

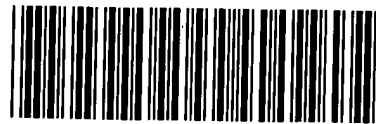
Registered number: 05400677

GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Stephen Richard Scherger Lauren Tashma Eveline Maria Van de Rovert Hilde Maria Willy Van Moekeke Joseph Paul Yost
Registered number	05400677
Registered office	Eversheds House 70 Great Bridgewater Street Manchester M1 5ES
Independent auditors	Ernst & Young 1 Bridgewater Place Water Lane Leeds LS11 5QR
Bankers	Bank of America London Branch 2 King Edward Street London EC1A 1HQ
Solicitors	Eversheds Sutherland LLP Eversheds House 70 Great Bridgewater Street Manchester M1 5ES

GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

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GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their Strategic Report for the year ended 31 December 2018.

Business review

Graphic Packaging International Box Holdings Limited (the "Company") is a private company limited by shares and incorporated and domiciled in the UK.

The Company is a wholly indirectly 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.

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

Financial key performance indicators

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

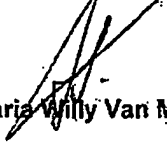
	2018	2017	Change
	£'000	£'000	%
Turnover	4,058	3,596	13%
EBITDA	193	204	-5%
(Loss) After Tax	-61	-6	917%
Average number of employees	56	53	6%

Turnover has increased by 13% due to an increase in the service requirements for the sites that GPI Box Holdings serves. Turnover for the next financial year is expected to be at a similar level of that achieved this year. Loss After Tax has increased by 917% due to group tax relief in 2017 and an increase in interest payable. The average number of staff has increased due to new positions and vacancies being filled in 2018.

GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

This report was approved by the board and signed on its behalf.


Hilde Maria Willy Van Moeseke
Director

Date: 13 September 2019

GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

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

Dividends

The directors do not recommend the payment of a dividend for the year ended 31 December 2018.

Directors

The directors who served during the year were:

Stephen Richard Scherger
Lauren Tashma
Eveline Maria Van de Roovaart
Hilde Maria Willy Van Moeseke
Joseph Paul Yost

Environmental matters

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.

Going Concern

The company generates an operating profit. 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.

Employee involvement

Details of the number of employees and related costs can be found in note 5 to the financial statements.

The company participates in Graphic Packaging Holding Company's policies and practices to keep employees informed on matters relevant to them as employees through appropriate means, such as employee meetings and newsletters.

The board remains committed to ensuring that the working environment within the company is one where differences in people are recognised and valued. Equality is the fundamental principle that determines how the company treats its employees and this is reflected in the company's employment policies.

The board understands its responsibilities to encourage and assist in the employment, training, personal and career development of disabled people, and employs them whenever suitable vacancies arise.

GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Disclosure of information to auditors

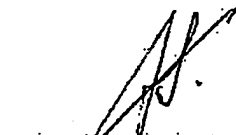
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- 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 ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, Ernst & Young, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf,



Hilde Maria Willy Van Moeseke
Director

Date: 13 September 2019

GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

The directors are responsible for preparing the Strategic Report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 '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 period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements 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;
- 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 to 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 AUDITORS' REPORT TO THE MEMBERS OF GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

Opinion

We have audited the financial statements of Graphic Packaging International Box Holdings Ltd for the year ended 31 December 2018 which comprise of the Profit and Loss Account, the Balance Sheet, the Statement of Comprehensive Income, the Statement of Changes in Equity and the related notes 1 to 18, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRAPHIC PACKAGING INTERNATIONAL
BOX HOLDINGS LIMITED**

(CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Peter Buckler (Senior statutory auditor)

for and on behalf of

Ernst & Young LLP (Statutory Auditor)

Leeds UK

13 September 2019

GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £000	2017 £000
Turnover	3	4,058	3,596
Gross profit		<u>4,058</u>	<u>3,596</u>
Administrative expenses		(3,865)	(3,392)
Operating profit	4	<u>193</u>	<u>204</u>
Interest payable and similar expenses	7	(252)	(211)
Loss before tax		<u>(59)</u>	<u>(7)</u>
Tax on loss	8	(2)	1
Loss for the financial year		<u>(61)</u>	<u>(6)</u>

GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £000	2017 £000
Loss for the financial year		(61)	(6)
Other comprehensive income		-	-
Other comprehensive income for the year		-	-
Total comprehensive (loss) for the year		(61)	(6)

GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED
REGISTERED NUMBER: 06400677

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £000	Restated 2017 £000
Fixed assets			
Investments	9	4,081	4,081
		<u>4,081</u>	<u>4,081</u>
Current assets			
Stocks	10	1,621	1,537
Debtors: amounts falling due within one year	11	2,303	2,433
Cash at bank and in hand		1	-
		<u>3,925</u>	<u>3,970</u>
Creditors: amounts falling due within one year	12	(12,695)	(12,679)
Net current liabilities		<u>(8,770)</u>	<u>(8,709)</u>
Total assets less current liabilities		<u>(4,689)</u>	<u>(4,628)</u>
Net liabilities		<u>(4,689)</u>	<u>(4,628)</u>
Capital and reserves			
Called up share capital	14	1	1
Share premium account		102	102
Profit and loss account		(4,792)	(4,731)
		<u>(4,689)</u>	<u>(4,628)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


Hilde Maria Willy Van Moeseke
 Director

Date: 13 September 2019

The notes on pages 13 to 23 form part of these financial statements.

GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2018	1	102	(4,731)	(4,628)
Comprehensive income for the year				
Loss for the year	-	-	(61)	(61)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(61)	(61)
At 31 December 2018	1	102	(4,792)	(4,689)

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.

GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 January 2017	1	102	(4,725)	(4,622)
Comprehensive income for the year				
Loss for the year	-	-	(6)	(6)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(6)	(6)
At 31 December 2017	1	102	(4,731)	(4,628)

GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies

1.1 Basis of preparation of financial statements

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.

The Company's ultimate 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 38(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.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The amounts are rounded to the nearest £,000.

The following principal accounting policies have been applied:

1.2 Going concern

The company generates an operating profit. 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.

GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. Accounting policies (continued)

1.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

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 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.

1.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

1.6 Interest Receivable & Similar Income

Interest income is recognised in the Profit and Loss Account using the effective interest method.

1.7 Finance costs

Finance costs are charged to the Profit and Loss Account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies (continued)

1.8 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

1.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

The group arrangement for corporation tax, for which this company is a part of, has expanded to include other Graphic Packaging entities and their accumulated tax losses which will reduce the current and future tax liability of this company. The tax losses utilised under this group arrangement are not paid for by the entities benefiting from a reduced tax position.

1.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies (continued)

1.11 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.

1.12 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.15 Prior Year Restatement

Within Creditors, Cash has been restated from Bank overdrafts to amounts owed to parent undertakings. The balance reflects the amount owed to the parent company through the Cashpool facility. The total inter company balance restated is £10,171k (which includes interest). There is no impact on the profit and loss or net assets. This restatement has been made to bring the accounts in line with other European GPI entities.

2. Judgments in applying accounting policies and key sources of estimation uncertainty

The only key accounting estimate relates to the carrying value of investments. The performance of the applicable subsidiaries are reviewed continually to ensure there are no indicators of impairment.

3. Turnover

	2018 £000	2017 £000
United Kingdom	4,058	3,596
	<u>4,058</u>	<u>3,596</u>

GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

4. Operating profit

The operating profit is stated after charging:

	2018 £000	2017 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	16	12
Other operating lease rentals	165	157
	<u>165</u>	<u>157</u>

5. Employees and Directors

Staff costs were as follows:

	2018 £000	2017 £000
Wages and salaries	2,605	2,303
Social security costs	384	255
Cost of defined contribution scheme	122	102
	<u>3,111</u>	<u>2,660</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2018 No.	2017 No.
Manufacturing	25	24
Sales and distribution	26	25
Administration	5	4
	<u>56</u>	<u>53</u>

6. Directors' remuneration

In 2018 all the directors are also directors of other group companies. Their emoluments are paid by other group companies. The qualifying services provided by the directors to this Company during the year were negligible compared to their total group wide responsibilities and so no value has been apportioned to those services.

GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

7. Interest payable and similar expenses

	2018 £000	2017 £000
Interest payable on intercompany banking facility	252	211
	<u>252</u>	<u>211</u>

8. Taxation

	2018 £000	2017 £000
Corporation tax		
Current tax on loss for the year	2	-
	<u>2</u>	<u>-</u>
Total current tax	<u>2</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	-	(1)
Total deferred tax	<u>-</u>	<u>(1)</u>
Taxation on profit/(loss) on ordinary activities	<u>2</u>	<u>(1)</u>

GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

8. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2017 - the same as) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	2018 £000	2017 £000
Loss before tax	(59)	(7)
Loss multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	(11)	(1)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	6	7
Other differences leading to an increase (decrease) in the tax charge	7	(3)
Transfer pricing adjustments	-	(4)
Total tax charge/(credit) for the year	2	(1)

Factors that may affect future tax changes

The 2016 Finance Act introduced a reduction in the UK corporation tax rate to 17% from 1 April 2020.

Accordingly, these rates have been applied in the measurements of the deferred tax assets and liabilities at 31 December 2018. Deferred tax has been provided at 17% being the rate at which timing differences are expected to reverse.

GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

9. Fixed asset investments

	Investments in subsidiary companies £000
Cost:	
At 1 January 2018	4,081
At 31 December 2018	<u>4,081</u>
Net book value	
At 31 December 2018	<u>4,081</u>
At 31 December 2017	<u>4,081</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Graphic Packaging International Bardon Ltd	Ordinary £1 share	100%
Graphic Packaging International Gateshead Ltd	Ordinary £1 share	100%
Graphic Packaging International Distribution Ltd	Ordinary £1 share	100%
Print Design & Graphic Ltd	Ordinary £1 share	100%

The registered office for all investments is the same as Graphic Packaging International Box Holdings Ltd
- see Company Information page.

GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

10. Stocks

	2018 £000	2017 £000
Raw materials and consumables	1,621	1,537
	<u>1,621</u>	<u>1,537</u>

Stock recognised in cost of sales during the year as an expense was £0 (2017 - £0) .

11. Debtors: Amounts falling due within one year

	2018 £000	<i>Restated</i> 2017 £000
Trade Debtors	2	-
Amounts owed by parent undertakings	982	1,169
Amounts owed by associated group undertakings	145	87
Amounts owed by subsidiary undertakings	1,102	1,113
Prepayments and accrued income	65	55
Deferred taxation (Note 14)	7	9
	<u>2,303</u>	<u>2,433</u>

12. Creditors: Amounts falling due within one year

	2018 £000	<i>Restated</i> 2017 £000
Trade creditors	371	334
Amounts owed to subsidiary undertakings	14	21
Amounts owed to parent undertakings	11,863	11,791
Amounts owed to associated group undertakings	13	5
Other taxation and social security	107	297
Accruals and deferred income	327	231
	<u>12,695</u>	<u>12,679</u>

Bank overdraft has been restated to Amounts owed to parent undertakings - see note 1.15 for further details.

GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

13. Deferred taxation

	2018 £000	2017 £000
At beginning of year	9	8
Charged to profit or loss	(2)	1
At end of year	7	9

The deferred tax asset is made up as follows:

	2018 £000	2017 £000
Accelerated capital allowances	5	5
Short term timing differences	2	4
	7	9

The net reversal of the deferred tax asset expected to occur in the year ended 31 December 2018 is not expected to be material. This reversal relates to the reduction in the corporation tax rate and the unwinding of the timing difference between the tax written down value of capital assets and their accounting net book value.

14. Share capital

	2018 £000	2017 £000
Allotted, called up and fully paid		
133,375 (2017 - 133,375) Ordinary Shares of £0.01 each	1	1
15,000 (2017 - 15,000) Preferred Ordinary Shares of £0.01 each	-	-
	1	1

15. Pension commitments

There is a defined contribution scheme operated in the UK. The charge for the year amounts to £121,829 (2017: £101,930) and represents the contributions payable by the company to the fund.

GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

16. Commitments under operating leases

At 31 December 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £000	2017 £000
Within one year	96	73
Within two to five years	98	84
	<u>194</u>	<u>157</u>

17. Related party transactions

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.

18. Ultimate parent company and controlling party

Shoo 553 Limited is the immediate parent company, incorporated in England.

The ultimate parent company and ultimate controlling party is Graphic Packaging Holding Company, a company incorporated in the United States of America. 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.