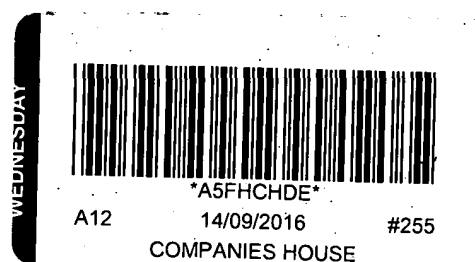


**INTERNATIONAL PAPER FOODSERVICE
EUROPE LIMITED**

Annual Report and Financial Statements

For the year ended 31 December 2015



INTERNATIONAL PAPER FOODSERVICE EUROPE LIMITED

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2015

CONTENTS

Page

Officers and professional advisers	1
Strategic report	2
Directors' report	3
Directors' responsibilities statement	4
Independent auditor's report	5
Profit and loss account	6
Balance sheet	7
Statement of changes in equity	8
Notes to the financial statements	9

INTERNATIONAL PAPER FOODSERVICE EUROPE LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

M.E. Turner
M. Hermansen
T.L. Pearson (resigned 16 May 2016)
J Ernst (appointed 16 May 2016)

COMPANY SECRETARY

A.Vallance

REGISTERED OFFICE

Units 10 & 11 Navigation Park
Road One
Winsford Industrial Estate
Winsford
Cheshire
CW7 3RL

BANKERS

ABN Amro Bank NV

J.P. Morgan Chase & Co

SOLICITORS

Pannone LLP

Shoosmiths

AUDITOR

Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester
United Kingdom

INTERNATIONAL PAPER FOODSERVICE EUROPE LIMITED

STRATEGIC REPORT

The directors present their strategic report on the affairs of the company, together with the directors' report, financial statements and auditor's report, for the year ended 31 December 2015. The directors in preparing this report, have complied with s414c of the Companies Act 2006.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The principal activity of the company continues to be that of the manufacture and sale of disposable paper products for the food industry.

The results for the year are detailed on page 6. The performance of the company during 2015 has been impacted by tougher trading conditions in comparison to the prior years.

We continuously seek to improve our operating performance with an emphasis on health and safety, asset performance and operating costs.

During 2016 the company intends to grow profitability by focusing primarily on its core markets. All industry data indicates demand for foodservice packaging throughout Europe will heavily increase over the next three years. The company intends to focus on maximising their share of this sector growth.

KEY PERFORMANCE INDICATORS

Turnover in the year was £7,054,673 (2014 - £6,544,694), this represents an increase of 7.79%. Average debtor days were 48 days (2014 - 52 days), this represents a decrease of 7.7%. Total staff numbers have increased by 14.8% from 27 in 2014 to 31 in 2015. The directors believe these measures to be the key performance indicators of International Paper Foodservice Europe Limited.

PRINCIPAL RISK MANAGEMENT & UNCERTAINTIES

The process of risk management is addressed through a framework of policies, procedures and internal controls. Compliance with regulation, legal and ethical standards is a high priority for the company and management take on an important oversight role in this regard.

The principal risks which affect the company are those associated with the sourcing of raw materials and finished products for re-sale from overseas. This exposes the business to volatility of raw materials and finished goods prices, as well as movements in exchange rates. We anticipate this will be an ongoing challenge for the business which we will mitigate through continued focus on manufacturing as well as close monitoring by management of foreign exchange risk.

Approved by the Board of Directors and signed on behalf of the Board:



M.E. Turner

Director

08.09.2016

INTERNATIONAL PAPER FOODSERVICE EUROPE LIMITED

DIRECTORS' REPORT

The directors present their annual report on the affairs of the company, together with the audited financial statements and auditor's report, for the year ended 31 December 2015. As permitted by s414c(11) of the Companies Act 2006, details of future developments are presented in the strategic report.

This is the first year that the company has presented its financial statements under the Financial Reporting Standard 102 (FRS 102), issued by the Financial Reporting Council. For more information see note 17.

