

Registration number: 05972505

LINPAC Packaging China Holdings Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2018



LINPAC Packaging China Holdings Limited

Contents

Company Information	1
Director's Report for the year ended 31 December 2018	2 to 4
Statement of Director's Responsibilities	5
Independent Auditors' Report to the members of LINPAC Packaging China Holdings Limited	6 to 8
Income Statement for the year ended 31 December 2018	9
Statement of Financial Position as at 31 December 2018	10
Statement of Changes in Equity for the year ended 31 December 2018	11
Notes to the Financial Statements	12 to 18

LINPAC Packaging China Holdings Limited

Company Information

Director	J A Jones
Company secretary	R B Lence
Registered office	Linpac Wakefield Road Featherstone Pontefract West Yorkshire WF7 5DE
Independent auditors	Deloitte LLP Statutory Auditors 1 City Square Leeds LS1 2AL

LINPAC Packaging China Holdings Limited

Director's Report for the year ended 31 December 2018

The directors present their report and the audited financial statements for the year ended 31 December 2018.

Directors of the company

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

M P Nicholls (resigned 1 July 2019)

The following director was appointed after the year end:

J A Jones (appointed 1 July 2019)

Principal activity

The company is a group financing company holding intercompany indebtedness with other Kleopatra Holdings 2 S.C.A group companies.

Throughout these financial statements, the term 'Group' refers to Kleopatra Holdings 2 S.C.A. and its consolidated subsidiaries.

Business review

Fair review of the business

The profit for the financial year ended 31 December 2018 amounts to £259,000 (2017: -£1,018,000). No dividend was paid during the year (2017: £nil). The company had net liabilities at 31 December 2018 of £4,074,000 (2017: £4,333,000).

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business. The Kleopatra Holdings 2 S.C.A annual report includes details of the KPIs that are used across the group.

During 2017, LINPAC Senior Holdings Limited, the former ultimate parent of LINPAC Packaging China Holdings Limited, together with all of its subsidiaries, was acquired by and became an indirect wholly-owned subsidiary of Kleopatra Holdings 2 S.C.A., a company incorporated in Luxembourg. The ultimate parent company is Kleopatra Holdings 1 S.C.A. The new Group's results are consolidated within Kleopatra Holdings 2 S.C.A. The ultimate controlling party is Strategic Value Partners LLP.

The immediate parent undertaking of Linpac Packaging China Holdings Limited remains Linpac Packaging Limited.

The smallest and largest group in which the Company is consolidated at 31 December 2018 is Kleopatra Holdings 2 S.C.A, a company registered in Luxembourg. Copies of the financial statements are publicly available and upon request from RCS Luxembourg B 188851, 46A Avenue J. F. Kennedy, 1855 Luxembourg.

LINPAC Packaging China Holdings Limited

Director's Report for the year ended 31 December 2018 (continued)

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 Directors' Report in Kleopatra Holdings 2 S.C.A annual report, which does not form part of this report. Such risks are managed on a group basis.

An analysis of the effect of Brexit in the event of a 'no-deal' scenario has been carried out and a Brexit steering committee has been put in place to help manage any associated risks. Affected customers in overseas territories have been contacted to help manage logistical risks and IT-led solutions are being tested.

LINPAC Packaging China Holdings Limited

Director's Report for the year ended 31 December 2018 (continued)

Financial risk management

Management of the Group and the execution of its strategy are subject to a number of financial risks, including currency risk, credit risk, interest rate risk, and liquidity risk. These are formally reviewed by the Board and appropriate processes are put in place to monitor and mitigate them. This risk management process is carried out at a strategic and at an operational level, covering all primary disciplines within the Group's significant businesses.

Currency risk, interest rate risk and liquidity risk

Currency risk

The group experienced some currency volatility following the UK referendum on EU membership, however the effects on the bottom line were limited in the year. The group is well located geographically in relation to its markets, which also provides production flexibility, and has a relatively balanced revenue and cost portfolio, which creates a natural hedge. The group has some direct and indirect exposure to the UK market and will continue to monitor the effects of a UK withdrawal from the European Union.

