

Registered number: 05400677

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**GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**



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**GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED**

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**COMPANY INFORMATION**

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

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**GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED**

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## GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

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The directors present their Strategic Report for the year ended 31 December 2017.

#### 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.

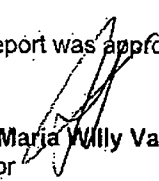
#### Financial key performance indicators

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

	2017	2016	Change
	£'000	£'000	%
Turnover	3,596	3,760	-4%
EBITDA	204	354	-42%
(Loss)/Profit After Tax	(6)	453	-101%
Average number of employees	53	53	0%

Turnover has decreased by 4% due to a reduction in the service fee price to the sites. Turnover for the next financial year is expected to be at a similar level of that achieved this year. EBITDA has decreased by 42% as a result of the lower charges to the sites. Profit After Tax has decreased by 101% due to interest costs from the Group banking arrangements.

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

  
Hilde Maria Willy Van Moeseke  
Director

Date: 25 July 2018

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## GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

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The directors present their report and the financial statements for the year ended 31 December 2017.

#### Dividends

The directors do not recommend the payment of a dividend for the year ended 31 December 2017.

#### 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.

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**GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**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**

Under section 487(2) of the Companies Act 2006, Ernst & Young will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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



**Hilde Maria Willy Van Moeseke**  
Director

Date: 25 July 2018

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**GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED**

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**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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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.

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

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### Opinion

We have audited the financial statements of Graphic Packaging International Box Holdings Ltd for the year ended 31 December 2017 which comprise the Profit and Loss Account, Statement of Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and the related notes 1 to 19, 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 2017 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.



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

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(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 4, 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

25 July 2018

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GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

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PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2017

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	Note	2017 £000	2016 £000
Turnover	3	3,596	3,760
<b>Gross profit</b>		<b>3,596</b>	<b>3,760</b>
Administrative expenses		(3,392)	(3,406)
<b>Operating profit</b>	4	<b>204</b>	<b>354</b>
Interest receivable and similar income	7	-	102
Interest payable and similar expenses	8	(211)	-
<b>(Loss)/profit before tax</b>		<b>(7)</b>	<b>456</b>
Tax on (loss)/profit	9	1	(3)
<b>(Loss)/profit for the financial year</b>		<b>(6)</b>	<b>453</b>

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GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

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STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2017

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	Note	2017 £000	2016 £000
(Loss)/profit for the financial year		(6)	453
Other comprehensive income			
Total comprehensive income for the year		(6)	453

**GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED**  
**REGISTERED NUMBER: 05400677**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2017**

	Note	2017 £000	2016 £000
<b>Fixed assets</b>			
Investments	10	4,081	4,081
		<u>4,081</u>	<u>4,081</u>
<b>Current assets</b>			
Stocks	11	1,537	1,287
Debtors: amounts falling due within one year	12	2,433	2,583
Cash at bank and in hand		-	678
		<u>3,970</u>	<u>4,548</u>
Creditors: amounts falling due within one year	13	(12,679)	(13,251)
<b>Net current liabilities</b>		<u>(8,709)</u>	<u>(8,703)</u>
<b>Total assets less current liabilities</b>		<u>(4,628)</u>	<u>(4,622)</u>
<b>Net liabilities</b>		<u>(4,628)</u>	<u>(4,622)</u>
<b>Capital and reserves</b>			
Called up share capital	15	1	1
Share premium account		102	102
Profit and loss account		(4,731)	(4,725)
		<u>(4,628)</u>	<u>(4,622)</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: 25 July 2018

The notes on pages 12 to 22 form part of these financial statements.

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GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

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

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	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£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 (expense) for the year	-	-	(6)	(6)
At 31 December 2017	1	102	(4,731)	(4,628)

*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.

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GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

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STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2016

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	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2016	1	102	(5,178)	(5,075)
Comprehensive income for the year				
Profit for the year	-	-	453	453
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	453	453
At 31 December 2016	1	102	(4,725)	(4,622)

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## GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 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 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.

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.

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## GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 1. Accounting policies (continued)

##### 1.3 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.

##### 1.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

##### 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 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.

##### 1.7 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.

##### 1.8 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.



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## GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 1. Accounting policies (continued)

##### 1.9 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.

Foreign exchange gains and losses are presented in the Profit and Loss Account within 'Administrative expenses'.

