

**Company Registration No. 5400677**

**GRAPHIC PACKAGING INTERNATIONAL BOX  
HOLDINGS LIMITED**

**Annual reports and Financial Statements**

**For the year ended 31 December 2015**



# **GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LTD**

## **REPORT AND FINANCIAL STATEMENTS 2015**

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# GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LTD

## STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

The directors present their Strategic Report for the year ended 31 December 2015.

### REVIEW OF THE BUSINESS

The company is a wholly owned subsidiary of Graphic Packaging Holding Company and operates as part of the food packaging division.

The company's principal activities are that of a holding company for operating companies involved in the manufacture and sale of cartons for the food industry in the UK and Europe. This entity now contains all centralised costs supporting GPI Bardon, GPI Gateshead and GPI Distribution, these entities are then charged a service fee associated with the support received. GPI Box Holdings Ltd now also holds all centralised production material. The directors are not, at the date of this report, aware of any likely major changes in the company's activities in the next period although every opportunity to reduce costs through further centralisation may occur.

The directors do not anticipate any significant changes in the Company's activities in the foreseeable future

The key financial and other performance indicators during the period were as follows:

	2015	25 <sup>th</sup> May 2014 -31 <sup>st</sup> Dec 2014	Full Year 52 Weeks 2014	Full Year Change
	£'000	£'000	£'000	%
Turnover	3,676	2,207	2,297	60%
EBITDA	155	56	103	50%
Profit/(loss) After Tax	392	(374)	(9,690)	
Average number of employees	48	36	36	33%

Turnover has increased by 60% when adjusting the turnover from the previous accounting period to a full 52 weeks due to the increase in demand from the sites that GPI Box Holdings serves. Centralisation of shared costs also continued in 2015. Turnover for the next financial year is expected to be at a similar level of that achieved this year. The prior year loss after tax is due to impairment of investments in Medica Packaging Ltd and Print Design Graphics Ltd.

EBITDA is stated after exceptional costs of £nil (2014, £433k). The 2014 exceptional costs are directly associated with the sale of Medica which took place on 30 October 2014.

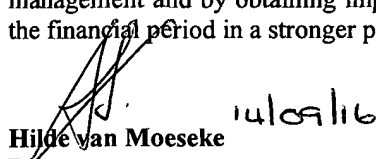
The directors do not anticipate any significant changes in the Company's activities in the foreseeable future.

### PRINCIPAL RISKS AND UNCERTAINTIES

Significant changes in the related parties in the GPI group would result in the need to change the centralised service offerings held in GPI Box Holdings Ltd to match the business requirements.

Competitive pressure in the UK and Europe is a continuing risk for the group, which could result in it losing turnover. To manage this risk, the group strives to provide added-value products and services to its customers, utilising lean manufacturing processes, with regular capital expenditure in state of the art equipment, prompt response times in the supply of products and services and in the handling of customer queries, and through the maintenance of strong relationships with customers.

The group's businesses are most affected by fluctuations in the price and supply of key raw materials, although purchasing policies and practices seek to mitigate, where applicable, such risks, through improved supplier management and by obtaining improved credit positions with key suppliers. This has resulted in the group ending the financial period in a stronger position than many of our competitors.

  
**Hilde van Moeseke**  
Director

# **GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LTD**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015**

The directors present their report for the year ended 31 December 2015.

### **GOING CONCERN**

The company generates an operating profit and is cash generative. The company has net liabilities and net current liabilities due to amounts owed to the parent company. The company has the support of its parent undertaking which has confirmed it will not seek repayment of amounts owed and will provide any additional funding required for a period of at least twelve months from the signing of these financial statements. The financial statements have therefore been prepared on a going concern basis.

### **ENVIRONMENT**

Graphic Packaging International Box Holdings Limited recognises the importance of its environmental responsibilities, monitors its impact on the environment and designs and implements policies to mitigate any adverse impact that might be caused by its, and the operating companies' activities. Initiatives aimed at minimising the company's impact on the environment include safe disposal of manufacturing waste, recycling and reducing energy and materials consumption. The company has developed a corporate social responsibility programme and is working with customers and suppliers on ways of protecting the environment, through design and innovation of new products that have an environmental benefit.