Interest rate risk

The Group's interest rate risk principally arises from the cost flexing where interest is subject to variable rates dependent on the LIBOR (or equivalent applicable to the currency denomination).

Liquidity risk

By the use of established short term and longer term forecasting processes, the Group ensures that sufficient committed facilities are in place to meet the requirements of the business. This takes into account cash flows from operations and the Group's holdings of cash and cash equivalents. Sufficient liquidity headroom exists to meet current forecast requirements.

Future developments

The future development of the group is detailed in the Kleopatra Holdings 2 S.C.A annual report.

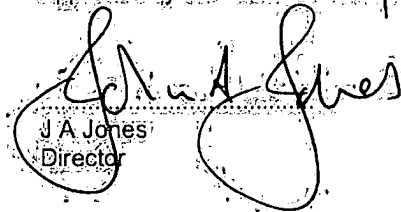
Disclosure of information to the auditors

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 auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Reappointment of auditors

The Audit and Finance Committee of the Board of Directors (the "Audit Committee") of the ultimate parent, Kleopatra Holdings 1 S.C.A has conducted a competitive process to select a firm to serve as the Group's independent accounting firm. The Audit Committee approved the engagement of Deloitte LLP who will be appointed after the resignation of PwC LLP.

Approved by the Board on 29/11/19 and signed by its order by:


J A Jones
Director

LINPAC Packaging China Holdings Limited

Statement of Director's Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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.

LINPAC Packaging China Holdings Limited

Independent Auditors' Report to the members of LINPAC Packaging China Holdings Limited

Report on the financial statements

Opinion

In our opinion the financial statements of LINPAC Finance Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework" and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of financial position;
- the statement of changes in equity and
- the related notes 1 to 14

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).

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.

LINPAC Packaging China Holdings Limited

Independent Auditors' Report to the members of LINPAC Packaging China Holdings Limited (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.

LINPAC Packaging China Holdings Limited

Independent Auditors' Report to the members of LINPAC Packaging China Holdings Limited (continued)

Matters on which we are required to report by exception

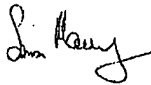
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.

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.



.....
Simon Manning (Senior Statutory Auditor)
For and on behalf of Deloitte LLP

Leeds
United Kingdom

16 December 2019

LINPAC Packaging China Holdings Limited

Income Statement for the year ended 31 December 2018

	Note	2018 £ 000	2017 £ 000
Administrative Income/(expense)		(44)	112
Exceptional administrative expense	4	-	(1,415)
Operating loss		(44)	(1,303)
Interest receivable and similar income	5	345	339
Interest payable and similar expenses	6	(1)	-
Profit/(loss) before taxation		300	(964)
Taxation on profit/(loss)	12	(41)	(54)
Profit/(loss) for the financial year		259	(1,018)

There is no other comprehensive income for the year (2017: nil).

The above results were derived from continuing operations.

The notes on pages 12 to 18 form an integral part of these financial statements.

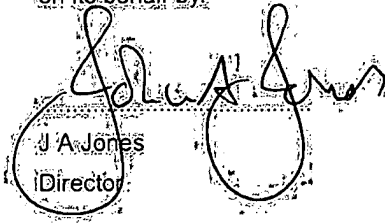
LINPAC Packaging China Holdings Limited

(Registration number: 05972505)

Statement of Financial Position as at 31 December 2018

	Note	2018 £,000	2017 £,000
Fixed assets			
Investments	9		
Current assets			
Debtors	10	5,909	5,538
Trade and other payables	11	(9,967)	(9,855)
Income tax liability	12	(16)	(16)
Net current liabilities		(9,983)	(9,871)
Net liabilities		(4,074)	(4,333)
Capital and reserves			
Profit and loss account		(4,074)	(4,333)
Total shareholders' deficit		(4,074)	(4,333)

The financial statements on pages 9 to 18 were approved by the Board on: 29/11/19 and signed on its behalf by:


 J. A. Jones
 Director

The notes on pages 12 to 18 form an integral part of these financial statements.

