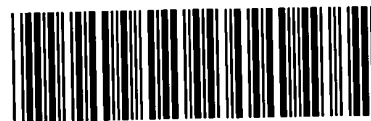


BFIM Limited

**Annual report and financial statements
for the year ended 30 June 2017**

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Strategic Report for the year ended 30 June 2017

The directors present their Strategic Report of BFIM Limited ("the Company") for the year ended 30 June 2017.

Review of the business

The Company is an intermediate holding company of a supply-chain logistics group ("the Brambles Group"), operating primarily through the CHEP and IFCO brands. The Brambles Group specialises in the pooling of reusable unit-load equipment and the provision of associated services, focussing on the outsourced management of returnable pallets, crates and containers. The Brambles Group primarily serves customers in the fast-moving consumer goods (e.g. dry food, grocery, and health and personal care), fresh produce, beverage, retail and general manufacturing industries, counting many of the world's best-known brands among its customers. The Brambles Group also operates specialist container logistics businesses serving the automotive sector.

The principal subsidiaries have traded satisfactorily during the year and the businesses are expected to continue to trade satisfactorily in the future.

The Company is a wholly owned subsidiary of the Brambles Group. The Brambles Group is a global group comprising Brambles Limited, a company incorporated in Australia and listed on the Australian Securities Exchange, and all its subsidiary undertakings. The Brambles Group is headquartered in Sydney, Australia.

The Company applies FRS 101 - *Reduced Disclosure Framework* and has taken advantage of the disclosure exemptions allowed under this standard. The Company's parent undertaking, Brambles Investment Ltd., has been notified of and did not object to the use of the EU-adopted IFRS disclosure exemptions.

Key performance indicators

The Company is an investment holding company and all financing activities are with fellow group undertakings within the Brambles Group. The directors consider that key performance indicators for the Company are neither relevant nor appropriate for an understanding of the development, performance or position of the business of the Company. The Brambles KPIs, which explain Group performance as a whole, are disclosed in the Brambles Limited Annual Report 2017.

Results

The results for the year are set out in the income statement on page 6.

Financial position

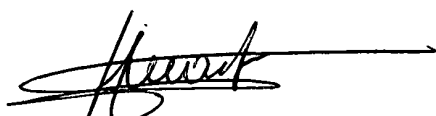
The net assets of the Company have decreased by €6,474,782 from €1,026,352,453 at 30 June 2016 to €1,019,877,671 at 30 June 2017.

The directors consider the Company is in a strong and stable financial position to continue its current operations.

Principal risks and uncertainties

The principal risks and uncertainties facing the Company and the Brambles Group are described in the Brambles Limited Annual Report 2017 pages 4 and 5.

On behalf of the Board



P Huan
Director

28 November 2017

Directors' Report for the year ended 30 June 2017

The directors present their Report and the audited financial statements of the Company for the year ended 30 June 2017.

Future developments

The Company is expected to continue in its role as an intermediate holding company with no significant changes for the foreseeable future.

Dividends

The Company has not paid an interim dividend during the year (2016: €85,000,000). The directors do not recommend payment of a final dividend (2016: nil).

Financial instruments

The Company manages its financial risk in conjunction with the Brambles Group. The Company is exposed to a variety of financial and market based risks, including exposure to fluctuating interest and exchange rates.

Funding and liquidity

The Company borrows from or lends to other Brambles Group undertakings from time to time. To minimise foreign exchange risks Brambles Group borrowings are arranged in the currency of the relevant operating asset to be funded. The Company's borrowings and lending are primarily in euro.

Interest rate risk

The Brambles Group's interest rate risk policy is designed to reduce volatility in funding costs through prudent selection of hedging instruments. This policy comprises maintaining a mix of fixed and floating rate instruments within a target band over a certain time horizon. The Company has no significant exposure to external interest rate risk.