### **DIRECTORS**

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

N J Benson

M G Kerridge (resigned 7 September 2015)

J P Yost

H van Moeseke

E van de Rovaart

L Tashma

### **DIVIDENDS**

The directors do not recommend the payment of a dividend for the year ended 31 December 2015.

### **DISCLOSURE OF INFORMATION TO AUDITOR**

The directors who held office at the date of approval of this directors report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

# GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LTD

## DIRECTORS REPORT (Continued)

### AUDITOR

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Ernst & Young LLP will therefore continue in office.

By order of the Board

  
H Van Moeseke  
Director

14/09/16

Registered office:  
Eversheds House  
70 Great Bridgewater Street  
Manchester  
United Kingdom  
M1 5ES

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

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

Company law requires the directors to prepare financial statements for each financial period. 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether 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.

# GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LTD

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LTD

We have audited the financial statements of Graphic Packaging International Box Holdings Limited for the period ended 31 December 2015 which comprises the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes 1-18. 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 FRS 102 'The Financial Reporting Standard applicable to 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 set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Reports and Financial Statements 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 profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

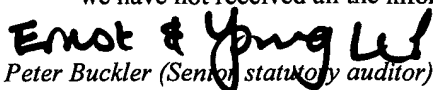
### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial period 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.

  
Peter Buckler (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

Leeds

16<sup>th</sup> September 2016

# GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LTD

## PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	Year ended 31 Dec 2015 £'000	32 week period ended 31 Dec 2014 £'000
<b>TURNOVER</b>	2	3,676	2,207
Cost of sales		-	-
<b>Gross profit</b>		3,676	2,207
Distribution costs		-	-
Administrative expenses		(3,521)	(2,151)
<b>OPERATING PROFIT BEFORE EXCEPTIONAL COSTS</b>		155	56
Exceptional costs	6	-	(433)
<b>OPERATING PROFIT/(LOSS)</b>		155	(377)
Interest receivable and similar income	4	183	51
Interest payable and similar charges	5	(3)	-
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		335	(326)
Tax on profit/(loss) on ordinary activities	7	57	(48)
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		392	(374)
<b>Other comprehensive income/ (expense)</b>			
<b>Other comprehensive income/(expense) for the year, net of income tax</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR</b>		392	(374)

All amounts above relate to continuing operations.



# GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LTD

## BALANCE SHEET

31 December 2015

	Note	31 Dec 2015 £'000	31 Dec 2014 £'000
<b>FIXED ASSETS</b>			
Investments	8	4,081	4,081
		<u>4,081</u>	<u>4,081</u>
<b>CURRENT ASSETS</b>			
Stocks	9	1,113	932
Debtors: amounts falling due within one year	10	10,279	19,043
Cash at bank and in hand		9,192	136
		<u>20,584</u>	<u>20,111</u>
<b>CREDITORS: amounts falling due within one year</b>	11	(29,740)	(29,659)
<b>NET CURRENT LIABILITIES</b>		<u>(9,156)</u>	<u>(9,548)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(5,075)</u>	<u>(5,467)</u>
<b>NET LIABILITIES</b>		<u>(5,075)</u>	<u>(5,467)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	1	1
Share Premium reserve		102	102
Profit and loss account		(5,178)	(5,570)
<b>SHAREHOLDERS' (DEFICIT)</b>		<u>(5,075)</u>	<u>(5,467)</u>

These financial statements were approved by the Board of Directors on

Signed on behalf of the Board of Directors by

  
H. Van Moeseke  
Director

14/09/16

Company Registration number: 5400677

# GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LTD

## STATEMENT OF CHANGES IN EQUITY

	Called-up Share capital £'000	Share Premium account £'000	Profit and loss account £'000	Total equity £'000
Balance at 24 <sup>th</sup> May 2014	1	102	(5,196)	(5,093)
<b>Total comprehensive income for the period</b>				
Loss for the financial period	-	-	(374)	(374)
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	(374)	(374)
<b>Balance at 31 December 2014</b>	<b>1</b>	<b>102</b>	<b>(5,570)</b>	<b>(5,467)</b>
<b>Total comprehensive income for the period</b>				
Profit for the financial year	-	-	392	392
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	392	392
<b>Balance at 31 December 2015</b>	<b>1</b>	<b>102</b>	<b>(5,178)</b>	<b>(5,075)</b>

### *Profit and Loss account*

This reserve comprises the balance of the retained earnings carried forward.