International Paper Foodservice Europe Limited is a limited company incorporated in the UK.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of the company is the manufacture and sale of disposable paper products for the food industry.

The directors are satisfied with the results for the year and the prospects for the coming year.

RESULTS AND DIVIDENDS

The audited financial statements for the year ended 31 December 2015 are set out on pages 6 to 16. The loss on ordinary activities after taxation of £839,508 (2014 - £396,437 loss) has been transferred from reserves.

The directors do not recommend payment of a dividend (2014 - £nil).

GOING CONCERN

After making enquiries and based on the assumptions outlined in note 1 of the financial statements the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

DIRECTORS

The directors of the company, who served during the year and thereafter, are shown on page 1.

APPROVAL OF REDUCED DISCLOSURES

The company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12. The company's shareholders have been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received.

AUDITOR

Each of the persons who is a director of the company 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 the 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 s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



M. E. Turner
Director

08.09. 2016

INTERNATIONAL PAPER FOODSERVICE EUROPE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

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 FRS102 "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 of the profit or loss of the company for that year. 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. 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 INTERNATIONAL PAPER FOODSERVICE EUROPE LIMITED

We have audited the financial statements of International Paper Foodservice Europe Limited for the year ended 31 December 2015 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FSR 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 director; 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 2015 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 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.

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.



Elizabeth Benson BSc ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Manchester, United Kingdom
8 September 2016

INTERNATIONAL PAPER FOODSERVICE EUROPE LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2015

	Note	2015 £	2014 £
TURNOVER	3	7,054,673	6,544,694
Cost of sales		(6,431,610)	(5,872,297)
GROSS PROFIT		623,063	672,397
Other operating expenses		(1,448,316)	(1,310,567)
OPERATING LOSS	4	(825,253)	(638,170)
Finance costs (net)	6	(14,255)	146,627
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(839,508)	(491,543)
Tax credit on loss on ordinary activities	7	-	95,106
LOSS RETAINED FOR THE FINANCIAL YEAR		<u>(839,508)</u>	<u>(396,437)</u>

All activity has arisen from continuing operations. The company has no recognised gains or losses in either year other than the loss for that year as shown above. Accordingly a separate statement of comprehensive income not been presented.

The accompanying notes on pages 9 to 16 form an integral part of the financial statements.

INTERNATIONAL PAPER FOODSERVICE EUROPE LIMITED

BALANCE SHEET

As at 31 December 2015

	Note	2015 £	2014 £
FIXED ASSETS			
Tangible fixed assets	8	<u>4,244,488</u>	<u>4,637,523</u>
CURRENT ASSETS			
Stocks	9	1,278,097	1,570,271
Debtors	10	<u>3,862,590</u>	<u>4,664,355</u>
		5,140,687	6,234,626
CREDITORS: amounts falling due within one year	11	<u>(5,141,356)</u>	<u>(5,788,822)</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(669)</u>	<u>445,804</u>
TOTAL ASSETS LESS CURRENT LIABILITIES BEING NET ASSETS		<u>4,243,819</u>	<u>5,083,327</u>
CAPITAL AND RESERVES			
Called-up share capital	13	852,550	852,550
Profit and loss account		<u>3,391,269</u>	<u>4,230,777</u>
SHAREHOLDER'S FUNDS		<u>4,243,819</u>	<u>5,083,327</u>

The financial statements of International Paper Foodservice Europe Limited, registered number 00497043, were approved by the Board of Directors and authorised for issue on 08.09.2016.