Foreign exchange risk

The Brambles Group's foreign exchange exposures are managed from the perspective of protecting shareholder value. Under the Brambles Group foreign exchange policy, foreign exchange hedging is mainly confined to hedging transaction exposures where they exceed a certain threshold, and as soon as a defined exposure arises. New exposures may arise with external parties or by way of cross-border inter-company transactions. Forward foreign exchange contracts are primarily used for these purposes.

Directors

The directors of the Company who were in office during the year and up to the date of the signing of the financial statements were:

P Bruford
P Huat
R A Warren

Qualifying third-party indemnity provisions

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Brambles Group also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of the Company and its directors.

Post balance sheet events

During November 2017, the Company has re-financed its debt, redeeming the entire principal amount of the Loan Notes funded by an additional drawdown from Brambles Finance plc (see Note 14).

No other material events occurred after the year end date of 30 June 2017 and before the signing of the Company's financial statements.

Directors' Report for the year ended 30 June 2017 (continued)

Going concern

The Company participates in the Brambles Group's centralised treasury arrangements and is funded by the Brambles Group through its fellow group undertaking, Brambles Finance plc. The directors have no reason to believe that a material uncertainty exists that may cast significant doubt on the ability of the Company to continue as a going concern or its ability to continue with the current funding arrangements.

On the basis of their assessment of the Company's financial position, the Company's directors have a reasonable expectation that the Company will be able to continue to meet its liabilities as they fall due. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report and 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 prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101), and applicable law (United Kingdom Generally Accepted Accounting Practice).

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:

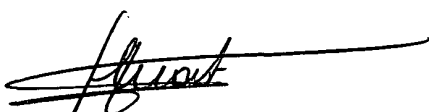
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the Company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of 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.

Disclosure of information to auditors

So far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the Board



P Huart
Director
28 November 2017

Registered office: Unit 2 Weybridge Business Park, Addlestone Road, Addlestone, Surrey, KT15 2UP

Independent auditors' report to the members of BFIM Limited

Report on the audit of the financial statements

Opinion

In our opinion, BFIM Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Statement of financial position as at 30 June 2017; the Income statement and the Statement of comprehensive income, the Statement of changes in equity for the year then ended; and the Notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

- 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 June 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

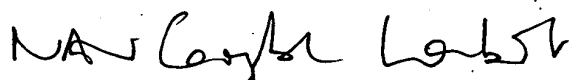
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Nicholas Campbell-Lambert (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
29 November 2017

BFIM Limited
Year ended 30 June 2017

(All amounts are in € unless otherwise stated)

Income statement for the year ended 30 June 2017

	Note	2017	2016
Operating result	5	-	-
Income from subsidiary		-	29,953,770
Profit on ordinary activities before interest and taxation		-	29,953,770
Finance income	7	-	10,353
Finance costs	7	(8,068,263)	(8,733,696)
Finance costs – net	7	(8,068,263)	(8,723,343)
(Loss)/profit on ordinary activities before taxation		(8,068,263)	21,230,427
Tax on (loss)/profit on ordinary activities	8	1,593,481	1,129,495
(Loss)/profit for the financial year		(6,474,782)	22,359,922

BFIM Limited
Year ended 30 June 2017

(All amounts are in € unless otherwise stated)

Statement of comprehensive income for the year ended 30 June 2017

	2017	2016
(Loss)/profit for the financial year	(6,474,782)	22,359,922
Other comprehensive income	-	-
Other comprehensive income for the year	-	-
Total comprehensive (expense)/income for the year	(6,474,782)	22,359,922

BFIM Limited
Year ended 30 June 2017

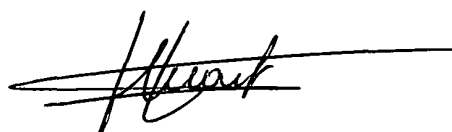
(All amounts are in € unless otherwise stated)

Statement of financial position as at 30 June 2017

	Note	2017	2016
Fixed assets			
Investments	10	1,438,228,086	1,438,228,086
		1,438,228,086	1,438,228,086
Current assets			
Trade and other receivables	11	3,338,150	5,048,172
		3,338,150	5,048,172
Creditors: amounts falling due within one year	12	(735,857)	(775,910)
Net current assets		2,602,293	4,272,262
Total assets less current liabilities		1,440,830,379	1,442,500,348
Creditors: amounts falling due after more than one year	13	(420,952,708)	(416,147,895)
Net assets		1,019,877,671	1,026,352,453
Equity			
Ordinary shares	15	110,351	110,351
Share premium account		103,379,722	103,379,722
Retained earnings		916,387,598	922,862,380
Total shareholders' funds		1,019,877,671	1,026,352,453

The notes on pages 10 to 22 are an integral part of these financial statements.