LINPAC Packaging China Holdings Limited

Statement of Changes in Equity for the year ended 31 December 2018

	Profit and loss account £ 000	Total shareholders' deficit £ 000
At 1 January 2017	<u>(3,315)</u>	<u>(3,315)</u>
Loss for the financial year	<u>(1,018)</u>	<u>(1,018)</u>
Total comprehensive expense for the year	(1,018)	(1,018)
At 31 December 2017	<u>(4,333)</u>	<u>(4,333)</u>

	Profit and loss account £ 000	Total shareholders' deficit £ 000
At 1 January 2018	<u>(4,333)</u>	<u>(4,333)</u>
Profit for the financial year	<u>259</u>	<u>259</u>
Total comprehensive income for the year	259	259
At 31 December 2018	<u>(4,074)</u>	<u>(4,074)</u>

The notes on pages 12 to 18 form an integral part of these financial statements.

LINPAC Packaging China Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2018.

1 General information

The company is a private company limited by share capital incorporated and domiciled in UK, under the Companies Act 2006.

The address of its registered office is:

Linpac
Wakefield Road
Featherstone
Pontefract
West Yorkshire
WF7 5DE

Authorised for issue date

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

Summary of disclosure exemptions

- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of paragraph 79(a)(iv) of IAS 1
- Paragraphs 10(d), 10(f), 16, 38A, 38B-D, 40A-D, 111 and 134-136 of IAS 1
- The requirements of IAS 7 'Statement of Cash Flows'
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)

LINPAC Packaging China Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

2 Accounting policies (continued)

- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group
- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 'Revenue from Contracts with Customers'
- The requirements of IFRS 7 Financial Instruments: Disclosures, provided that equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated
- The requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 'Share-based Payment'

Going concern

The directors of the company's ultimate parent company, Kleopatra Holdings 2 S.C.A, have indicated to the directors of the company, in writing, that it is their present intention to continue to support the company to enable it to meet its obligations as and when they fall due for a period of at least 12 months from the date of approval of the 2018 financial statements, and the financial statements have therefore been prepared on a going concern basis.

Changes in accounting policy

IFRS 15 Revenue from Contracts with Customers

The IASB published the new standard on revenue recognition, IFRS 15, on May 28, 2014. The new standard was endorsed by the European Union in the third quarter of 2016 and was effective for reporting periods beginning on or after January 1, 2018.

According to IFRS 15, sales revenue is measured at the amount the entity expects to receive and recognize in exchange for goods and services when control of the agreed goods or services and the benefits obtainable from them are transferred to the customer. Control can be transferred at a certain point in time or over a period of time.

The adoption of IFRS 15 did not result in any changes that had a material impact to the Company's financial statements. Similarly, the Company did not identify any significant impact on its business processes, controls and systems.

None of the standards, interpretations and amendments effective for the first time from 1 January 2018 have had a material effect on the financial statements.

Consolidation

The company is a wholly owned subsidiary of LINPAC Finance Limited and of its ultimate parent, Kleopatra Holdings 2 S.C.A. It is included in the consolidated financial statements of Kleopatra Holdings 2 S.C.A which are publically available. Therefore the company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

These financial statements are separate financial statements.

Foreign currency transactions and balances

Transactions in foreign currencies are recorded at the rates in effect at the transaction date. Monetary assets and liabilities denominated in foreign currencies are retranslated 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.

LINPAC Packaging China Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

2 Accounting policies (continued)

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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 profit and loss that are taxable or deductible in other years and it further excludes items which are not taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Investments

Investments in subsidiary undertakings, associates and joint ventures are stated at cost less any provision for impairment. Impairment reviews are performed by the directors where there has been an indication of potential impairment, such as producing a loss in the financial year under review and where that loss is forecast to continue.

Debtors

Debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debtor.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

LINPAC Packaging China Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

3 Critical accounting judgements and key sources of estimation uncertainty

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.

Impairment of investments and loans

Investments and loans are reviewed at each balance sheet 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.

