

Registered number: 02231043

GRAPHIC PACKAGING INTERNATIONAL LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

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GRAPHIC PACKAGING INTERNATIONAL LIMITED

COMPANY INFORMATION

Directors	Lauren Tashma Hilde Maria Willy Van Moeseke Joseph Paul Yost Eveline Maria Van de Rovaart Stephen Richard Scherger
Registered number	02231043
Registered office	Eversheds House 70 Great Bridgewater Street Manchester M1 5ES
Independent auditors	Ernst & Young 1 Bridgewater Place Water Lane Leeds LS11 5QR
Bankers	National Westminster Bank Plc PO Box 238 32 Corn Street Bristol BS99 7UG Bank of America 2 King Edward Street London EC1A 1HQ
Solicitors	Evershed Sutherland LLP Eversheds House 70 Great Bridgewater Street Manchester M1 5ES

GRAPHIC PACKAGING INTERNATIONAL LIMITED

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GRAPHIC PACKAGING INTERNATIONAL LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

Introduction

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

Business review

The principal activity of the company during the year continued to be the production of high quality cartons from board substrates.

The key financial and other performance indicators of the company during the year were as follows:

	2017 £'000	2016 £'000	Change %
Turnover	53,058	42,743	24%
EBITDA	5,377	8,267	-35%
Profit after tax	635	3,809	-83%
Average number of employees	144	123	17%

Turnover increased by 24.0% during the year following increased sales to end users by our key customers. Turnover in the next financial year is expected to be at a similar level to this year.

EBITDA is stated after exceptional cost of £65,186, (2016 net profit £1,250,461). The 2017 exceptional cost relates to the write off of a European IT project and the gain in 2016 relates to proceeds from an insurance claim.

Profit after tax has been impacted by the overall reduction in profitability driven by the change in production mix.

GRAPHIC PACKAGING INTERNATIONAL LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

Principal risks and uncertainties

The company's operations expose it to a variety of financial risks that include the effects of changes in cost prices, credit, liquidity and foreign exchange. The company has in place a risk management programme that seeks to limit the adverse effects. No hedge accounting is applied.

Price risk

The company is exposed to commodity price risk as a result of its operations. However given the size of the operations and the nature of the price risks this risk is managed through the normal procurement processes within the business. The directors will revisit the appropriateness of this policy should the price risks change in size or nature.

Credit risk

The company has a policy of insuring against the risk of default in payment by customers. In addition any uninsured trading is only undertaken following appropriate risk assessment.

Liquidity risk

The company has entered into an agreement with its parent company to be provided with long term debt finance that is designed to ensure that the company has sufficient available funds for future operations.

Foreign exchange transactional currency exposure

The company is exposed to currency exchange rate risk due to a significant proportion of its payables and receivables being denominated in non-Sterling currencies. The net exposure of each currency is monitored and managed by using foreign currency loans or overdrafts. The impact of BREXIT has been considered and is being monitored however the impact is not deemed material at this stage.

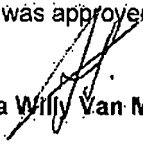
Defined Benefit Pension Scheme

The Company operates a Defined Benefit Pension Scheme. The scheme was closed to new members in 2002, but the Company is responsible to ensure that this scheme is sufficiently funded to provide the future pensions for all for its members. A full actuarial valuation is carried out every three years, see note 21 for further details, and if this valuation shows a deficit of assets compared to liabilities the company must agree a deficit recovery plan with the Trustees of the scheme. The company works closely with the Trustees of the scheme to reach agreement on aspects such as investment strategy which will have a future impact on the funding of the scheme.

Future Developments

The Directors intend to work together more closely with other companies within the Graphic Packaging International group, to maximise both customer relationships and structural efficiencies wherever possible.

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


Hilde Maria Willy Van Moeseke
Director

Date: 25 July 2018

GRAPHIC PACKAGING INTERNATIONAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

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

Results and dividends

The profit for the year, after taxation, amounted to £635 thousand (2016 - £3,809 thousand).