The financial statements on pages 6 to 22 were approved for issue by the Board of directors on 28 November 2017 and were signed on its behalf.



P Huart
Director

BFIM Limited
Year ended 30 June 2017

(All amounts are in € unless otherwise stated)

Statement of changes in equity for the year ended 30 June 2017

	Note	Called-up share capital	Share premium account	Retained earnings	Total shareholders' funds
Balance as at 1 July 2015		110,351	1,103,379,722	(14,497,542)	1,088,992,531
Profit for the financial year		-	-	22,359,922	22,359,922
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	-	22,359,922	22,359,922
Capital reduction	15	-	(1,000,000,000)	1,000,000,000	-
Dividends	9	-	-	(85,000,000)	(85,000,000)
Total transactions with owners recognised directly in equity		-	(1,000,000,000)	915,000,000	(85,000,000)
Balance as at 30 June 2016		110,351	103,379,722	922,862,380	1,026,352,453
Balance at 1 July 2016		110,351	103,379,722	922,862,380	1,026,352,453
Loss for the financial year		-	-	(6,474,782)	(6,474,782)
Other comprehensive income for the year		-	-	-	-
Total comprehensive expense for the year		-	-	(6,474,782)	(6,474,782)
Capital reduction		-	-	-	-
Dividends	9	-	-	-	-
Total transactions with owners recognised directly in equity		-	-	-	-
Balance as at 30 June 2017		110,351	103,379,722	916,387,598	1,019,877,671

Notes to the financial statements for the year ended 30 June 2017

1 General information

BFIM Limited ("the Company") is an intermediate holding company of a supply-chain logistics group ("the Brambles Group"), operating primarily through the CHEP and IFCO brands. The Brambles Group specialises in the pooling of reusable unit-load equipment and the provision of associated services, focussing on the outsourced management of returnable pallets, crates and containers.

The Brambles Group primarily serves customers in the fast-moving consumer goods (e.g. dry food, grocery, and health and personal care), fresh produce, beverage, retail and general manufacturing industries, counting many of the world's best-known brands among its customers. The Brambles Group also operates specialist container logistics businesses serving the automotive sector.

The Company is a wholly owned subsidiary of the Brambles Group. The Brambles Group is a global group comprising Brambles Limited, a company incorporated in Australia and listed on the Australian Securities Exchange, and all its subsidiary undertakings. The Brambles Group is headquartered in Sydney, Australia.

The Company is a private limited company and is incorporated and domiciled in the UK. The address of its registered office is Unit 2, Weybridge Business Park, Addlestone Road, Addlestone, Surrey, KT15 2UP.

Statement of compliance with FRS 101

These financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' ("FRS 101"). The Company meets the definition of a qualifying entity under FRS 100, 'Application of Financial Reporting Requirements' as issued by the Financial Reporting Council.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

These financial statements have been prepared in accordance with FRS 101. The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 ("the Act"). FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The Company's date of transition to FRS 101 was 1 July 2014. The Company has notified its shareholders in writing about, and they do not object to, the use of the disclosure exemptions used by the Company in these financial statements.

FRS 101 sets out amendments to EU-adopted IFRS that are necessary to achieve compliance with the Act and related Regulations.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Notes to the financial statements for the year ended 30 June 2017 (continued)

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

As permitted by FRS 101, in the preparation of these financial statements the Company has (where relevant) taken full advantage of the disclosure exemptions from the requirements of IFRS in relation to the following:

- share-based payments;
- business combinations;
- non-current assets held for sale and discontinued operations;
- financial Instruments;
- fair value measurement;
- presentation of comparative information in respect of certain assets;
- presentation of a cash flow statement
- a statement of financial position as at the beginning of the preceding period;
- capital management
- standards not yet effective
- related party transactions; and
- impairment of assets.

