

Registered number: 09046983

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**GRAPHIC PACKAGING INTERNATIONAL UK FINANCE LIMITED**

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**



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**GRAPHIC PACKAGING INTERNATIONAL UK FINANCE LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	S R Scherger L Tashma E M Van de Rovaart H M W van Moeseke J P Yost
<b>Registered number</b>	09046983
<b>Registered office</b>	Eversheds House 70 Great Bridgewater Street Manchester M1 5ES
<b>Independent auditors</b>	Ernst & Young LLP 1 Bridgewater Place Water Lane Leeds West Yorkshire LS11 5QR
<b>Solicitors</b>	Eversheds Sutherland LLP Eversheds House 70 Great Bridgewater Street Manchester M1 5ES

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## GRAPHIC PACKAGING INTERNATIONAL UK FINANCE LIMITED

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**GRAPHIC PACKAGING INTERNATIONAL UK FINANCE LIMITED**

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

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**Introduction**

The directors present their strategic report for the period ended 31 December 2017.

**Business review**

The principal activity of the company during the year was the provision of finance to another group entity.

As the nature of the business is the provision of back to back intercompany finance, no KPI's are relevant.

**Future developments**

The directors intend to continue operating the business as a provider of intercompany finance.

**Principal risks and uncertainties**

The company's operations expose it to financial risks, primarily credit and basis point risk in relation to the intercompany loans and counterparties it deals with.

**Credit risk**

The Company only lends to intercompany counterparties.

**Basis point risk**

The company's loans from and to intercompany counterparties are all of the same duration and at the same interest rates.

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

  
**H M W Van Moeseke**  
Director

Date: 25 July 2018

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## GRAPHIC PACKAGING INTERNATIONAL UK FINANCE 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.

#### Directors' responsibilities statement

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.

#### Going concern

The company is intended to break even each year and has done so in this period. The directors do not anticipate any difficulties in continuing to break even in the future.

#### Results and dividends

The result for the year, after taxation, amounted to £NIL (2016 - £NIL).

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:

S R Scherger  
L Tashma  
E M Van de Rovaart  
H M W van Moeseke  
J P Yost

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**GRAPHIC PACKAGING INTERNATIONAL UK FINANCE LIMITED**

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

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**Future developments**

The directors intend to continue operating the business as a provider of intercompany finance.

**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 LLP 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:



H M W van Moeseke  
Director

Date: 25 July 2018

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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRAPHIC PACKAGING INTERNATIONAL UK FINANCE LIMITED

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### Opinion

We have audited the financial statements of Graphic Packaging International UK Finance 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 12, 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 result 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 UK FINANCE 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 2, 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 UK FINANCE 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
Interest receivable and similar income	4	(2,307)	(2,182)
Interest payable and similar expenses	5	2,307	2,182
<b>Result before tax</b>		-	-
<b>Result for the financial year</b>		-	-

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GRAPHIC PACKAGING INTERNATIONAL UK FINANCE 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
Total comprehensive income for the year		-	-

**GRAPHIC PACKAGING INTERNATIONAL UK FINANCE LIMITED**  
**REGISTERED NUMBER: 09046983**

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

	Note	2017 £000	2016 £000
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	7	36,000	36,000
Debtors: amounts falling due within one year	7	7,749	5,443
		<u>43,749</u>	<u>41,443</u>
Creditors: amounts falling due within one year	8	(7,749)	(5,443)
<b>Net current assets</b>		<u>36,000</u>	<u>36,000</u>
<b>Total assets less current liabilities</b>		<u>36,000</u>	<u>36,000</u>
Creditors: amounts falling due after more than one year	9	(36,000)	(36,000)
<b>Net assets</b>		<u>-</u>	<u>-</u>
<b>Capital and reserves</b>		<u>-</u>	<u>-</u>

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

  
**H M W van Moeseke**  
 Director

Date: 25 July 2018

The notes on pages 10 to 15 form part of these financial statements.

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GRAPHIC PACKAGING INTERNATIONAL UK FINANCE 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 £000	Total equity £000
Other comprehensive income for the year	-	-
Other comprehensive income for the year	-	-
Total comprehensive income for the year	-	-

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## GRAPHIC PACKAGING INTERNATIONAL UK FINANCE 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 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.