Signed on behalf of the Board of Directors



M. E. Turner

Director

INTERNATIONAL PAPER FOODSERVICE EUROPE LIMITED

STATEMENT OF CHANGES IN EQUITY As at 31 December 2015

	Called up Share capital £	Profit and loss account £	Total
At 1 January 2014	852,550	4,627,214	5,479,764
Loss for the financial year	-	(396,437)	(396,437)
At 31 December 2014 and 1 January 2015	852,550	4,230,777	5,083,327
Loss for the financial year	-	(839,508)	(839,508)
At 31 December 2015	852,550	3,391,269	4,243,819

INTERNATIONAL PAPER FOODSERVICE EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2015

1. ACCOUNTING POLICIES

A summary of the principal accounting policies, all of which have been applied consistently throughout the current and preceding year, is set out below.

BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention modified to include certain items at fair value and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

Information on the impact of first-time adoption of FRS 102 is given in note 17.

International Paper Foodservice Europe Limited meet the definition of a qualifying entity under FRS102 and has therefore taken advantage of this disclosure exemptions available to it (under sections 7 and 28), in respect of presentation of a cash flow statement, and key management personnel disclosure.

GOING CONCERN

Whilst the company has net liabilities the directors believe the company is well placed and has considerable cash resource to manage its business risks successfully despite the current uncertain economic outlook. The company participates in the group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. The directors have therefore assessed the ability of the group companies to continue with the group banking arrangements. After making enquiries and after having reviewed the company's forecasts and projections, taking into account reasonably possible changes in trading performance, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. They have also obtained confirmation of support from their parent company, and assessed the activity of the group to provide their support. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, in equal annual instalments, over the estimated useful life of the assets. The depreciation charge is included in the cost of sales figure in the profit and loss account. Specific depreciation rates are as follows:

Plant and machinery - 5-12 years straight line

Fixtures and fittings - 3-10 years straight line

Assets in the course of construction are not depreciated.

STOCKS

Stocks are stated at the lower of cost or estimated selling price less costs to sell, which is equivalent to the net realisable value.

Cost incurred in bringing each product to its present location and condition is based on:

Raw materials - Purchase cost on a FIFO basis including transport.

Work-in-progress - Cost of direct materials and labour, plus a reasonable proportion of manufacturing overheads based on normal levels of activity.

Finished goods - Net realisable value is based on estimated normal selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2015

1. ACCOUNTING POLICIES (continued)

TAXATION

Current tax, including UK corporation 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.

Deferred tax is recognised in respect of all timing differences that have originated but not renewed 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.

Timing differences, are differences between the taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing differences.

FOREIGN CURRENCY

Both the functional and reporting currency of the company is considered to be pounds sterling, because that is the currency of the primary economic environment in which the company operates.

Transactions of the company in foreign currencies are translated at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities of the company at the year end denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Differences arising from movements in rates of exchange are taken to the profit and loss account.

TURNOVER

Turnover comprises the value of sales (excluding VAT and similar taxes and trade discounts) of goods and services provided in the normal course of business. Revenue is recognised when, in the opinion of the directors, the company has fulfilled its obligations under the terms of sale and when the significant risks and rewards have been transferred to the buyer.

OPERATING LEASES

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight line basis over the lease term.

RETIREMENT BENEFITS

Amounts paid by the company into a defined contribution pension scheme are charged to the profit and loss account in the period in which the contributions fall due for payment.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are described in note 1, 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.

INTERNATIONAL PAPER FOODSERVICE EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2015

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Critical judgements in applying the group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the company's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

Deferred Tax – key sources of estimation uncertainty

A deferred tax asset is recognised when it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Recognition, therefore involves judgement regarding the forecasting of future taxable profits. The directors believe that the amount recorded of £250,583 (2014 - £250,583) in these financial statements is recoverable.

This has arisen due to depreciation in excess of capital allowances and carried forward tax losses.

3. TURNOVER

	2015 £	2014 £
Geographical analysis of turnover by destination:		
United Kingdom	2,805,304	2,646,884
Rest of Europe	3,550,320	2,894,047
Rest of World	699,049	1,003,763
	<u>7,054,673</u>	<u>6,544,694</u>

All turnover originated in the UK.

