).

Principal risks and uncertainties

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of Kleopatra Holdings 2 S.C.A., which include those of the company, are discussed in the strategic report of the Group's financial statements which does not form part of this report.

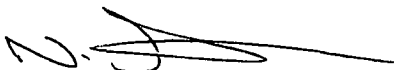
Brexit is unlikely to have any direct impact on the entity's outlook because the entity does not trade with customers.

Given the straightforward nature of this company, Covid-19 is not expected to have a material impact on this entity.

Key Performance Indicators

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of Kleopatra Holdings 2 S.C.A., which include those of the company, are discussed in the Directors' Report in Kleopatra Holdings 2 S.C.A. annual report, which does not form part of this report (see note 11). Such risks are managed on a group basis.

On behalf of the Board



Neil Armstrong Hancock
Director

January 26th, 2021

Kleopatra UK Limited**Directors report for the year ended 31 December 2019**

The directors present their Annual report together with the audited financial statements for the period ended 31 December 2019.

Directors

The directors of the company during the year and up to the date of approval of the financial statements were as follows:

Daniel Alexander Dayan	(appointed 22 - 06 - 18) (resigned 11 - 04 - 19)
John Alexander Dunsford	(appointed 22 - 06 - 18) (resigned 25 - 10 - 19)
Helene Elizabeth Roberts	(appointed 22 - 06 - 18) (resigned 30 - 09 - 19)
Adam Richard Barnett	(appointed 25 - 10 - 19)
Neil Armstrong Hancock	(appointed 25 - 10 - 19)
James Andrew Diprose	(appointed 25 - 10 - 19)

Financial risk management*Price risk*

The company is exposed to commodity price risks as a result of its operation. However, given the size of the company's operations, the costs of managing exposure to commodity price risk exceed any potential benefits. The Directors will revisit the appropriateness of this policy should the company's operations change in size or nature. The company has no exposure to equity securities price risk as it holds no listed or other equity investments.

Credit risk

Credit risk arises from cash and cash equivalents, receivables from customers and deposits with banks and financial institutions, including committed transactions. The company has implemented policies that require appropriate credit checks on potential customers before sales are made. Where a potential risk has been identified, advance payment is required. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed annually by the management of the company.

Liquidity risk and interest rate risk

Liquidity risk and interest rate risk are managed at Group level. The Group's policies in respect of liquidity risk and interest rate risk are discussed in the Directors' report of the Group's financial statements which does not form part of this report.

Currency risk

The company experienced some currency volatility following the UK referendum on EU membership, however the effects on the bottom line were limited in the year. Activities are focused on transactional cash flows which arise from receivables, payables, loans, cash balances, orders, received purchase orders, etc. The primary responsibility to identify hedge currency exposures lies with the company, this is managed and mitigated by monthly currency hedges. This is ongoing, whilst it continues to monitor the effects of a UK withdrawal from the European Union. Currency risk is managed on a Group-wide basis.

Future Developments

The level of activity in the company is expected to remain on similar levels over the coming twelve months.

Going Concern

Neither Covid-19 nor Brexit are expected to have a material adverse impact on the company due to the straightforward nature of this entity.

Having considered the risk and uncertainties in the Strategic report, the Company's business and financial forecasts, the impact on those forecasts of reasonably possible changes in the prospects of the Company, the Directors are of the view that it is appropriate to adopt the going concern basis in the preparation of the financial statements. Further details are included in the accounting policies (note 1).

Kleopatra UK Limited

Directors report for the year ended 31 December 2019

Post Balance Sheet Events

On 25th September 2020, Klockner Pentaplast GmbH transferred the entire share capital of the company to KP Senior Holdings Limited for no consideration. This was done as part of a wider reorganization of the Klockner Pentaplast group, the European structure of the group was now being reorganized in order to integrate the European entities in order to capitalize on operational and financial efficiencies within the group. For more information, please refer to Note 13.

Disclosure of information to auditor

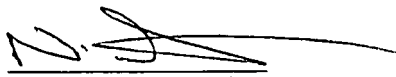
Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

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

Reappointment of auditor

The auditor, Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors.

Approved by the Board on 11 January 2021 and signed on its behalf by:


Neil Armstrong Hancock
Director

January 26th, 2021

Kleopatra UK Limited

Statement of Directors' Responsibilities

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

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

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

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

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

The Directors 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.

Kleopatra UK Limited

Independent Auditor's Report to the Members of Kleopatra UK Limited

Report on the audit of the financial statements

Opinion

In our opinion, Kleopatra UK Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 12.