The principal activity of the business is outlined in the Strategic Report. The directors do not recommend the payment of a dividend for the year ended 31 December 2017 (year ended 31 December 2016: nil).

Directors

The directors who served during the year were:

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

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.

Going concern

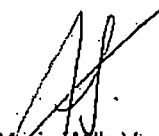
The company is dependent on its trading performance. In determining that the company's financial statements should be prepared on a going concern basis, the Directors considered all the factors likely to affect the future development, performance and financial position of the markets and customers that the company serves, including funding the risks and uncertainties applicable to its business and manufacturing activities.

The net current liability position is due to intercompany trading balances. The immediate parent company has confirmed its intention to continue to provide financial support as required in order for the Company to meet its liabilities as and when they fall due for payment.

Auditors

The auditors, Ernst & Young, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

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



Hilde Maria Willy Van Moeseke
Director

Date: 25 July 2018

GRAPHIC PACKAGING INTERNATIONAL LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Opinion

We have audited the financial statements of Graphic Packaging International 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 24, 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 profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

(CONTINUED)

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 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.

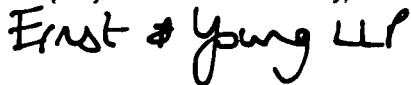
Auditor's responsibilities for the audit of the financial statements

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 15 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.



Peter Buckler (Senior Statutory Auditor)

for and on behalf of

Ernst & Young (Statutory Auditor)

Leeds UK

25 July 2018

GRAPHIC PACKAGING INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 £000	2016 £000
Turnover	3	53,058	42,743
Cost of sales		(44,489)	(32,594)
Gross profit		8,569	10,149
Distribution costs		(1,557)	(1,334)
Administrative expenses		(2,944)	(2,657)
Exceptional items		(65)	1,250
Operating profit	4	4,003	7,408
Interest receivable and similar income	7	628	558
Interest payable and similar expenses	8	(3,232)	(3,316)
Profit before tax		1,399	4,650
Tax on profit	9	(764)	(841)
Profit for the financial year		635	3,809

GRAPHIC PACKAGING INTERNATIONAL LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

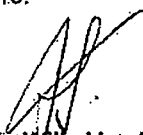
	Note	2017 £000	2016 £000
Profit for the financial year		635	3,809
Other comprehensive income			
Unrealised surplus on revaluation of tangible fixed assets		430	-
Actuarial loss on defined benefit schemes		(2,844)	(1,188)
Tax relating to components of other comprehensive income		484	202
Other comprehensive income for the year		(1,930)	(986)
Total comprehensive income for the year		(1,295)	2,823

GRAPHIC PACKAGING INTERNATIONAL LIMITED
REGISTERED NUMBER: 02231043

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017 £000	2016 £000
Fixed assets			
Intangible assets	11	18	-
Tangible assets	12	12,694	13,124
Investments	13	138,940	138,510
		<u>151,652</u>	<u>151,634</u>
Current assets			
Stocks	14	8,901	7,769
Debtors: amounts falling due within one year	15	41,392	36,495
Cash at bank and in hand		8,032	9,892
		<u>58,325</u>	<u>54,156</u>
Creditors: amounts falling due within one year	16	(92,364)	(85,209)
Net current liabilities		<u>(34,039)</u>	<u>(31,053)</u>
Total assets less current liabilities		<u>117,613</u>	<u>120,581</u>
Creditors: amounts falling due after more than one year	17	(54,784)	(56,457)
Net assets		<u><u>62,829</u></u>	<u><u>64,124</u></u>
Capital and reserves			
Called up share capital	19	43,099	43,099
Share premium account	20	34,000	34,000
Revaluation reserve	20	560	130
Profit and loss account	20	(14,830)	(13,105)
		<u>62,829</u>	<u>64,124</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 July 2018.


Hilde Maria Willy Van Moeseke
 Director

The notes on pages 12 to 33 form part of these financial statements.