4. OPERATING LOSS

Operating loss is stated after charging:

	2015 £	2014 £
Depreciation		
- tangible fixed assets	460,730	249,412
Operating lease rentals		
- property	235,659	235,659
- equipment	35,594	36,019
Foreign exchange loss	38,992	36,387
Auditor's remuneration		
- audit of the company's annual financial statements	<u>16,500</u>	<u>15,000</u>

There were no non-audit fees payable to the auditor (2014 - nil).

INTERNATIONAL PAPER FOODSERVICE EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2015

5. STAFF COSTS

The average monthly number of employees (including executive directors) was:

	2015 Number	2014 Number
Production	21	18
Administration	10	9
	<u>31</u>	<u>27</u>

Their aggregate remuneration comprised:

	2015 £	2014 £
Wages and salaries	1,030,326	977,358
Social security costs	58,583	59,364
Employer's pension contributions and other staff costs	53,198	54,511
	<u>1,142,107</u>	<u>1,091,233</u>
	2015 £	2014 £
Directors' remuneration	<u>117,994</u>	<u>110,206</u>

6. FINANCE COSTS (NET)

	2015 £	2014 £
Intercompany interest (payable)/receivable	(14,255)	146,627
	<u></u>	<u></u>

INTERNATIONAL PAPER FOODSERVICE EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2015

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2015 £	2014 £
Current tax on profit		
UK current tax charge for the year	-	-
Adjustment in respect of prior years	-	-
	<u>-</u>	<u>-</u>
Total current tax charge for the year	<u>-</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	-	(107,204)
Rate change	-	12,098
	<u>-</u>	<u>(95,106)</u>
Total deferred tax credit	<u>-</u>	<u>(95,106)</u>
Total tax credit on loss on ordinary activities	<u>-</u>	<u>(95,106)</u>

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	2015 £	2014 £
Loss on ordinary activities before tax	<u>(839,508)</u>	<u>(491,543)</u>
Tax on loss on ordinary activities at standard UK corporation tax rate of 20.25% (2014 – 21.5%)	(170,000)	(105,682)
Effects of:		
Permanent differences	223	22
Depreciation in excess of capital allowances	65,389	41,524
Group relief relieved for nil consideration	104,388	64,136
Origination and reversal of timing differences	-	(107,204)
Rate change	-	12,098
	<u>-</u>	<u>(95,106)</u>
Total tax credit for the year	<u>-</u>	<u>(95,106)</u>

The Finance Act 2015, which was substantively enacted in October 2015, included provisions to reduce the rate of corporation tax to 19% with effect from 1 April 2017 and 18% from 1 April 2020. This will reduce the company's future tax charge accordingly.

INTERNATIONAL PAPER FOODSERVICE EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2015

8. TANGIBLE FIXED ASSETS

	Assets in the course of construction £	Plant and machinery £	Fixtures and fittings £	Total £
Cost				
As at 1 January 2015	464,125	5,620,354	37,759	6,122,238
Additions	67,695	-	-	67,695
AUC transfer to plant and machinery	(500,757)	500,757	-	-
As at 31 December 2015	<u>31,063</u>	<u>6,121,111</u>	<u>37,759</u>	<u>6,189,933</u>
Depreciation				
As at 1 January 2015	-	1,459,313	25,402	1,484,715
Charge for the year	-	457,911	2,819	460,730
As at 31 December 2015	<u>-</u>	<u>1,917,224</u>	<u>28,221</u>	<u>1,945,445</u>
Net book value				
As at 31 December 2015	<u>31,063</u>	<u>4,203,887</u>	<u>9,538</u>	<u>4,244,488</u>
As at 31 December 2014	<u>464,125</u>	<u>4,161,041</u>	<u>12,357</u>	<u>4,637,523</u>

9. STOCKS

	2015 £	2014 £
Raw materials and consumables	753,122	752,719
Work-in-progress and finished goods	524,975	817,552
	<u>1,278,097</u>	<u>1,570,271</u>

The replacement cost of stock is not materially different to its balance sheet value.