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

Basis for opinion

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

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

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

Kleopatra UK Limited

Independent Auditor's Report to the Members of Kleopatra UK Limited

Other information (continued)

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

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

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

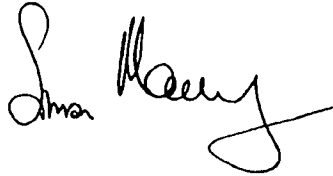
We have nothing to report in respect of these matters

Kleopatra UK Limited

Independent Auditor's Report to the Members of Kleopatra UK Limited

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink, appearing to read 'Simon Manning', with a stylized flourish at the end.

Simon Manning, FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

Leeds, United Kingdom

January 26th, 2021

Kleopatra UK Limited

Company number 06200724

Profit and loss account for the year ended 31 December 2019

	Notes	Dec 2019 £	Dec 2018 £
Administrative expenses		(36,365)	(29,753)
Provision against investment in subsidiary	7	-	(9,100,000)
Operating loss	4	(36,365)	(9,129,753)
Exchange rate (loss)/gain		(1,400,290)	542,573
Interest receivable and similar income	5	85,311	68,251
Dividends	3	-	26,940,865
Loss/(profit) before taxation		(1,351,344)	18,421,936
Taxation on profit	6	-	-
Loss/(profit) after taxation		(1,351,344)	18,421,936

All amounts relate to continuing activities.

There was no other comprehensive income for the period ended 31 December 2019 (31 December 2018: nil).

The notes on pages 12 to 19 form part of these financial statements.

Kleopatra UK Limited**Balance sheet at 31 December 2019**

	Notes	Dec 2019 £	Dec 2018 £
Fixed Assets			
Investments	7	157,812,559	157,812,559
Current Assets			
Debtors	8	27,405,850	28,726,880
		<u>27,405,850</u>	<u>28,726,880</u>
Creditors			
Creditors: amounts falling due within one year	9	(233,887)	(203,573)
		<u>(233,887)</u>	<u>(203,573)</u>
Net current assets		<u>27,171,963</u>	<u>28,523,307</u>
Total assets less current liabilities		<u>184,984,522</u>	<u>186,335,866</u>
Net Assets		<u>184,984,522</u>	<u>186,335,866</u>
Capital and Reserves			
Called up share capital	10	3	3
Share premium account		36,523,500	36,523,500
Capital contribution		125,162,590	125,162,590
Profit and loss account		23,298,429	24,649,773
		<u>184,984,522</u>	<u>186,335,866</u>
Shareholders' funds		<u>184,984,522</u>	<u>186,335,866</u>

The financial statements were approved by the Board and authorized for issue on



Neil Armstrong Hancock
Director

January 26th, 2021

The notes on pages 12 to 19 form part of these financial statements

Kleopatra UK Limited**Statement of changes in equity**

	Called up share capital	Share premium account	Capital Contribution	Profit and loss account	Shareholders' funds
	£	£	£	£	£
At 1 January 2018	3	36,523,500	125,162,590	6,227,837	167,913,930
Contribution to Reserves	-	-	-	-	-
Profit for the year and total comprehensive income	-	-	-	18,421,936	18,421,936
At 31 December 2018	3	36,523,500	125,162,590	24,649,773	186,335,866
Contribution to Reserves	-	-	-	-	-
Loss for the year and total comprehensive expense	-	-	-	(1,351,344)	(1,351,344)
At 31 December 2019	3	36,523,500	125,162,590	23,298,429	184,984,522

Kleopatra UK Limited**Notes forming part of the financial statements for the year ended 31 December 2019**

1 Accounting policies

Kleopatra UK Limited is a private company limited by shares, incorporated in the UK under the Companies Act 2006 and registered in England & Wales. The address of the registered office is given on the contents page and the nature of the company's operations and its principal activities are set out in the strategic report. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The financial statements are presented in 'Pounds Sterling' (£), which is also the company's functional currency and the currency of the primary economic environment in which the Company operates.

Basis of preparation

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the accounting policies. Accounting policies and areas of estimation are explained below.

These accounts are prepared for the 12 month period 1 January 2019 to 31 December 2019 and are compared to the 12 month period 1 January 2018 to 31 December 2018.

The financial statements have been prepared in accordance with the applicable accounting standards. The following principal accounting policies have been applied:

Financial Reporting Standard 102 – reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland";

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d); and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

Going concern

In determining the appropriate basis of preparations of the financial statements, the Directors are required to consider whether the Company can continue in operational existence for the foreseeable future. The Company's business activities, together with the factors that are likely to affect its future development, financial performance and financial position are set out in the Strategic Report and Director's Report. In addition, the material financial and operations risks and uncertainties that impact the Company's performance are outlined in the Strategic report.

Neither Covid-19 nor Brexit are expected to have a material adverse impact on this company due to the straightforward nature of this entity.