Where required, equivalent disclosures are given in the consolidated financial statements of Brambles Limited.

New standards, amendments and IFRIC interpretations

No new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 30 June 2017, have had a material impact on the Company.

Going concern

The Company participates in the Brambles Group's centralised treasury arrangements and is funded by the Brambles Group through its fellow group undertaking, Brambles Finance plc. The directors have no reason to believe that a material uncertainty exists that may cast significant doubt on the ability of the Company to continue as a going concern or its ability to continue with the current funding arrangements.

On the basis of their assessment of the Company's financial position, the Company's directors have a reasonable expectation that the Company will be able to continue to meet its liabilities as they fall due. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2.2 Consolidation

The Company is a wholly owned subsidiary of Brambles Investment Ltd. and of its ultimate parent, Brambles Limited. It is included in the consolidated financial statements of Brambles Limited which are publicly available. Accordingly, the Company has taken advantage of the exemption under section 401 of the Act from the requirement to prepare and deliver consolidated financial statements.

These financial statements are separate financial statements.

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in euro (€), which is also the Company's functional currency.

Notes to the financial statements for the year ended 30 June 2017 (continued)

2 Summary of significant accounting policies (continued)

2.3 Foreign currency translation (continued)

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions, or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. All other foreign exchange gains and losses are presented in the income statement within 'Other expenses'.

2.4 Impairment of non-financial assets

Non-financial assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

2.5 Financial assets

2.5.1 Classification

The Company classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets. The Company's loans and receivables comprise receivables and cash in the balance sheet.

2.5.2 Recognition and measurement

Financial assets are recognised on balance sheet when the Company becomes a party to the contractual provisions of the instrument. Derecognition takes place when the Company no longer controls the contractual rights that comprise the financial instrument, which is normally the case when the instrument is sold, or all the cash flows attributable to the instrument are passed through to an independent third party

Loans and receivables are initially recognised at fair value plus transaction costs, and are subsequently carried at amortised cost using the effective interest method.

2.6 Investment in subsidiaries

Investments in subsidiaries are held at cost less accumulated impairment losses.

2.7 Impairment of financial assets

Assets carried at amortised cost

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Notes to the financial statements for the year ended 30 June 2017 (continued)

2 Summary of significant accounting policies (continued)

2.8 Derivative financial instruments and hedging activities

The Company has not applied hedge accounting and all derivatives are measured at fair value through profit and loss.

2.9 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.10 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

2.11 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.12 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Notes to the financial statements for the year ended 30 June 2017 (continued)

2 Summary of significant accounting policies (continued)

2.13 Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

2.14 Dividend income

Dividend income is recognised when the right to receive payment is established.

2.15 Dividend distribution

Dividend distributions to the Company's shareholders are recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

3 Critical accounting estimates and judgments
--

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Impairment of fixed asset investments

The Company undertakes an impairment review process annually to ensure that its fixed asset investment balances are not carried at amounts that are in excess of their recoverable amounts. The recoverable amount is determined based on the higher of the value in use and fair value less costs to sell. The value in use is calculated using a discounted cash flow methodology covering a five-year period with an appropriate terminal value at the end of the period.

3.2 Critical judgements in applying the Company's accounting policies

The assumptions used in the impairment review process for fixed assets investments, as disclosed (if relevant) in Note 10, could change in the next year and have a material effect on the carrying amounts of fixed asset investments recognised at the balance sheet date. There are no other critical judgements used in applying the Company's accounting policies which could change in the next year and have a material effect on the carrying amounts of assets and liabilities recognised at the balance sheet date.

Notes to the financial statements for the year ended 30 June 2017 (continued)
(All amounts are in € unless otherwise stated)

4 Financial instruments

The Company has no financial assets measured at fair value through profit or loss.

