

Company Registration No. 1038677

Graham Packaging Plastics Limited

Report and Financial Statements

31 December 2006

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Graham Packaging Plastics Limited

Report and financial statements 2006

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Graham Packaging Plastics Limited

Report and financial statements 2006

Officers and professional advisers

Directors

J W Hereford
G R Lu
A Sudan
R M Prevot
J E Hamilton

Secretary

J E Hamilton

Registered Office

Irton House
The Tower Estate
Warpsgrove Lane
Chalgrove
Oxfordshire
OX44 7TH

Bankers

Barclays Bank PLC
28 George Street
Luton
LU1 2AE

Auditors

Deloitte & Touche LLP
Chartered Accountants
Birmingham

Graham Packaging Plastics Limited

Directors' report (continued)

The directors present their annual report and the audited financial statements for the year ended 31 December 2006

Activities

The principal activity of the company during the year continued to be the manufacture of plastic containers, mainly in PET resin but also in polypropylene. These products were supplied to a variety of manufacturers in different sectors for filling with their products (food, drinks, cosmetics, pharmaceuticals, automotive etc)

Business Review

Turnover in 2006 was £8,585,000 from £9,583,000 in 2005

The lower turnover in 2006 was as a result of a major customer changing to in-house manufacture during the year and the transfer of business to a European based site however this was offset by increased sales to domestic customers in new sectors

The operating loss was £363,000 in 2006 from an operating profit of £372,000 in 2005

Operating Margin in the year was significantly affected by the increased price of base materials, commodities and significant increases in utility costs. This was partially offset by the reduction in payroll costs in the year

Freight and distribution cost were also affected by the increased fuel costs in the year

Administrative expenses reduced from 2005 due to the lower personnel costs incurred

The loss for the year amounted to £339,000 (2005 £46,000 loss)

Group Debtors decreased down to £1,660,000 at the end of 2006. Group Creditors decreased down to £151,000 due to lower intercompany purchases compared with 2005

It is the intention of the directors to continue manufacturing & trading as a going concern for the foreseeable future

The parent company of Graham Packaging Plastics limited is Graham Packaging Company, L P, based in York, Pennsylvania USA which is a worldwide leader in the design, manufacture and sale of technology-based, customized blow-molded plastic containers for the branded food and beverage, household, personal care/specialty, and automotive lubricants product categories

Globally, the group produced more than 20 billion units at 85 plants in 17 countries and had worldwide net sales of \$2.5 billion in 2006

The Blackstone Group of New York is the majority owner of Graham Packaging Company, L P

Dividends

The directors do not recommend the payment of any dividends (2005 £nil)

Financial risk management objectives and policies

The company's activities expose it to a number of financial risks including price risk, credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the company's policies approved by the board of directors, which provide written principles based on the Parent companies Policies so as to manage these risks. The company does not use derivative financial instruments for speculative purposes

Graham Packaging Plastics Limited

Directors' report (continued)

Cash flow risk

The company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The use of foreign exchange forward contracts and interest rate swap contracts is governed by the company's policies approved by the board of directors, which provide written principles based on the Parent companies policies so as to manage these risks. Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk

The company's principal financial assets are bank balances and cash, trade and other receivables.

The company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company has an Intercompany funding arrangement.

Price risk

The company is exposed to commodity price risk. The company does not manage its exposure to commodity price risk due to cost benefit considerations.

Director

The directors who served the company during the year were as follows:

T L Young
J W Hereford
G R Lu
A Sudan
R M Prevot
J E Hamilton

Graham Packaging Plastics Limited

Directors' report (continued)

Auditors


A resolution to reappoint Deloitte & Touche LLP as the company's auditors will be proposed at the forthcoming Annual General Meeting

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 auditors are unaware, and
- The director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

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



A Sudan

26 September 2008

Graham Packaging Plastics 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). The financial statements are required by law to 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 estimates that are reasonable and prudent,
- 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 proper accounting records that 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 1985. 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 AUDITORS' REPORT TO THE MEMBERS OF Graham Packaging Plastics Limited

We have audited the financial statements of Graham Packaging Plastics Limited for the year ended 31 December 2006 which comprise profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes 1 to 19. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Birmingham
United Kingdom