- *In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Company can continue in operational existence for the foreseeable future. The Company's business activities, together with the factors that are likely to affect its future development, financial performance and financial position are set out in the Strategic Report and Director's Report. In addition, the material financial and operations risks and uncertainties that impact the Company's performance are outlined in the Strategic report.*

The Directors have considered the position of the company at the year end, its recent trading performance and forecasts over a period of at least 12 months from the date of signing these financial statements. As a result of this process, at the time of approving the financial statements, the Directors are of the opinion that it is appropriate to adopt the going concern basis of preparation of the financial statements.

Basis of consolidation

The financial statements contain information about Kleopatra UK Limited as an individual company and do not contain consolidated financial information as the parent of the group. As permitted by section 400 of the Companies Act 2006, the company is exempt from producing consolidated accounts, on the grounds that its results are those of its subsidiaries are disclosed within the consolidated financial statements of Kleopatra Holdings 2 SCA incorporated in Luxembourg.

Kleopatra UK Limited**Notes forming part of the financial statements for the year ended 31 December 2019 (continued)**

1 Accounting policies (continued)***Trade and other debtors***

Trade and other debtors are recognized initially at transaction price, which is the same as fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any provision for impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits

Trade and other creditors

Trade and other creditors are recognized initially at transaction price, which is the same as fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less provision for impairment.

Intercompany debtors and creditors

Balances with group undertakings (all of which are either repayable or receivable within one year), are initially measured at the present value of the future cash flows and subsequently at amortised cost using the effective interest method.

Foreign currencies***Functional and presentation currency***

Transactions in foreign currencies are recorded at the rates in effect at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the rates ruling at the balance sheet date. All differences are taken to the profit and loss account in the year in which they arise.

Transactions and balance

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of the transactions or valuations where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statements, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or costs'.

Current and deferred income tax

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

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws that have been enacted or substantially enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income. The current tax payable is based on the taxable profit for the year.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised.

Cash Flow Statement

The company has taken advantage of the exemption from the requirement to prepare a cash flow statement, as a subsidiary of a parent company filing consolidated financial statements.

Kleopatra UK Limited**Notes forming part of the financial statements for the year ended 31 December 2019 (continued)****1 Accounting policies (continued)*****Dividends***

Equity dividends are recognized when they become legally payable. Final equity dividends are recognized when approved by shareholders at an annual general meeting.

Financial instruments

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Balances with group undertakings (all of which were either payable or receivable within one year as at 31 December 2019) are initially measured at the present value of the future cash flows and subsequently at amortized cost using the effective interest method.

Reserves

The Company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- The share premium account includes the premium on issue of equity shares, net of any issue costs.
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

Impairment of non-financial assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset (the asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

Critical accounting judgements and estimates

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below. There are no judgements other than those noted below:

Impairment of investments and loans

Investments and loans are reviewed at each statement of financial position date to determine whether there is any indication of impairment. When assessing whether there is an impairment of investments, management considers the investments recoverability of the amount which is estimated

2 Staff costs

The company did not employ any staff during the year (Dec 2018: nil).

No directors received any emoluments for services as director (Dec 2018: nil).

Kleopatra UK Limited**Notes forming part of the financial statements for the year ended 31 December 2019 (continued)****3 Dividends received**

	Dec 2019	Dec 2018
	£	£
Dividends Income	-	26,940,865
	<u>-</u>	<u>26,940,865</u>

4 Operating profit/loss

	Dec 2019	Dec 2018
	£	£
This is stated after charging/(crediting):		
Auditor remuneration - Fees payable to the company's auditor for the audit of the company's annual accounts	25,848	6,200
Other taxation advisory services	10,176	4,835
Lawyer Fees - Legal Services	-	9,769
	<u>-</u>	<u>9,769</u>

5 Interest receivable and similar charges

	Dec 2019	Dec 2018
	£	£
Group loans	(85,311)	(68,251)
	<u>(85,311)</u>	<u>(68,251)</u>

6 Tax on profit

	Dec 2019	Dec 2018
	£	£
UK Corporation Tax	-	-
Amount received in respect of group relief	-	-
	<u>-</u>	<u>-</u>

The tax assessed for the year is lower than/higher than the standard rate of corporation tax in the UK, The differences are explained on next page:

Kleopatra UK Limited**Notes forming part of the financial statements for the year ended 31 December 2019 (continued)**