4 Exceptional administrative expenses

	2018 £ 000	2017 £ 000
Provision against investment in subsidiary	<u>-</u>	<u>(1,415)</u>

5 Interest receivable and similar income

	2018 £ 000	2017 £ 000
Group loans	<u>345</u>	<u>339</u>

6 Interest payable and similar expenses

	2018 £ 000
Group loans	<u>1</u>

7 Directors' and employee information

The company has no employees (2017: none) and 1 Director (2017: 1). The director received no remuneration for his services to the company (2017: £nil). His costs are borne by LINPAC Group Holdings Limited, a fellow Group undertaking.

8 Auditors' remuneration

Fees payable to the company's auditors for the audit of the company's financial statements of £3,500 (2017: £3,500) have been borne by the parent company, LINPAC Packaging Limited and not recharged.

LINPAC Packaging China Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

9 Investments

Subsidiaries	£ 000
Cost or valuation	
At 1 January 2018 and 31 December 2018	4,910
Provision	
At 1 January 2018 and 31 December 2018	4,910
Carrying amount	
At 31 December 2018	-

In the opinion of the director, the aggregate value of the company's investments in subsidiary undertakings is not less than the aggregate amount included in the statement of financial position.

Details of the subsidiary as at 31 December 2018 and 31 December 2017 are as follows:

Name of subsidiary	Registered address	Activity	Country of Incorporation	% of Share Capital owned
LINPAC Packaging (Changzhou) Co Limited	No 16, Fengqi Road, Wujin High-Tech Industrial Development Zone, Changzhou City, Jiangsu	Plastic conversion	China	100

10 Debtors

	2018 £ 000	2017 £ 000
Amounts owed by group undertakings	1,127	811
Group loans	4,782	4,727
	5,909	5,538

Amounts owed by group undertakings are unsecured, non-interest bearing and have no fixed date of repayment whereas group loans are unsecured, with interest charged at a combination of fixed rate and floating rate of 3% margin above LIBOR. There is no fixed date of repayment for the group loans.

LINPAC Packaging China Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

11 Trade and other payables

	2018	2017
	£ 000	£ 000
Amounts owed to group undertakings	271	270
Group loans	9,696	9,585
	9,967	9,855

Amounts owed to group undertakings are unsecured, non-interest bearing and have no fixed date of repayment whereas group loans are unsecured, interest charged at a combination of fixed rate and floating rate of a margin above LIBOR. There is no fixed date of repayment for the group loans.

12 Tax on profit/(loss)

Tax charged in the income statement

	2018	2017
	£ 000	£ 000
Current taxation		
UK corporation tax	41	54
	41	54

The tax on profit/(loss) before taxation for the year is lower than the standard rate of corporation tax in the UK (2017 - higher than the standard rate of corporation tax in the UK) of 19% (2017 - 19.25%).

The differences are reconciled below:

	2018	2017
	£ 000	£ 000
Profit/(loss) before taxation	300	(964)
Corporation tax at standard rate	57	(185)
Impairment of investment	-	272
Group relief tax reconciliation	17	(17)
Transfer pricing adjustments	(74)	(69)
Overseas tax suffered	41	53
Total tax charge	41	54

The Chancellor announced that the main UK corporation tax rate would be reduced from the current rate of 19%, which was applied from 1 April 2017, to 17% from 1 April 2020. The reduction in the corporation tax rate to 17% was included in the UK Finance Act 2016 that was enacted in September 2016.

LINPAC Packaging China Holdings Limited

Notes to the Financial Statements for the Year Ended 31 December 2018 (continued)

13 Called up share capital

	2018		2017	
Allotted and fully paid:	Number	£ 000	Number	£ 000
Ordinary shares of £1 each	2	-	2	-

14 Parent and ultimate parent undertaking

The company's immediate parent is LINPAC Packaging Limited.

The Company's ultimate parent undertaking is Kleopatra Holdings 1 S.C.A, a company incorporated in Luxembourg. The Company's ultimate controlling party is Strategic Value Partners LLC. As at 31 December 2018 they manage funds holding 92.96% of the equity (2017: 92.93%).

Kleopatra Holdings 2 S.C.A. is the parent undertaking of the largest and only group to consolidate these financial statements. Copies of Kleopatra Holdings 2 S.C.A.'s consolidated financial statements can be obtained from the Company Secretary at the registered address of 46A Avenue John F. Kennedy, 1855 Luxembourg.