GRAPHIC PACKAGING INTERNATIONAL LIMITED

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

	Called up share capital	Share premium account	Revaluation reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 January 2017	43,099	34,000	130	(13,105)	64,124
Comprehensive income for the year					
Profit for the year	-	-	-	635	635
Actuarial losses on pension scheme	-	-	-	(2,844)	(2,844)
Surplus on revaluation of other fixed assets	-	-	430	-	430
Tax relating to components of other comprehensive income	-	-	-	484	484
Other comprehensive income/(loss) for the year	-	-	430	(2,360)	(1,930)
Total comprehensive income/(loss) for the year	-	-	430	(1,725)	(1,295)
At 31 December 2017	43,099	34,000	560	(14,830)	62,829

GRAPHIC PACKAGING INTERNATIONAL LIMITED

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

	Called up share capital	Share premium account	Revaluation reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 January 2016	43,099	34,000	130	(15,928)	61,301
Comprehensive income for the year					
Profit for the year	-	-	-	3,809	3,809
Actuarial losses on pension scheme	-	-	-	(1,188)	(1,188)
Tax relating to components of other comprehensive income	-	-	-	202	202
Total comprehensive income for the year	-	-	-	2,823	2,823
At 31 December 2016	43,099	34,000	130	(13,105)	64,124

GRAPHIC PACKAGING INTERNATIONAL LIMITED

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

1. Accounting policies

1.1 Basis of preparation of financial statements

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

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

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The functional and presentational currency of these financial statements is sterling and are rounded to the nearest £'000.

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

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

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

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

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

The 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 following principal accounting policies have been applied:

GRAPHIC PACKAGING INTERNATIONAL LIMITED

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

1. Accounting policies (continued)

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 4.

Despite having net current liabilities of (£34,039,000), the Company has considerable financial resources together with long-term contracts with a number of customers and suppliers across different geographic areas and industries. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The immediate parent company has confirmed its intention to continue to provide financial support as required in order for the Company to meet its liabilities as and when they fall due for payment. Accordingly, they continue to adopt the going concern basis in preparing the Strategic Report, Directors' report and financial statements.

1.3 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Sale of Ancillary Equipment

Revenue from the sale of ancillary equipment is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Where payments are made in advance of the transfer to the customer of significant risks and rewards of ownership, no performance under the contract has taken place. In this instance, revenue is deferred until such time as performance under the contract is complete.

GRAPHIC PACKAGING INTERNATIONAL LIMITED

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

1. Accounting policies (continued)

1.4 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Computer Software	-	3 to 5 years
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1.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Freehold property	- 35 years
Plant and machinery	- 10 to 20 years
Fixtures and fittings	- 10 years
Leased assets	- over the shorter of the lease term and their useful lives

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and Loss Account.

1.6 Valuation of investments

Investments in other equity instruments, over which the Company has neither a significant influence nor control, are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through profit and loss. Subsequent to initial recognition, investments that can be measured reliably are measured at fair value with changes recognised in profit or loss.

Investments in subsidiaries are measured at cost less accumulated impairment.

GRAPHIC PACKAGING INTERNATIONAL LIMITED

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

1. Accounting policies (continued)

1.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

1.8 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.

1.9 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.

1.10 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.

1.11 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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss Account, except when deferred in other comprehensive income as qualifying cash flow hedges.

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

GRAPHIC PACKAGING INTERNATIONAL LIMITED

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

1. Accounting policies (continued)

1.12 Finance leases

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and are depreciated over the shorter of the lease term and the asset's useful lives. A corresponding liability is recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments in the balance sheet. Lease payments are apportioned between the reduction of the lease liability and finance charges in the income statement so as to achieve a constant rate of interest on the remaining balance of the liability.

1.13 Operating leases

Payments made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease.

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

GRAPHIC PACKAGING INTERNATIONAL LIMITED

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

1. Accounting policies (continued)

1.14 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.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The fair value of any plan assets is deducted. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate as determined at the beginning of the annual period to the net defined benefit liability (asset) taking account of changes arising as a result of contributions and benefit payments.

The discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of, and having maturity dates approximating to the terms of the Company's obligations. A valuation is performed annually by a qualified actuary using the projected unit credit method. The Company recognises net defined benefit plan assets to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Changes in the net defined benefit liability arising from employee service rendered during the period, net interest on net defined benefit liability, and the cost of plan introductions, benefit changes, curtailments and settlements during the period are recognised in profit or loss.

Re-measurement of the net defined benefit liability/asset is recognised in other comprehensive income in the period in which it occurs.

1.15 Interest receivable and similar income

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

1.16 Interest payable and similar charges

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

All borrowing costs are recognised in the Profit and Loss Account in the year in which they are incurred.

GRAPHIC PACKAGING INTERNATIONAL LIMITED

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

1. Accounting policies (continued)

1.17 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;
- 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.

1.18 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

GRAPHIC PACKAGING INTERNATIONAL LIMITED

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

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

The following are the Company's key sources of estimation uncertainty:

Pension and other post-employment benefits

The cost of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population bonds on which the discount rate is based, on the basis that they do not represent high quality bonds. The mortality rate is based on publicly available mortality tables for the specific country. Future salary increases and pension increases are based on expected future inflation rates. Further details are given in note 21.

Impairment of non-financial assets

Where there are indicators of impairment of individual assets, the Company performs impairment tests based on fair value less costs to sell or a value in use calculation. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction on similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the cash-generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

Fair value of other investments using DCF techniques

The Group revalues other investments using valuation techniques based on a discounted cash flow model as there is a lack of comparable market data. The key assumptions used are discount rate and growth rates.

GRAPHIC PACKAGING INTERNATIONAL LIMITED

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

3. Turnover

An analysis of turnover by class of business is as follows:

	2017 £000	2016 £000
Packaging and spare parts	51,519	40,798
Large Ancillary Items	1,539	1,945
	<u>53,058</u>	<u>42,743</u>

Analysis of turnover by country of destination:

	2017 £000	2016 £000
United Kingdom	52,425	42,607
Rest of Europe	527	72
Rest of the world	106	64
	<u>53,058</u>	<u>42,743</u>

4. Operating profit

The operating profit is stated after charging:

	2017 £000	2016 £000
Depreciation of tangible fixed assets	1,365	850
Loss on disposal of fixed assets	21	-
Amortisation of intangible assets	9	8
Fees payable to the Company's auditor	54	57
Foreign exchange differences	(127)	(4)
Other operating lease rentals	118	59
Defined contribution pension cost and other benefits	204	176
Exceptional Costs/(Profit)	<u>65</u>	<u>(1,250)</u>

The exceptional cost in 2017 relates to a write off of a European IT project and the gain in 2016 relates to proceeds from an insurance claim.

GRAPHIC PACKAGING INTERNATIONAL LIMITED

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

5. Employees

Staff costs were as follows:

	2017 £000	2016 £000
Wages and salaries	5,519	4,520
Social security costs	606	469
Other pension costs and benefits	204	176
	<u>6,329</u>	<u>5,165</u>

Included in other pension costs are £NIL (2016: £NIL) in respect of the defined benefit schemes and £164,127 (2016: £138,440) in respect of the defined contribution scheme.

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

	2017 No.	2016 No.
Administration	17	16
Production	127	107
	<u>144</u>	<u>123</u>

6. 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.

7. Interest receivable and similar income

	2017 £000	2016 £000
Interest receivable from group companies	627	554
Bank interest receivable	1	4
	<u>628</u>	<u>558</u>

GRAPHIC PACKAGING INTERNATIONAL LIMITED

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

8. Interest payable and similar expenses

	2017 £000	2016 £000
Bank interest payable	310	617
Intercompany loan interest payable	2,922	2,699
	<u>3,232</u>	<u>3,316</u>

9. Taxation

	2017 £000	2016 £000
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	676	456
Adjustment in respect to prior periods	88	337
Effect of decreased tax rate on opening liability	-	48
Total deferred tax	<u>764</u>	<u>841</u>
Taxation on profit on ordinary activities	<u>764</u>	<u>841</u>

The prior year adjustment in respect of deferred tax relates to a reduction in the deferred tax asset recognised on fixed asset timing differences due to additional capital allowances being claimed in the prior year.