During the period £6,431,610 (2014 - £5,872,297) of inventories was recognised as an expense.

10. DEBTORS

	2015 £	2014 £
Trade debtors	913,653	1,042,191
Amounts owed by group undertakings	2,620,082	2,778,664
Deferred tax asset (see note 12)	250,583	250,583
VAT recoverable	42,170	482,265
Corporation tax	-	68,021
Prepayments and accrued income	36,102	42,631
	<u>3,862,590</u>	<u>4,664,355</u>

Amounts owed by group undertakings includes £115,831 (2014 - £169,274) of cash held on behalf of the company which is repayable on demand, reflecting that it is part of a group cash pooling arrangement, all amounts are due within one year. These amounts do not attract interest.

INTERNATIONAL PAPER FOODSERVICE EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2015

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Trade creditors	136,419	205,174
Amounts owed to group undertakings	4,792,155	5,304,888
Other taxes and social security	24,559	28,914
Accruals and deferred income	188,223	249,846
	<u>5,141,356</u>	<u>5,788,822</u>

Amounts owed to group undertakings are repayable on demand and do not attract interest.

12. DEFERRED TAXATION ASSET

	Deferred taxation £
As at 1 January 2015	250,583
Credit to profit and loss account	-
As at 31 December 2015	<u>250,583</u>

Deferred taxation provided is as follows:

	Provided 2015 £	Provided 2014 £
Depreciation in excess of capital allowances	198,463	198,463
Tax losses	52,120	52,120
	<u>250,583</u>	<u>250,583</u>

As at 31 December 2015 there were no unprovided amounts.

13. CALLED-UP SHARE CAPITAL

	2015 £	2014 £
Allotted, called-up and fully-paid		
852,550 ordinary shares at £1 each	<u>852,550</u>	<u>852,550</u>

INTERNATIONAL PAPER FOODSERVICE EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2015

14. GUARANTEES AND OTHER FINANCIAL COMMITMENTS

Lease commitments

The company has the following commitments in respect of operating leases:

	Plant and machinery		Land and buildings	
	2015	2014	2015	2014
	£	£	£	£
Within one year	16,272	18,513	287,776	287,776
Between two and five years	47,472	-	223,913	522,689
After five years	18,461	-	-	-
	<u>82,205</u>	<u>18,513</u>	<u>511,689</u>	<u>799,465</u>

15. EMPLOYEE BENEFITS

Defined Contribution Scheme

The company operates defined contribution retirement benefit schemes for qualifying employees. The total expense charged to profit or loss in the period ended 31 December 2015 was £53,198 (2014 - £54,511).

16. ULTIMATE CONTROLLING PARTY

The directors regard International Paper Company, a company incorporated in the state of New York, USA as the ultimate parent company and ultimate controlling party. The immediate parent company is International Paper Group (UK) Limited whose registered office is at Units 10&11 Navigation Park, Winsford Industrial Estate, Winsford, Cheshire, CW7 3RL.

The largest group of which International Paper Foodservice Europe Limited is a member and for which group financial statements are drawn up is that headed by International Paper Company, whose principal place of business is at 6400 Poplar Avenue, Memphis, Tennessee 38197, USA. The smallest such group is headed by International Paper Group (UK) Limited.

As a wholly owned subsidiary of International Paper Company the company has taken the exemption given under FRS107 section 33 "Related party disclosures" for wholly owned subsidiaries not to disclose related party transactions with other group companies.

17. EXPLANATION OF TRANSITION TO FRS 102

This is the first year that the company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. This disclosure is required in the year of transition. The last financial statements under previous UK GAAP were for the year ended 31 December 2014 and the date of transition to FRS 102 was therefore 1 January 2014. As a consequence of adopting FRS 102 there have been no material changes in accounting policies that affect the financial statements of the company therefore no adjustments were made to the comparative results.