### *Share Premium*

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2015**

**1. ACCOUNTING POLICIES**

Graphic Packaging International Box holdings Limited (the “Company”) is a company limited by shares and incorporated and domiciled in the UK.

The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland (“FRS 102”) as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling.

The effective date of transition is the 25 May 2014. In the transition to FRS 102 from old UK GAAP, the Company has made no measurement and reclassification adjustments. As a result, it was not deemed necessary to present tables reconciling the transition within these financial statements.

FRS 102 grants certain first-time adoption exemptions from the full requirements of FRS 102. The following exemptions have been taken in these financial statements:

- Borrowing costs – the Company has elected to capitalise borrowing costs only from the date of transition.
- Investments in subsidiaries - the Company has elected to treat the carrying amount of investments in subsidiaries under previous UK GAAP at the date of transition as deemed cost on transition to FRS 102.

The Company’s parent undertaking, Graphic Packaging Holding Company includes the Company in its consolidated financial statements. The consolidated financial statements of Graphic Packaging Holding Company are prepared in accordance with US Generally Accepted Accounting Principles available to the public and may be obtained from Graphic Packaging International Limited, Filwood Road, Fishponds, Bristol, BS16 3SB. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Graphic Packaging Holding Company include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The Company proposes to continue to adopt the reduced disclosure framework in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 16.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 December 2015**

**1 ACCOUNTING POLICIES (Continued)**

**1.1 Measurement convention**

The financial statements are prepared on the historical cost basis.

**1.2 Going concern**

The company generates an operating profit and is cash generative. The company has the support of its parent undertaking which has confirmed it will not seek repayment of amounts owed and will provide any additional funding required for a period of at least twelve months from the signing of these financial statements. The financial statements have therefore been prepared on a going concern basis.

**1.3 Foreign currency**

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

**1.4 Basic financial instruments**

*Trade and other debtors / creditors*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

**1.5 Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost represents materials, direct labour and appropriate production overheads. Work in progress includes a portion of direct labour and appropriate production overheads based on the stage of completion reached at the balance sheet date. Provision is made for obsolete slow moving and defective stocks.

**1.6 Investments**

Investments are valued at cost, less any provision for impairment. The individual values are regularly reviewed by the directors and provision made for any impairments thereon.

**1.7 Employee benefits**

*Defined contribution plans and other long term employee benefits*

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2015**

**1 ACCOUNTING POLICIES (Continued)**

**1.8 Turnover**

Turnover represents the amounts generated from management fee charges to related entities excluding value added tax and is recognised when the significant risks and rewards of ownership of the services have been transferred to the related entity.

**1.9 Expenses**

*Operating lease*

Payments made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

*Interest receivable and Interest payable*

Interest payable and similar charges include interest payable on external bank and intercompany borrowing. Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset.

Other interest receivable and similar income include interest receivable on external bank loans and intercompany lending.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

**1.10 Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

# GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LTD

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2015

### 2. TURNOVER

Geographical analysis of turnover by destination:

	Year ended 31 Dec 2015 £'000	32 week period ended 31 Dec 2014 £'000
United Kingdom	3,676	2,207
	<u>3,676</u>	<u>2,207</u>

### 3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	Year ended 31 Dec 2015 £'000	32 week period ended 31 Dec 2014 £'000
--	---------------------------------------	--

The emoluments of the directors of the company:

Emoluments	294	261
Company contribution to money purchase pension scheme	24	20
	<u>318</u>	<u>281</u>

The number of directors who were members of a defined contribution pension scheme during the year

Nr	Nr
1	1

Employee costs during the year:

	Year ended 31 Dec 2015 £'000	32 week period ended 31 Dec 2014 £'000
Wages and salaries	2,213	1,250
Social security costs	224	150
Other pension costs	79	66
	<u>2,516</u>	<u>1,466</u>