The Company has no financial liabilities measured at fair value through profit or loss.

5 Operating result

The audit fees for the Company of €2,000 (2016: €2,000) have been borne by Brambles Holdings (UK) Limited, a fellow group undertaking, during the current and preceding years.

6 Employees and directors

Employees

The Company had no employees during the year (2016: none). All administrative duties are performed by employees of Brambles Holdings (UK) Limited and Brambles Industries Limited (an Australian company), at no cost to the Company.

Directors

None of the directors received any emoluments or any other benefits as described in Schedule 5 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 from the Company during the year (2016: nil). All of the directors receive remuneration from Brambles Holdings (UK) Limited or Brambles Industries Limited as employees of those companies and, due to the non-executive nature of their services, it is not appropriate to make an apportionment of their emoluments in respect of the Company.

Notes to the financial statements for the year ended 30 June 2017 (continued)
(All amounts are in € unless otherwise stated)

7 Interest income and expense

Finance income	2017	2016
Loans to group undertakings	-	10,353
Total interest income on financial assets not measured at fair value through profit and loss	-	10,353
Total finance income	-	10,353

Finance expense	2017	2016
Loan Note issued to group undertakings	(7,887,331)	(8,679,551)
Other loans from group undertakings	(180,932)	(54,145)
Total interest expense on financial liabilities not measured at fair value through profit and loss	(8,068,263)	(8,733,696)
Total finance expense	(8,068,263)	(8,733,696)

Net finance cost	2017	2016
Interest income	-	10,353
Interest expense	(8,068,263)	(8,733,696)
Net finance cost	(8,068,263)	(8,723,343)

Notes to the financial statements for the year ended 30 June 2017 (continued)
(All amounts are in € unless otherwise stated)

8 Tax on (loss)/profit on ordinary activities

Tax income included in profit or loss	2017	2016
Current tax:		
– UK Corporation tax on (losses)/profits for the year	1,593,481	1,744,670
– Adjustments in respect of prior years	-	(615,175)
Total current tax	1,593,481	1,129,495
Tax on (loss)/profit on ordinary activities	1,593,481	1,129,495

Tax income for the year is the same as (2016: higher than) the standard rate of corporation tax in the UK for the year ended 30 June 2017 of 19.75% (2016: 20%). The differences are explained below:

	2017	2016
(Loss)/profit on ordinary activities before taxation	(8,068,263)	21,230,427
(Loss)/profit multiplied by the standard rate of tax in the UK of 19.75% (2016: 20%):	1,593,481	(4,246,084)
Effects of:		
– Income not subject to tax	-	5,990,754
– Adjustments in respect of prior years	-	(615,175)
Total tax credit	1,593,481	1,129,495

The tax rate for the current year is lower than the prior year due to changes in the UK Corporation tax rate which decreased from 20% to 19% from 1 April 2017. The Finance Act 2017, which was enacted on 15 September 2016, further reduces the main rate to 17% from 1 April 2020.

9 Dividends paid

Declared and paid during the year:	2017	2016
Equity dividends on ordinary shares:		
– first interim for 2017: nil (2016: €770.2694) per share	-	85,000,000

Notes to the financial statements for the year ended 30 June 2017 (continued)
(All amounts are in € unless otherwise stated)

10 Investments

	Shares in group undertakings
At 1 July 2015	1,438,228,086
Additions	-
Disposals	-
At 30 June 2016	1,438,228,086
Additions	-
Disposals	-
At 30 June 2017	1,438,228,086

At 30 June 2017, the Company held 100% (2016: 100%) of the ordinary shares and voting rights of Brambles U.K. Limited (BUK), an investment holding company incorporated in England and Wales

A full listing of group undertakings as at 30 June 2017 is provided in Note 19.