GRAPHIC PACKAGING INTERNATIONAL LIMITED

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

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (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
Profit on ordinary activities before tax	1,399	4,651
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	269	930
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	4	7
Capital allowances for year in excess of depreciation	5	6
Adjustments to tax charge in respect of prior periods	88	340
Adjust closing deferred tax to average rate of 19%	(25)	-
Pension contributions	(547)	(238)
Amounts credited/(charged) directly to equity or otherwise transferred	484	202
Group relief surrendered / (claimed) for no payment	486	(406)
Total tax charge for the year	764	841

Factors that may affect future tax charges

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.

GRAPHIC PACKAGING INTERNATIONAL LIMITED

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

10. Exceptional items

	2017 £000	2016 £000
Exceptional items	65	(1,250)
	<u>65</u>	<u>(1,250)</u>

The 2017 exceptional cost relates to the write off of a European IT project and the gain in 2016 relates to proceeds from an insurance claim.

11. Intangible assets

	Computer software £000
Cost	
At 1 January 2017	94
Additions	27
At 31 December 2017	<u>121</u>
Amortisation	
At 1 January 2017	94
Charge for the year	9
At 31 December 2017	<u>103</u>
Net book value	
At 31 December 2017	<u>18</u>
At 31 December 2016	<u>-</u>

GRAPHIC PACKAGING INTERNATIONAL LIMITED

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

12. Tangible fixed assets

	Freehold property £000	Plant and machinery £000	Fixtures and fittings £000	Total £000
Cost				
At 1 January 2017	4,250	22,769	2,523	29,542
Additions	-	967	-	967
Disposals	-	(162)	-	(162)
At 31 December 2017	<u>4,250</u>	<u>23,574</u>	<u>2,523</u>	<u>30,347</u>
Depreciation				
At 1 January 2017	764	13,131	2,523	16,418
Charge for the year on owned assets	29	1,336	-	1,365
Disposals	-	(130)	-	(130)
At 31 December 2017	<u>793</u>	<u>14,337</u>	<u>2,523</u>	<u>17,653</u>
Net book value				
At 31 December 2017	<u>3,457</u>	<u>9,237</u>	<u>-</u>	<u>12,694</u>
At 31 December 2016	<u>3,486</u>	<u>9,638</u>	<u>-</u>	<u>13,124</u>

GRAPHIC PACKAGING INTERNATIONAL LIMITED

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

13. Fixed asset investments

	Investments in subsidiary undertakings £000	Other equity investments £000	Total £000
Cost or valuation			
At 1 January 2017	138,350	160	138,510
Revaluations	-	430	430
At 31 December 2017	138,350	590	138,940
Net book value			
At 31 December 2017	138,350	590	138,940
At 31 December 2016	138,350	160	138,510

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Registered Office
New Materials Limited	Ordinary £1	100 %	(a)
Shoo 553 Limited	Ordinary £1	100 %	(a)
Graphic Packaging International Box Holdings Limited	Ordinary £0.01 & Preference £0.01	100 %	(a)
Graphic Packaging International Bardon Limited	Ordinary £1 & Preference £1	100 %	(a)
Graphic Packaging International Gateshead Limited	Ordinary £1	100 %	(a)
Graphic Packaging International Distribution Limited	Ordinary £1	100 %	(a)
Print Design & Graphic Limited	Ordinary £1	100 %	(a)
Graphic Packaging International UK Finance Limited	Ordinary £1	100 %	(a)
Graphic Packaging International Spa	Ordinary	10 %	(b)

GRAPHIC PACKAGING INTERNATIONAL LIMITED

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

13. Fixed asset investments (continued)

New Materials Limited was dormant throughout the period and is exempt from preparing accounts by virtue of section 394A of the Companies act 2006.