Average number of persons employed

	Year ended 31 Dec 2015 No.	32 week period ended 31 Dec 2014 No.
Manufacturing	16	-
Sales and distribution	26	11
Administration	6	25
	<u>48</u>	<u>36</u>

# GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LTD

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2015

### 4. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 31 Dec 2015 £'000	32 week period ended 31 Dec 2014 £'000
Other interest receivable - Intercompany	183	50
Other interest receivable – Bank	-	1
	<u>183</u>	<u>51</u>

### 5. INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 31 Dec 2015 £'000	32 week period ended 31 Dec 2014 £'000
Intercompany loan interest payable	(3)	-
Bank loans repayable within five years	-	-
	<u>(3)</u>	<u>-</u>

### 6. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is after charging:

	Year ended 31 Dec 2015 £'000	32 week period ended 31 Dec 2014 £'000
<b>Auditors' remuneration</b>		
Audit fees payable to the company's auditors in relation to the audit of the financial statements	16	12
<b>Exceptional Costs</b>	<u>-</u>	<u>433</u>

Exceptional costs in the prior period of 433,000 are directly associated with the sale of Medica which took place on 30 October 2015, no further adjustments was made to fixed asset investments as an impairment was recognised in the period ended 24 May 2015.

In the prior period administrative expenses include £153,000 of other extra ordinary one-off costs directly associated with the integration of this entity into the Graphic Packaging group. In the current period administrative expenses of £205,000 are directly associated with the integration of this entity into the Graphic Packaging group.

# GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LTD

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

### 7. TAX ON PROFIT/ (LOSS) ON ORDINARY ACTIVITIES

#### a) Analysis of charge in the year:

	Year ended 31 Dec 2015 £'000	32 week period ended 31 Dec 2014 £'000
<b>Current tax:</b>		
UK corporation tax	-	60
Adjustments in respect of prior periods	(60)	-
<b>Total current tax</b>	<b>(60)</b>	<b>60</b>
<b>Total deferred taxation:</b>		
Origination and reversal of timing differences	2	(6)
Adjustments in respect of previous periods	-	(6)
Effect of tax rate change	1	-
<b>Total deferred tax</b>	<b>3</b>	<b>(12)</b>
<b>Total tax</b>	<b>(57)</b>	<b>48</b>

#### b) Factors affecting tax charge for the year:

The tax assessed on the profit on ordinary activities varied from the standard rate of corporation tax in the UK due to the following factors:

	Year ended 31 Dec 2015 £'000	32 week period ended 31 Dec 2014 £'000
Profit on ordinary activities before taxation	335	(326)
Profit on ordinary activities at 20.25% (2014: 21.0%)	68	(68)
Expenses not deductible	4	122
Transfer pricing adjustments	(108)	
Group relief surrendered	38	
Change in tax rates	1	-
Adjustments in respect of prior periods	(60)	(6)
<b>Total tax charge</b>	<b>(57)</b>	<b>48</b>

#### c) Factors that may affect future tax charges

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015.



# GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LTD

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

### 7. TAX ON PROFIT/ (LOSS) ON ORDINARY ACTIVITIES (Continued)

#### c) Factors that may affect future tax charges (continued)

The deferred tax liability at 31 December 2015 has been calculated based on these rates. An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. This will reduce the company's future tax charges accordingly.

#### d) Deferred Tax

At 1 January 2015	(14)
Recognised in the profit and loss account	3
Recognised in other comprehensive income	-
	<hr/>
At 31 December 2015	(11)
	<hr/>

The deferred tax assets consists of:

	31 Dec 2015 £'000	31 Dec 2014 £'000
<b>Deferred taxation</b>		
At the beginning of the period	(14)	(2)
Credit/Debit to the profit and loss account	3	(12)
	<hr/>	<hr/>
At the end of the period	(11)	(14)
	<hr/>	<hr/>
<b>The elements of taxation are:</b>		
Depreciation in excess of capital allowances	(8)	(11)
Other timing differences	(3)	(3)
	<hr/>	<hr/>
	(11)	(14)
	<hr/>	<hr/>

The net reversal of the deferred tax asset expected to occur in the year ended 31 December 2016 is not expected to be material. This reversal relates to the reduction in the corporation tax rate and the unwinding of other timing differences and the timing difference between the tax written down value of capital assets and their accounting net book value.

# GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LTD

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2015

### 8. INVESTMENTS HELD AS FIXED ASSET

	Shares in group undertakings £'000
<b>Cost</b>	
At 1 January 2015	4,081
Additions	-
Revaluation to fair value	-
	<hr/>
At 31 December 2015	4,081
	<hr/>

Name of undertaking:	Country of incorporation	Description of shares held	Proportion nominal value of issued shares
Graphic Packaging International Bardon Ltd	England & Wales	Ordinary £1 share	100%
Graphic Packaging International Gateshead Ltd	England & Wales	Ordinary £1 share	100%
Graphic Packaging International Distribution Ltd	England & Wales	Ordinary £1 share	100%
Print Design & Graphic Ltd	England & Wales	Ordinary £1 share	100%

### 9. STOCKS

	2015 £'000	2014 £'000
Raw materials and consumables	1,113	932
	<hr/>	<hr/>
	1,113	932
	<hr/>	<hr/>

Stocks recognised as an expense in the period were £0 (2014: £0)

### 10. DEBTORS

#### Amounts falling due within one year:

	2015 £'000	2014 £'000
Trade debtors	-	7
Amounts owed by group undertakings	10,097	18,834
Other debtors	16	114
Prepayments and accrued income	117	74
Corporation tax receivable	38	-
Deferred Tax (Note 7)	11	14
	<hr/>	<hr/>
	10,279	19,043
	<hr/>	<hr/>

The amounts owed by other group undertakings are interest free and repayable on demand. All other balances are non-interest bearing.

# GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LTD

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

### 11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £'000	2014 £'000
Trade creditors	189	525
Amounts owed to group undertakings	29,061	28,786
Other creditors	-	28
Corporation tax payable	-	35
Other taxation and social security	94	93
Accruals and deferred income	396	192
	<u>29,740</u>	<u>29,659</u>

All amounts from group undertakings are repayable on demand and non-interest bearing.

### 12. SHARE CAPITAL

	2015 £'000	2014 £'000
<b>Allotted and fully paid</b>		
133,375 ordinary shares of £0.01 each	1	1
15,000 preferred ordinary shares of £0.01 each	-	-
	<u>1</u>	<u>1</u>

### 13. CONTINGENT LIABILITIES

The Company is, from time to time, party to legal proceedings and claims, which arise in the ordinary course of business. The directors do not anticipate that the outcome of these claims, either individually or in aggregate, will have a material adverse effect upon the company's financial position.

### 14. PENSION SCHEME

There is a defined contribution scheme operated in the UK. The charge for the year amounts to £78,532 (2014: £66,000) and represents the contributions payable by the company to the fund.

### 15. RELATED PARTIES

The Company has taken advantage of the exemption, as permitted by paragraph 1(A) of chapter 33 of FRS 102, not to disclose related party transactions between fellow wholly owned subsidiaries within the group. There have been no related party transactions in the year other than those with wholly owned subsidiaries within the group.

### 16. ACCOUNTING ESTIMATES AND JUDGEMENTS

The only key accounting estimate relates to the carrying value of investments. It has been judged that there are no indicators of impairment present in the current financial period.

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2015**

**17. EXPLANATION OF TRANSITION TO FRS 102 FROM OLD UK GAAP**

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 102.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 December 2015 and the comparative information presented in these financial statements for the period ended 31 December 2014.

In the transition to FRS 102 from old UK GAAP, the Company has made no measurement and reclassification adjustments. As a result, it was not deemed necessary to present tables reconciling the transition within these financial statements.

**18. ULTIMATE PARENT COMPANY**

Shoo 553 Limited is the immediate parent company. Shoo 553 Limited was the ultimate parent company and controlling party up to 23 May 2014. On 23 May 2014, Shoo 553 Limited was acquired by Graphic Packaging International Limited, a company incorporated in England. From this date the ultimate and controlling party is Graphic Packaging Holding Company, a company incorporated in the USA, and is the ultimate parent company and controlling party. The smallest and largest group of which the company is a member and for which group financial statements are prepared is Graphic Packaging Holding Company.