1 October 2008

Graham Packaging Plastics Limited

Profit and loss account Year ended 31 December 2006

			2005 £'000
	Note	2006 £'000	Restated (Note 4)
Turnover	2	8,585	9,583
Cost of sales		(7,805)	(7,911)
Gross profit		780	1,672
Distribution costs		(646)	(669)
Administrative expenses		(497)	(631)
Operating (loss) / profit	3	(363)	372
Interest payable and similar charges	6	(26)	(70)
Interest receivable	7	109	84
(Loss) / profit on ordinary activities before taxation		(280)	386
Tax charge on (loss) / profit on ordinary activities	8	(59)	(432)
Loss for the financial year	16	(339)	(46)

All figures relate to continuing operations

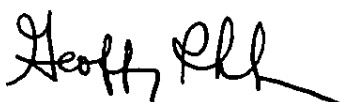
Graham Packaging Plastics Limited

Balance sheet 31 December 2006

	Note	2006 £'000	2005 £'000
Fixed assets			
Tangible assets	9	3,214	3,579
Current assets			
Stocks	10	1,084	720
Debtors	11	3,337	3,394
Cash at bank and in hand		122	222
		4,543	4,336
Creditors: amounts falling due within one year	12	(1,566)	(1,567)
Net current assets		2,977	2,769
Total assets less current liabilities		6,191	6,348
Provisions for liabilities			
Deferred taxation	8(c)	-	(393)
Net Assets before pension liability		6,191	5,955
Pension Liability	18	(1,258)	(1,054)
		4,933	4,901
Capital and Reserves			
Called up share capital	15	7,644	7,644
Share premium account	16	167	167
Capital reserve	16	6,897	6,897
Profit and loss account	16	(9,775)	(9,807)
Total shareholders' funds	16	4,933	4,901

These financial statements were approved by the Board of Directors on ^{26th} September 2008

Signed on behalf of the Board of Directors



G Lu
Director



A Sudan
Director

Graham Packaging Plastics Limited

Statement of total recognised gains and losses

Year ended 31 December 2006

	2006 £'000	2005 £'000
Loss for financial year	(339)	(46)
Actuarial gain / (loss) relating to pension scheme	371	(31)
UK Deferred tax credit attributable to the actuarial gains and losses	-	9
Total recognised gains and losses relating to the year	<u>32</u>	<u>(68)</u>

Graham Packaging Plastics Limited

Notes to the accounts

Year ended 31 December 2006

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards

In accordance with Financial Reporting Standard 1 "Cash flow statements", the company has taken advantage of the exemption from preparing a cash flow statement on the grounds that it is a wholly owned subsidiary within the Graham Packaging International Plastics Products Inc group and the ultimate parent company prepares publicly available consolidated financial statements that incorporate the results of the company

The particular accounting policies adopted are described below

Fixed assets

All fixed assets are initially recorded at cost net of depreciation and provision for impairment

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows

Plant & Machinery	7.5% - 20% per annum
Fixtures & Fittings	20% per annum
Motor vehicles	33% per annum

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows

Raw materials, consumables and goods for resale	-	purchase cost on a first-in, first out basis
Work in progress and finished goods	-	cost of direct materials and labour plus attributable overheads based on a normal level of activity

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date

All differences are taken to the profit and loss account

Operating lease agreements

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term

Graham Packaging Plastics Limited

Notes to the accounts (continued)

Year ended 31 December 2006

Taxation

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 reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold,
- Deferred tax assets are recognised only to the extent that the directors consider that it is 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 on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Pension costs

For defined benefit schemes the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses

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

Moulds and developments costs

Moulds and development costs are depreciated over varying periods up to a maximum of 5 years depending upon

- (a) their useful life, and
- (b) the length of customer contracts

Depreciation is on a straight line basis commencing in the month in which the mould is first used

Recoverable tooling

The company works in partnership with various customers and this may involve the agreement to purchase tooling for containers that may be recoverable over the period of the contract. This is stated within the balance sheet and any excess or surplus is reviewed and then taken to the profit and loss account

Research and development costs

Research and product development expenditures are written off as incurred

Graham Packaging Plastics Limited

Notes to the accounts (continued)

Year ended 31 December 2006

2. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties. Turnover is attributable to two continuing activities, the manufacture and distribution of plastic containers and the sale of bottles and closures.