11 Trade and other receivables

	2017	2016
Corporate income tax – group relief receivable	3,338,150	5,048,172

12 Creditors: amounts falling due within one year

	2017	2016
Interest on Loan Note	735,857	775,910

Notes to the financial statements for the year ended 30 June 2017 (continued)
(All amounts are in € unless otherwise stated)

13 Creditors: amounts falling due after more than one year

	2017	2016
Amounts due to group undertakings (Note 14)	420,952,708	416,147,895

14 Loans and other borrowings

	2017	2016
Loan Note issued to group undertakings:		
- BFIS No. 3 LLC	407,801,226	407,801,226
Other borrowings from group undertakings:		
- Brambles Finance plc	13,149,482	8,344,669
- Brambles Investment Ltd.	2,000	2,000
	420,952,708	416,147,895

Loan Note

By a resolution of its board of directors passed on 20 May 2015, the Company authorised the issue of up to EUR 500,000,000 Floating Rate Redeemable Loan Notes due 2020. On 28 May 2015, EUR 407,801,226 Notes were issued to BFIS No. 3 LLC, a fellow group undertaking registered in USA. Interest is payable 6 monthly in arrears and accrues at EURIBOR plus a margin of 2.1%. The Company has the right to redeem the Notes early, but otherwise they fall due for repayment on 28 May 2020.

Other borrowings

The intra-group loan to the Company as borrower from Brambles Finance plc comprises an unsecured committed revolving loan facility that carried interest during FY 2017 at Brambles' cost of funds plus a margin of 1% with a loan term to 30 September 2018. Individual committed loan facilities comprise:

- EUR 50,000,000 (2016: EUR 50,000,000) facility from Brambles Finance plc, dated 29 October 2015.

The borrowing from Brambles Investment Ltd. is unsecured, interest free and has no fixed date for repayment.

Re-financing

During November 2017, the Company re-financed its debt in conjunction with certain other Group undertakings. On 28 November 2017, the Company has redeemed, with the consent of the note-holders, the entire principal amount of the Loan Notes. The redemption was settled in full and funded by an additional drawdown from Brambles Finance plc. The loan facility from Brambles Finance plc was increased to EUR 500,000,000 on 28 November 2017.

Notes to the financial statements for the year ended 30 June 2017 (continued)
(All amounts are in € unless otherwise stated)

15 Share capital

Ordinary shares of €1.00 each

	No.	€
Allotted and fully paid		
At 1 July 2016	110,351	110,351
Issued during the year	-	-
At 30 June 2017	110,351	110,351

All shares rank *pari passu* in all respects.

Capital reduction

On 17 November 2015, the Company undertook a capital reduction in accordance with section 642 of the Companies Act 2006, reducing the Company's share premium from €1,103,379,322 to €103,379,322. The proceeds of the reduction of €1,000,000,000 were transferred to the Company's distributable reserves.

16 Related party transactions

The Company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries of Brambles Limited.

See Note 6 for disclosure of the directors' remuneration.

There are no other related party transactions.

17 Controlling parties

The immediate parent undertaking is Brambles Investment Ltd., which is incorporated in England and Wales.

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Brambles Limited, which is incorporated in Australia. Copies of all Brambles Group financial statements are available from Unit 2 Weybridge Business Park, Addlestone Road, Addlestone, Surrey, KT15 2UP.

The ultimate controlling party is Brambles Limited.

18 Events after the end of the reporting period

During November 2017, the Company has re-financed its debt, redeeming the entire principal amount of the Loan Notes funded by an additional drawdown from Brambles Finance plc (see Note 14).

No other material events occurred after the year end date of 30 June 2017 and before the signing of the Company's financial statements.