Tax reconciliation	Dec 2019	Dec 2018
	£	£
Loss/(profit) on ordinary activities before tax	(1,351,344)	18,421,936
Loss/ (profit) on ordinary activities at the standard rate of corporation tax in the UK of 19.0% (2018: 19.0%)	(256,755)	3,500,168
Effects of:		
Non-taxable income	-	(3,389,764)
Deferred tax not recognised	-	7,079
Adjustment to tax charge previous periods		
Group relief surrendered for no payment	256,755	-
Other permanent differences (utilisation of b/f losses previously unrecognised)	-	(117,483)
Current tax charge for the year	-	-

The Chancellor announced that the main rate of UK corporation tax would be reduced from the current rate of 19%, which was applied from 1 April 2017, to 17%. The reduction in the corporation tax rate to 17% was included in the UK Finance Act 2016 that was enacted in September 2016. In March 2020, after the balance sheet date, Parliament passed new legislation to keep the main rate of UK corporation tax at 19% for financial years beginning 1st April 2020 and 1st April 2021.

The company has tax losses carried forward of £9,360,419 (Dec 2018: £9,368,829) available to carry forward for offset against future taxable profits of the same trade. A deferred tax asset has not been recognized in respect of the tax losses as it is not probable that taxable profits will arise in the foreseeable future.

7 Investments

	Dec 2019	Dec 2018
	£	£
Cost	205,112,122	205,112,122
Additions	-	-
Total cost before impairment	<u>205,112,122</u>	<u>205,112,122</u>
Provision		
at 1 January 2019	(47,299,563)	(38,199,563)
Provision in the year	-	(9,100,000)
At 31 December 2019	<u>(47,299,563)</u>	<u>(47,299,563)</u>
Net Book Value 31 December 2019	<u>157,812,559</u>	<u>157,812,559</u>

Kleopatra UK Limited**Notes forming part of the financial statements for the year ended 31 December 2019 (continued)**

<u>Name</u>	<u>Class of Share</u>	<u>%</u>	<u>Nature of Activity</u>
Klockner Pentaplast Schwiz AG Switzerland	Ordinary	100	Plastics Manufacturer
<u>Registered office:</u> Sportweg 38, CH-3097 Liebefeld/Bern, Switzerland			

Klockner Pentaplast Limited	Ordinary	100	Plastics Manufacturer
Registered office : 33-34 Fern Close, Pen-Y-Fan Industrial Estate, Crumlin, Gwent, NP11 3EH, Wales			

Investments are held in the form of ordinary shares.

8 Debtors

	Dec 2019	Dec 2018
	£	£
Amounts owed by group undertakings	27,405,850	28,726,880
	<u>27,405,850</u>	<u>28,726,880</u>

Amounts owed by group undertakings are unsecured and recoverable on demand.

The Group debtors balance includes an amount of £27,284,540 in a Group cash pool account, which is interest bearing at 0.3% p.a. on credit balances. All other group accounts are interest free.

9 Creditors: amounts falling due within one year

	Dec 2019	Dec 2018
	£	£
Amounts owed to group undertakings	173,602	169,136
Accruals and deferred income	60,285	34,437
	<u>233,887</u>	<u>203,573</u>

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

Kleopatra UK Limited**Notes forming part of the financial statements for the year ended 31 December 2019 (continued)****10 Share capital**

	Dec 2019	Dec 2018
	£	£
Alloted called up and fully paid		
150 ordinary shares at 2p each	3	3

The dividend rights and capital rights of the shares are parri passu.

11 Ultimate parent company and parent undertaking of larger group

The immediate parent on 31st December 2019 was Klockner Pentaplast GmbH in Germany. On 25th September 2020, Klockner Pentaplast GmbH transferred the entire share capital of the company to KP Senior Holdings Limited for no consideration.

At 31 December 2019 the company's ultimate parent company is Kleopatra Holdings 1 SCA incorporated in Luxembourg. Kleopatra Holdings 2 SCA, incorporated in Luxembourg and a subsidiary of Kleopatra Holdings 1 SCA, is parent of the smallest and largest groups of which the company is a member and for which consolidated accounts were prepared. The consolidated financial statements and group management report will be filed with the Trade and Companies Register (RCS) in Luxembourg. Copies of the financial statement are publicly available and upon request from 6 Avenue John F. Kennedy, 1855 Luxembourg, which is also its registered address.

At 31 December 2019, the ultimate controlling party is Strategic Value Partners LLC.

12 Commitments and Contingencies

The company has no guarantees covering Group banking facilities made available to other group companies.

13 Non adjusting events after the financial period

From August 2020 to November 2020, KP Group has undertaken an internal corporate restructuring of shareholdings within KP Group, as part of the integration process between KP Group and Linpac Group, embedding a more efficient capital and corporate structure.

This resulted in Linpac Senior Holdings Limited becoming the direct/indirect owner of a number of KP Group entities worldwide. All transactions were carried out at market value and with the professional assistance of EY and PWC.