An analysis of turnover by geographical market is given below

	2006 £'000	2005 £'000
United Kingdom	7,881	8,608
Rest of Europe	569	917
Rest of World	135	58
	<u>8,585</u>	<u>9,583</u>

3. Operating (loss) / profit

This is stated after charging/ (crediting)

	2006 £'000	2005 £'000
Fees payable to the company's auditors for the audit of the company's annual accounts	37	39
Fees payable to the company's auditors for tax services	5	10
Depreciation of owned fixed assets	642	622
Profit on disposal of fixed assets	(16)	(120)
Research and Development	135	138
Operating lease rentals – plant & machinery	410	388
Loss / (profit) relating to foreign exchange translation	2	(9)
	<u></u>	<u></u>

4. Prior year adjustment

The directors have reclassified certain employee costs, totalling £446,000, in the prior year comparatives from administrative expenses to cost of sales in order to make them comparable.

Graham Packaging Plastics Limited

Notes to the accounts (continued)

Year ended 31 December 2006

5. Information regarding directors and employees

	2006 £'000	2005 £'000
Wages and salaries	1,959	2,273
Social security costs	199	201
Other pension costs (note 18)	308	(112)
	<u>2,466</u>	<u>2,362</u>

The monthly average number of employees during the year was as follows

	2006 £'000	2005 £'000
Administrative staff	3	4
Manufacturing	65	71
Sales and Marketing	3	3
	<u>71</u>	<u>78</u>

No director received any remuneration in relation to their services to this company in 2006 (2005 £nil)

There were no directors within the company pension scheme

6 Interest payable and similar charges

	2006 £'000	2005 £'000
Bank	2	0
Net finance costs on pension scheme liabilities	24	70
	<u>26</u>	<u>70</u>

7. Interest receivable

	2006 £'000	2005 £'000
Bank	9	29
Intercompany interest	100	55
	<u>109</u>	<u>84</u>

Graham Packaging Plastics Limited

Notes to the accounts (continued)

Year ended 31 December 2006

8. Tax on (loss) / profit on ordinary activities

	2006 £'000	2005 £'000
UK Corporation tax	-	-
Total current tax (credit)/charge (note 8(b))	-	-
<i>Deferred tax</i>		
Adjustment in respect of prior periods (note 8(c))	(393)	-
Origination and reversal of timing differences	-	292
Movement in deferred tax on pension liability (note 18)	452	140
Total deferred tax charge	59	432
Total tax charge on (loss) on ordinary activities	59	432

Graham Packaging Plastics Limited

Notes to the accounts (continued)

Year ended 31 December 2006

8. Tax on (loss) / profit on ordinary activities (continued)

b) Factors affecting current tax charge

	2006 £'000	Adjusted 2005 £'000
The differences are reconciled below		
(Loss) / profit on ordinary activities before taxation	(280)	386
(Loss) / profit on ordinary activities by standard rate in the UK 30 % (2005 – 30%)	(84)	116
Disallowed expenses and non-taxable income	(6)	45
Depreciation in excess of capital allowances	59	35
Short-term timing differences	31	(327)
Adjustment in respect of previous periods	-	-
Trading losses not recognised	-	131
Total current tax charge (note 8(a))	-	-

c) Deferred tax

Capital allowances in advance of depreciation	455	435
Other timing differences	(18)	(42)
Losses	(437)	-
Provision for deferred taxation liability	-	393
At 1 January	393	101
Profit and loss account movement arising during the year	-	292
Adjustments in respect of previous periods	(393)	-
At 31 December	-	393

In March 2007 the UK Government announced that they would introduce legislation that would reduce the corporation tax rate to 28% with effect from 1 April 2008. The legislation was substantively enacted on 26 June 2007. In future periods, the deferred tax assets and liabilities, currently stated at 30% of the temporary differences, will be restated at 28% of those amounts and hence the effective tax rate will decrease accordingly.