Notes to the financial statements for the year ended 30 June 2017 (continued)
(All amounts are in € unless otherwise stated)

19 Group undertakings	Place of incorporation	Holding	Class of Shares
<u>Investment holding companies</u>			
Brambles Holdings (UK) Ltd	England and Wales	100%	Ordinary
Brambles Investment Holdings Ltd	England and Wales	100%	Ordinary
Brambles Nominees Ltd	England and Wales	100%	Ordinary
Brambles U.K. Ltd	England and Wales	100%	Ordinary
Brambles Services UK Ltd	England and Wales	100%	Ordinary
Cyan Logistics Ltd	England and Wales	100%	Ordinary
<u>Miscellaneous activities</u>			
Brambles Consolidated UK Pension Schemes Trustee Ltd <i>(dissolved 8 August 2017)</i>	England and Wales	100%	Ordinary
Brambles Enterprises Ltd	England and Wales	100%	Ordinary
Brambles Investments plc	England and Wales	100%	Ordinary
		100%	Income
CHEP International Inc	USA	100%	Ordinary
BxB Digital Ltd	England and Wales	100%	Ordinary
Brambles Services GmbH & Co KG	Germany	3.72%	Limited partnership
Brambles Services Verwaltungen GmbH	Germany	3.72%	Ordinary
Brambles Investment Germany BV	Netherlands	3.72%	Ordinary
<u>Pallet pooling</u>			
CHEP UK Ltd	England and Wales	100%	Ordinary
CHEP Ireland (branch)	Eire	100%	Branch
CHEP Maroc Sarl	Morocco	100%	Ordinary
CHEP Magyarorszag Szolgatato kft	Hungary	100%	Ordinary
CHEP do Brasil Ltda	Brazil	100%	Ordinary
CHEP Konteyner Ve Palet Ltd Sirketi	Turkey	100%	Ordinary
CHEP Taiwan Ltd	Taiwan	100%	Ordinary
CHEP Argentina SA	Argentina	100%	Ordinary
CHEP Uruguay SA	Uruguay	100%	Ordinary
CHEP Osterreich GmbH	Austria	100%	Ordinary
CHEP SK S.r.o.	Slovakia	100%	Ordinary
CHEP (Thailand) Ltd	Thailand	100%	Ordinary
Brambles (Hong Kong) Ltd	China	100%	Ordinary
CHEP (China) Company Ltd	China	72.27%	Ordinary
CHEP Saudi Arabia Ltd	Saudi Arabia	100%	Ordinary
Boxpal Ltd	Scotland	100%	Ordinary
CHEP Equipment Pooling NV	Belgium	26%	Ordinary
CHEP Equipment Pooling NV – UK branch	England and Wales	26%	Branch
CHEP Canada Inc	Canada	50%	Ordinary
CHEP Chile SA	Chile	50%	Ordinary
CHEP (Malaysia) Sdn Bhd	Malaysia	50%	Ordinary
CHEP Mexico SA de CV	Mexico	50%	Ordinary
Servicios Corporativos CHEP SA de CV	Mexico	3%	Ordinary
CHEP Middle East FCZO	UAE	100%	Ordinary
CHEP Deutschland GmbH	Germany	3.72%	Ordinary
<u>Reusable plastic crates</u>			
IFCO Chile S.A.	Chile	50%	Ordinary

Notes to the financial statements for the year ended 30 June 2017 (continued)
(All amounts are in € unless otherwise stated)

19 Group undertakings (continued)

	Place of incorporation	Holding	Class of Shares
<u>Intermediate bulk containers</u>			
CHEP Pallecon Solutions Ltd	England and Wales	100%	Ordinary
CHEP Pallecon Container Logistik GmbH	Germany	3.72%	Ordinary
CHEP Pallecon Solutions (Thailand) Ltd	Thailand	100%	Ordinary
Trans-Pac International GmbH	Germany	3.72%	Ordinary
Trans-Pac Manufacturing & Engineering GmbH & Co KG	Germany	3.72%	Limited Partnership
Trans-Pac Logistics GmbH	Germany	3.72%	Ordinary
Trans-Pac Verwaltungs GmbH	Germany	3.72%	Ordinary
Trans-Pac North America Inc	USA	3.72%	Ordinary
<u>Inactive</u>			
Polybulk Ltd	England and Wales	100%	Ordinary
Rail Car Services Ltd	England and Wales	100%	Ordinary
Wrekin Roadways Ltd	England and Wales	100%	Ordinary

Holdings marked * are held directly by the Company. All other holdings are held by subsidiary undertakings.