The following principal accounting policies have been applied:

##### 1.2 Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report and Directors Report on pages 1 to 3.

The company is intended to break even each year and has done so in this period. The directors do not anticipate any difficulties in continuing to break even in the future.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources and support to continue in operational existence for the foreseeable future of at least one year from the date of the signed accounts. Accordingly, they continue to adopt the going concern basis in preparing the Strategic Report, Directors' report and financial statements.

##### 1.3 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.

##### 1.4 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.

##### 1.5 Interest income and interest payable

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

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

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## GRAPHIC PACKAGING INTERNATIONAL UK FINANCE 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)

##### 1.6 Taxation

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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

#### 2. Operating profit

The audit fee for the business is paid by another group company.

#### 3. Directors' remuneration

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.

#### 4. Interest receivable and similar income

	2017 £000	2016 £000
Interest receivable from Group Companies	(2,307)	(2,182)
	<u>(2,307)</u>	<u>(2,182)</u>

**GRAPHIC PACKAGING INTERNATIONAL UK FINANCE LIMITED**

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

**5. Interest payable and similar expenses**

	2017 £000	2016 £000
Interest payable from Group Companies	(2,307)	(2,182)
	<u>(2,307)</u>	<u>(2,182)</u>

**6. Taxation**

	2017 £000	2016 £000
Total current tax	-	-
Deferred tax		
Total deferred tax	-	-
Taxation on profit on ordinary activities	-	-

**Factors affecting tax charge for the year**

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

	2017 £000	2016 £000
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	444	-
Group relief surrendered/(claimed)	(444)	-
Total tax charge for the year	-	-

**Factors that may affect future tax charges**

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GRAPHIC PACKAGING INTERNATIONAL UK FINANCE LIMITED

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

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6. Taxation (continued)

A reduction in the UK corporation tax rate from 21% to 20% took effect from 1 April 2015. The 2015 Summer Finance Act enacted UK corporation tax reductions to 19% from 1 April 2017 and 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 at 31 December 2017. Deferred tax has been provided at 19% being the rate at which timing differences are expected to reverse.

7. Debtors

	2017 £000	2016 £000
Due after more than one year		
Intercompany loans	36,000	36,000
	<u>36,000</u>	<u>36,000</u>

The intercompany loan carries interest at 5.5% per annum and is repayable after five years. The arrangement automatically renews each consecutive year unless written notice of termination is given by either party. The loan can become repayable on demand if the interest is not paid within 30 days of the due date. Although no interest payments have been made the lender has not opted to make the loan repayable on demand.

	2017 £000	2016 £000
Due within one year		
Intercompany loans	7,749	5,443
	<u>7,749</u>	<u>5,443</u>

8. Creditors: Amounts falling due within one year

	2017 £000	2016 £000
Intercompany loans	7,749	5,443
	<u>7,749</u>	<u>5,443</u>



**GRAPHIC PACKAGING INTERNATIONAL UK FINANCE LIMITED**

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

**9. Creditors: Amounts falling due after more than one year**

	2017 £000	2016 £000
Intercompany loans	36,000	36,000
	<u>36,000</u>	<u>36,000</u>

The intercompany loan carries interest at 5.5% per annum and is repayable after five years. The arrangement automatically renews each consecutive year unless written notice of termination is given by either party. The loan can become repayable on demand if the interest is not paid within 30 days of the due date. Although no interest payments have been made the lender has not opted to make the loan repayable on demand.

Please provide details of the terms of payment or repayment and the rates of any interest payable on the amounts repayable more than five years after the balance sheet date.

**10. Share capital**

	2017 £000	2016 £000
Allotted, called up and fully paid		
1 Ordinary Shares share of £1	<u>-</u>	<u>-</u>

**11. Related party transactions**

The Company has taken advantage of the exemption, as permitted by paragraph 1(A) of chapter 33 of FRS102, 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.

	Amount owed by related parties		Amount owed to related parties	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Parent company	43,749	41,443	-	-
	<u>43,749</u>	<u>41,443</u>	<u>-</u>	<u>-</u>

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**GRAPHIC PACKAGING INTERNATIONAL UK FINANCE LIMITED**

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

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**12. Ultimate parent company and controlling party**

The Company's immediate parent undertaking is Graphic Packaging International Ltd, a company incorporated in England and Wales. The ultimate parent company is Graphic Packaging Holding Company, a company incorporated in the United States of America. The smallest and largest of which the company is a member and for which group financial statements are prepared is Graphic Packaging Holding Company. A copy of the financial statements can be obtained from:

Graphic Packaging International Ltd  
Filwood Road  
Fishponds  
Bristol  
BS16 3SB