

Mondi German Investments Limited

Annual report and financial statements

for the year ended 31 December 2016

Registered no. 05265977



Mondi German Investments Limited

Annual report and financial statements

For the year ended 31 December 2016

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Mondi German Investments Limited

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Officers and professional advisors

Directors

C A Hunt (resigned 30 December 2016)
J L Hampshire (appointed 31 December 2016)
A C W King
J C Paterson
P Wessels

Company secretary

J L Hampshire

Registered Office

Building 1, 1st Floor
Aviator Park
Station Road
Addlestone
Surrey
United Kingdom
KT15 2PG

Bankers

Deutsche Bank AG
Winchester House
1 Great Winchester Street
London EC2N 2DB

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

Mondi German Investments Limited

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Strategic report

The directors, in preparing this Strategic report, have complied with section 414C of the Companies Act 2006.

Review of the business

The Company is an investment holding company. The directors have the present intention of maintaining its business in its current form and believe the Company's future prospects to be satisfactory. The performance of the Company's investment is discussed in the Group's Integrated report and financial statements. The Company's directors believe that further key performance indicators of the Company are neither necessary nor appropriate for an understanding of the performance or position of the business.

The Company made a loss of €439 (2015: loss of €446). The directors do not recommend payment of a dividend for the year (2015: €nil).

Going concern

The directors believe that the Company will continue to act as an investment holding company for the Mondi Group. Although the Company has net assets, it has generated a loss in the current and prior year. The Company's ultimate holding company, Mondi plc, has confirmed that it will provide continued support for the Company to meet its obligations as they fall due for a period of not less than 12 months from the signing of these financial statements.

As a result, the directors believe that the Company will continue to be a going concern into the foreseeable future and have adopted the going concern basis of accounting.

Risk management

The directors considered the risks attached to the Company's financial instruments, which principally comprise operating creditors. The Company's exposure to interest rate risk, currency risk, credit risk and liquidity risk is not material for the assessment of assets, liabilities and the financial statements.

The directors' policy on hedging is to hedge all financial risks where it is feasible and cost effective to do so.

The Company holds an investment within the Mondi Group. The underlying performance of this investment could affect the investment's carrying value. No impairment on the investment has been identified in the current year.

Approved by the board of directors on 21 March 2017 and signed on behalf of the board by:



J C Paterson
Director

Mondi German Investments Limited

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2016.

Company registered number

05265977

Directors

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

C A Hunt (resigned 30 December 2016)
J L Hampshire (appointed 31 December 2016)
A C W King
J C Paterson
P Wessels

Directors' indemnities

The Company's ultimate parent company, Mondi plc, made qualifying third party indemnity provisions for the benefit of the directors which remain in force at the date of this report.

Information set out in the Strategic report

Disclosures relating to the following items have been included in the Strategic report which can be found on page 2:

- dividend payments and recommendations;
- financial risk management objectives, policies and related exposures to interest rate, currency, credit and liquidity risk; and
- likely future developments in the business of the Company.

Events occurring after 31 December 2016

There have been no material reportable events since 31 December 2016.

Statement as to disclosure of information to auditor

Each of the persons who is a director at the date of approval of this report confirms that:


- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Auditor

Deloitte LLP will cease to hold office as auditor at the end of their term of office and a resolution to appoint PricewaterhouseCoopers LLP as auditor will be proposed to the shareholders of the Company for approval.

Approved by the board of directors and signed on behalf of the board by:


J L Hampshire

Company secretary

21 March 2017

Mondi German Investments Limited

Annual report and financial statements

For the year ended 31 December 2016

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 judgments and accounting estimates that are reasonable and prudent;
- state whether 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. 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.

Independent auditor's report to the members of Mondi German Investments Limited

We have audited the financial statements of Mondi German Investments Limited for the year ended 31 December 2016 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 Financial Reporting Standards 101, 'Reduced Disclosure Framework'.

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.

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its 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.

Opinion on other matter 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 and the Directors' report.

Independent auditor's report to the members of Mondi German Investments Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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



Stephen Pratt CA (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

21 March 2017

Mondi German Investments Limited

Profit and loss account

for the year ended 31 December 2016

	Notes	2016 €	2015 €
Operating expenses		(419)	(419)
Operating loss	5	(419)	(419)
Interest payable and similar charges	6	(20)	(27)
Loss on ordinary activities before tax		(439)	(446)
Tax	7	-	-
Loss for the financial year		(439)	(446)

All amounts derive from continuing operations.

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

Mondi German Investments Limited

Balance sheet

As at 31 December 2016

	Notes	2016 €	2015 €
Fixed assets			
Investments	8	22,567,210	22,567,210
Total assets		<u>22,567,210</u>	<u>22,567,210</u>
Creditors: Amounts falling due within one year			
Trade and other creditors	9	(4,838)	(4,399)
Net current liabilities		<u>(4,838)</u>	<u>(4,399)</u>
Net assets		<u>22,562,372</u>	<u>22,562,811</u>
Capital and reserves			
Called-up share capital	11	2	2
Share premium		23,527,999	23,527,999
Profit and loss account		(965,629)	(965,190)
Total shareholder's funds		<u>22,562,372</u>	<u>22,562,811</u>

These financial statements were approved by the board of directors and authorised for issue on 21 March 2017.