The company has an unprovided deferred tax asset of approximately £390,000 (2005 £827,000) in respect of losses carried forward and £377,400 (2005 £nil) in respect of the pension fund liability (Note 18). No deferred tax asset has been recognised due to uncertainty that the company will have sufficient taxable profits against which the losses may be utilised in the foreseeable future.

Graham Packaging Plastics Limited

Notes to the accounts (continued)

Year ended 31 December 2006

9. Tangible fixed assets

	Plant & Machinery £'000	Equipment and vehicles £'000	Total £'000
Cost			
At 1 January 2006	14,007	3,722	17,729
Additions	172	103	275
Transfers from other group companies	13	-	13
Disposals	(922)	-	(922)
At 31 December 2006	13,270	3,825	17,095
Accumulated depreciation			
At 1 January 2006	11,117	3,033	14,150
Provided during the year	509	133	642
Disposals	(911)	-	(911)
At 31 December 2006	10,715	3,166	13,881
Net book value			
At 31 December 2006	2,555	659	3,214
At 1 January 2006	2,890	689	3,579

Within Plant & Machinery are assets valued at £48,000 related to assets in the course of construction that were not depreciated in the year (2006 £220,000)

All Plant & Machinery within Fixed assets was reviewed for recoverability as at 31st December 2006 and this has not resulted in an impairment charge (2005 £Nil)

10. Stocks

	2006 £'000	2005 £'000
Raw materials and consumables	215	180
Finished goods	869	540
	1,084	720

The directors consider that there is no material difference between the value of stock as stated above and its replacement cost

Graham Packaging Plastics Limited

Notes to the accounts (continued)

Year ended 31 December 2006

11 Debtors

	2006 £'000	2005 £'000
Trade debtors	1,426	1,508
Amounts owed by group undertakings	1,660	1,702
Other debtors	134	179
Prepayments and accrued income	117	5
	<u>3,337</u>	<u>3,394</u>

The Intercompany loans repayable by group companies, totalling £1,317,000 (2005 - £1,244,000) included in the above amounts owed by group undertakings, were at an average interest rate of 6.95%

12 Creditors amounts falling due within one year

	2006 £'000	2005 £'000
Trade creditors	814	762
Amounts owed to group undertakings	151	233
Other taxes and social security	141	143
Accruals and deferred income	460	429
	<u>1,566</u>	<u>1,567</u>

13. Commitments under operating leases

At 31 December the company had annual commitments under non-cancellable operating leases as set out below

	2006 £'000	2005 £'000
Operating leases which expire		
Within one year	11	11
In two to five years	399	394
	<u>410</u>	<u>405</u>

14 Related party transactions

The company is a wholly owned subsidiary of Graham Packaging Company, L.P. a company registered in the U.S.A. who prepares published consolidated financial statements. The company has pursuant to paragraph 17 of FRS 8 "Related Party Disclosures" not included details of transactions with other companies which are subsidiaries of Graham Packaging Company, L.P. There are no other related party transactions.

Graham Packaging Plastics Limited

Notes to the accounts (continued)

Year ended 31 December 2006

15. Called up share capital

	2006 £'000	2005 £'000
Authorised:		
Ordinary shares of £1 each	7,644	7,644
Called up, allotted and fully paid		
Ordinary shares of £1 each	7,644	7,644

16. Reconciliation of shareholders' funds and movement on reserves

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total share- holders funds £'000
At 1 January 2006	7,644	167	6,897	(9,807)	4,901
Loss for the year	-	-	-	(339)	(339)
Other recognised gains & losses	-	-	-	371	371
At 31 December 2006	7,644	167	6,897	(9,775)	4,933

17. Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £48,000 (2005 £4,000)

18. Pension commitments

a) Pensions

The company operates a defined benefit scheme for its employees

The scheme is funded by the payment of contributions to separately administered trust funds

The most recent independent actuarial valuation as at 6 April 2006 showed that the market value of the scheme assets was £2.2 million and that the actuarial value of those represented 74% of the benefits that had accrued to members after allowing for future increases in earnings, the valuation was updated at 31 December 2006. The scheme was valued in accordance with the projected unit method. The most significant assumptions affecting the valuations are as follows:

	2006 %	2005 %	2004 %
Main assumptions			
Rate of increase in salaries	3.6	3.5	3.5
Rate of increase in pensions in payment	3.1	3.2	3.5
Discount rate	5.0	4.9	5.4
Inflation assumption	2.8	2.7	3.2

Graham Packaging Plastics Limited

Notes to the accounts (continued)

Year ended 31 December 2006

18 Pension commitments (continued)

The assets and liabilities of the scheme and the expected rate of return at 31 December are

	2006		2005		2004	
	Long-term rate of return expected %	Value £'000	Long-term rate of return expected %	Value £'000	Long-term rate of return expected %	Value £'000
Equities	7.5	3,046	7.0	2,375	7.4	2,080
Bonds	5.0	433	4.7	576	4.9	562
Other	5.0	487	4.2	593	4.9	491
Total market value of assets		3,966		3,544		3,133
Present value of scheme liabilities		(5,224)		(5,050)		(5,076)
Deficit in the scheme		(1,258)		(1,506)		(1,943)
Related deferred tax asset		-		452		583
Net pension liability		<u>(1,258)</u>		<u>(1,054)</u>		<u>(1,360)</u>

Graham Packaging Plastics Limited

Notes to the accounts (continued)

Year ended 31 December 2006

18. Pension commitments (continued)

An analysis of the defined benefit cost for the year ended 31 December 2006 is as follows

	2006 £'000	2005 £'000	2004 £'000
Current services cost	(308)	(291)	(326)
Curtailments	-	403	-
Total operating (charge) / income	<u>(308)</u>	<u>112</u>	<u>(326)</u>
Expected return on pension scheme assets	223	204	174
Interest on pension scheme liabilities	<u>(247)</u>	<u>(274)</u>	<u>(228)</u>
Total other finance expense	<u>(24)</u>	<u>(70)</u>	<u>(54)</u>
Actual return less expected return on pension scheme assets	55	273	129
Experience gains/ (losses) arising on scheme liabilities	217	(86)	265
Gain / (loss) arising from changes in assumptions underlying the present value of scheme liabilities	<u>99</u>	<u>(218)</u>	<u>(570)</u>
Actuarial gain / (loss) recognised in the statement of total recognised gains and losses	<u>371</u>	<u>(31)</u>	<u>(176)</u>
Analysis of movements in surplus during the year	2006 £'000	2005 £'000	2004 £'000
At 1 January 2006	(1,506)	(1,943)	(1,627)
Total operating (charge) / income	(308)	112	(326)
Total other finance expense	(24)	(70)	(54)
Actuarial gain /(loss) recognised in the statement of total recognised gains and losses	371	(31)	(176)
Contributions	<u>209</u>	<u>426</u>	<u>240</u>
At 31 December 2006	<u>(1,258)</u>	<u>(1,506)</u>	<u>(1,943)</u>

Graham Packaging Plastics Limited

Notes to the accounts (continued)

Year ended 31 December 2006

18 Pension commitments (continued)

History of experience gains and losses

	2006 £'000	2005 £'000	2004 £'000
Analysis of movements in surplus during the year			
Difference between expected return and actual return on pension scheme assets			
Amount	55	273	129
Percentage of scheme asset	1%	8%	4%
Experience gains / (losses) arising on scheme liabilities			
Amount	217	(86)	265
Percentage of present value of the scheme liabilities	4%	(2%)	5%
Total actuarial gain / (loss) recognised in the statement of total recognised gains and losses			
Amount	371	(31)	(176)
Percentage of present value of the schemes liabilities	7%	(1%)	(3%)

19. Ultimate parent company

The immediate parent undertaking of Graham Packaging Plastics Limited is Graham Packaging International Plastic Products Inc, a company registered in the U S A

The company's ultimate parent undertaking and controlling party is The Blackstone Group, a company registered in the U S A. The smallest and largest group into which Graham Packaging Plastics Limited is consolidated is Graham Packaging Company, L P who prepares published consolidated financial statements. Copies of its group accounts, which included in the company, are available c/o The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware DE 19801, U S A