##### 1.10 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.

##### 1.11 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.

##### 1.12 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.

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## GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 1. Accounting policies (continued)

##### 1.13 Interest Receivable & Similar Income

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

##### 1.14 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.

#### 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

	2017 £000	2016 £000
United Kingdom	3,596	3,760
	<u>3,596</u>	<u>3,760</u>

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GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

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4. Operating profit

The operating profit is stated after charging:

	2017 £000	2016 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	12	14
Other operating lease rentals	157	165
	<u>157</u>	<u>165</u>

5. Employees and Directors

Staff costs, including directors' remuneration, were as follows:

	2017 £000	2016 £000
Wages and salaries	2,303	2,233
Social security costs	255	247
Cost of defined contribution scheme	102	98
	<u>2,660</u>	<u>2,578</u>

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

	2017 No.	2016 No.
Manufacturing	24	24
Sales and distribution	25	23
Administration	4	6
	<u>53</u>	<u>53</u>

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GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

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6. Directors' remuneration

	2017 £000	2016 £000
Directors' emoluments	-	114
Company contributions to defined contribution pension schemes	-	7
	<u>-</u>	<u>121</u>

During the year retirement benefits were accruing to no directors (2016 - 1) in respect of defined contribution pension schemes.

In 2017 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.

7. Interest receivable

	2017 £000	2016 £000
Interest receivable from group companies	-	98
Other interest receivable - Exchange Gain	-	4
	<u>-</u>	<u>102</u>

8. Interest payable and similar expenses

	2017 £000	2016 £000
Interest payable on intercompany banking facility	211	-
	<u>211</u>	<u>-</u>

**GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**9. Taxation**

	2017 £000	2016 £000
<b>Total current tax</b>	-	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	(1)	2
Changes to tax rates	-	1
<b>Total deferred tax</b>	(1)	3
<b>Taxation on (loss)/profit on ordinary activities</b>	(1)	3

**Factors affecting tax charge for the year**

The tax assessed for the year is the same as (2016 - lower than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 £000	2016 £000
(Loss)/profit on ordinary activities before tax	(7)	456
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	(1)	91
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	7	6
Other differences leading to an increase (decrease) in the tax charge	(3)	-
Group relief	-	13
Transfer pricing adjustments	(4)	(107)
<b>Total tax charge for the year</b>	(1)	3

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GRAPHIC PACKAGING INTERNATIONAL BOX HOLDINGS LIMITED

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9. Taxation (continued)

Factors that may affect future tax changes

A reduction in the UK corporation tax rate from 20% to 19% took effect from 1 April 2017. The 2015 Summer Finance Act enacted UK corporation tax reductions to 18% from 1 April 2020. The 2016 Finance Act then superseded this, introducing 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 2017. Deferred tax has been provided at 17% being the rate at which timing differences are expected to reverse.

10. Fixed asset investments

	Investments in subsidiary companies £000
<b>Cost</b>	
At 1 January 2017	4,081
At 31 December 2017	4,081
<b>Net book value</b>	
At 31 December 2017	4,081
At 31 December 2016	4,081

Direct subsidiary undertakings

The following were direct 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

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**11. Stocks**

	2017 £000	2016 £000
Raw materials and consumables	1,537	1,287
	<u>1,537</u>	<u>1,287</u>

Stock recognised in cost of sales during the year as an expense was £0. (2016 - £0).

**12. Debtors: Amounts falling due within one year**

	2017 £000	2016 £000
Amounts owed by subsidiary companies	1,113	1,114
Amounts owed by parent companies	-	245
Amounts owed by associated group companies	1,256	1,157
Prepayments and accrued income	55	59
Deferred taxation (Note 14)	9	8
	<u>2,433</u>	<u>2,583</u>

**13. Creditors: Amounts falling due within one year**

	2017 £000	2016 £000
Bank overdrafts	11,153	-
Trade creditors	334	144
Amounts owed to subsidiary companies	23	3
Amounts owed to parent companies	-	9,801
Amounts owed to associated group companies	641	3,032
Other taxation and social security	297	94
Accruals and deferred income	231	177
	<u>12,679</u>	<u>13,251</u>

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**14. Deferred taxation**

	2017 £000	2016 £000
At beginning of year	8	11
Charged to profit or loss	1	(3)
<b>At end of year</b>	<b>9</b>	<b>8</b>

The deferred tax asset is made up as follows:

	2017 £000	2016 £000
Accelerated capital allowances	5	6
Short term timing differences	4	2
	<b>9</b>	<b>8</b>

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.

**15. Share capital**

	2017 £000	2016 £000
<b>Allotted, called up and fully paid</b>		
133,375 Ordinary Shares shares of £0.01 each	1	1
15,000 Preferred Ordinary Shares shares of £0.01 each	-	-
	<b>1</b>	<b>1</b>

**16. Pension commitments**

There is a defined contribution scheme operated in the UK. The charge for the year amounts to £101,930 (2016: £98,022) and represents the contributions payable by the company to the fund.



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**17. Commitments under operating leases**

At 31 December 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £000	2016 £000
Within one year	73	119
Within two to five years	84	51
	<u>157</u>	<u>170</u>

**18. 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.

**19. 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.