Signed on behalf of the board of directors



J C Paterson
Director

Company registered number: 05265977

Mondi German Investments Limited

Statement of changes in equity

For the year ended 31 December 2016

	Called-up share capital €	Share premium €	Profit and loss account €	Total €
Balance at 1 January 2015	2	23,527,999	(964,744)	22,563,257
Loss for the year	-	-	(446)	(446)
Balance at 31 December 2015	2	23,527,999	(965,190)	22,562,811
Loss for the year	-	-	(439)	(439)
Balance at 31 December 2016	2	23,527,999	(965,629)	22,562,372

Mondi German Investments Limited

Notes to the financial statements

for the year ended 31 December 2016

1. General information

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

These financial statements are separate financial statements. The Company is exempt from the requirement to prepare consolidated financial statements, because it is included in the Group financial statements of Mondi plc. The Group financial statements are available to the public and can be obtained as set out in note 12.

2. Significant accounting policies

Basis of preparation

The Company meets the definition of a qualifying entity under Financial Reporting Standard 100. Accordingly, in the year ended 31 December 2016, the financial statements have therefore been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' ('FRS 101').

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to business combinations, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions.

Where required, equivalent disclosures are given in the Group financial statements of Mondi plc. The Group financial statements are available to the public and can be obtained as set out in note 12.

The financial statements are prepared on the historical cost basis. The principle accounting policies adopted are described below. They have all been applied consistently throughout the year and the preceding year.

Going concern

After making enquiries, the directors have formed a judgement that, at the time of approving the financial statements, and having considered the Company's forecasts, projections and support from the parent company, there is a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Investment in subsidiaries

Investments in subsidiaries are recorded at cost less any accumulated impairment.

Other financial liabilities

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

Mondi German Investments Limited

Notes to the financial statements (continued)

for the year ended 31 December 2016

2. Significant accounting policies (continued)

Taxation

Current tax

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

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

Deferred tax

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

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

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

Foreign currency

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

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

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2 above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgement - valuation of investments

The Company assesses the value of its investments on an annual basis. The financial results and expected future cash flows of the Company's subsidiaries are used as part of this assessment.

Mondi German Investments Limited

Notes to the financial statements (continued)

for the year ended 31 December 2016

4. Directors and employees

The Company had no employees during the year (2015: none). The directors received no remuneration or emoluments in respect of the services provided to the Company during the year (2015: nil).

5. Operating loss

The audit fee for the audit of the Company's financial statements of £3,000 (2015: £3,000) has been borne by Mondi plc, the Company's ultimate parent company.

6. Interest payable and similar charges

	2016 €	2015 €
Interest payable to group undertakings	20	27

Interest on amounts payables to group undertakings is charged at current market rates and amounts owing are payable on demand.

7. Tax

(a) Analysis of tax charge for the year

	2016 €	2015 €
Current tax		
UK Corporation Tax	-	-
Total tax on loss on ordinary activities	-	-

(b) Factors affecting tax charge for the year

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

	2016 €	2015 €
Loss on ordinary activities before tax	(439)	(446)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015: 20.25%)	88	90
Effects of:		
Non deductible interest	(4)	(5)
Current year tax losses not recognised	(84)	(85)
Total tax charge for the year	-	-

Mondi German Investments Limited

Notes to the financial statements (continued)

for the year ended 31 December 2016

8. Investments

	2016 €	2015 €
Cost and net book value		
At 1 January and 31 December	22,567,210	22,567,210

The Company's investment continues to be held at cost and has not suffered any historic impairment.

The Company's subsidiary as at 31 December 2016 was as follows:

Company	Registered office	% of shares held
Mondi German Investments SA	1, rue Hildegard von Bingen, 1282, Luxembourg	100

The shares held are ordinary shares and are held directly.

The Company did not have any associates as at 31 December 2016.

9. Trade and other creditors

	2016 €	2015 €
Amounts owed to group undertakings	4,838	4,399
	4,838	4,399

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

10. Deferred tax

The Company has the following amounts in respect of which no deferred tax asset has been recognised due to the unpredictability of future profit streams or gains against which these could be utilised:

	2016 €	2015 €
Tax losses – revenue		
At 1 January	4,022	6,838
Loss true-up for prior year filed tax return	(419)	(3,235)
Tax losses not recognised	419	419
At 31 December	4,022	4,022

The tax losses have no expiry date as at 31 December 2016 (2015: none) and may be carried forward indefinitely.

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Notes to the financial statements (continued)

for the year ended 31 December 2016

11. Called-up share capital

	2016 €	2015 €
Issued, called up and fully paid		
2 ordinary shares of £1 (2015: 2 ordinary shares of £1)	2	2

12. Ultimate parent company

The immediate parent company and controlling party is Mondi Investments Limited, a company incorporated in Great Britain and registered in England and Wales.

The ultimate parent company and ultimate controlling entity is Mondi plc, a company incorporated in Great Britain and registered in England and Wales. Mondi plc is the parent undertaking of the largest and smallest group which includes the Company and for which group financial statements are prepared.

The financial statements of Mondi Investments Limited and Mondi plc may be obtained from the Company Secretary, Building 1, 1st Floor, Aviator Park, Station Road, Addlestone, Surrey KT15 2PG.