The principal activity of Graphic Packaging International Spa is the sale of high quality printed folded cartons from paper and board substrates. Under FRS102 the interest held by the Company in GPI SPA Ltd has been restated from a historical cost basis to a fair market value at an arms length basis. The most appropriate valuation technique has been used which is a discounted cash flow approach using future cash flows.

Registered Offices of the above undertakings are as follows:

- (a) Eversheds Sutherland LLP, Eversheds House, 70 Great Bridgewater Street, Manchester, M1 5ES, United Kingdom
- (b) Viale Rimembranze 21/13 20020 Lainate MI, Italy

14. Stocks

	2017 £000	2016 £000
Raw materials and consumables	4,428	5,337
Work in progress (goods to be sold)	995	431
Finished goods and goods for resale	3,478	2,001
	<u>8,901</u>	<u>7,769</u>

Stock recognised in cost of sales during the year as an expense was £36,196,000 (2016 - £23,129,000).

There was no impairment of stock recognised in 2017 (2016 - £NIL)

15. Debtors

	2017 £000	2016 £000
Trade debtors	3,677	5,306
Amounts owed by group undertakings	37,142	29,126
Other debtors	8	6
Prepayments and accrued income	282	1,494
Deferred taxation (note 18)	283	563
	<u>41,392</u>	<u>36,495</u>

The amounts owed by other group undertakings are repayable on demand and carry interest at LIBOR plus 1.75%. All other balances are non-interest bearing.

GRAPHIC PACKAGING INTERNATIONAL LIMITED

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

16. Creditors: Amounts falling due within one year

	2017 £000	2016 £000
Trade creditors	2,429	1,902
Amounts owed to group undertakings	87,105	81,162
Corporation tax	32	32
Other taxation and social security	611	367
Other creditors	33	31
Accruals and deferred income	2,154	1,715
	<u>92,364</u>	<u>85,209</u>

Within the amounts owed to other group undertakings, £1,250,000 bears interest at LIBOR plus 3% and is repayable on demand as at 31 December 2017. All other amounts owed to group undertakings are repayable on demand and non-interest bearing.

17. Creditors: Amounts falling due after more than one year

	2017 £000	2016 £000
Bank loans	11,035	15,014
Other inter company loan	43,749	41,443
	<u>54,784</u>	<u>56,457</u>

Terms and debt repayment schedule:-

The intercompany loan bears interest at 5.5% and is repayable on 31st May 2020.

The loan from Bank of America bears interest at 1 or 3 month LIBOR plus 1.75% per annum and is repayable on 1st January 2023 but can be renewed.

All loans are unsecured.

GRAPHIC PACKAGING INTERNATIONAL LIMITED

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

18. Deferred taxation.

	2017 £000	2016 £000
At beginning of year	563	563
Charged to other comprehensive income	484	-
Utilised in year	(764)	-
At end of year	283	563

The deferred tax asset is made up as follows:

	2017 £000	2016 £000
Capital allowances in excess of depreciation	268	555
Short term timing differences	15	8
	283	563

The deferred tax asset has been recognised at 31 December 2017 as management consider it likely that there will be sufficient profits in future years in order to crystallize the assets. Management would expect 100% of deferred tax to unwind in 2018.

19. Share capital

	2017 £000	2016 £000
Allotted, called up and fully paid		
43,098,985 ordinary shares of £1 each	43,099	43,099

20. Reserves

Share premium account

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

Revaluation reserve

This reserve records the fair value of the investment in GPI Italy SPA.

GRAPHIC PACKAGING INTERNATIONAL LIMITED

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

21. Pension commitments

The Company operates a Defined Benefit Pension Scheme.

The Company sponsors the Riverwood International Pension plan and (since 12 September 2016) the Graphic Packaging UK Pension plan, which are defined benefit arrangements. A triennial valuation for the Riverwood International Pension plan was carried out at 31 March 2015, and a triennial valuation of the Graphic Packaging UK Pension plan was carried out at 31 March 2016. For the purposes of the 31 December 2017 FRS 102 valuation the assumptions were updated to 31 December 2017 by a qualified actuary, independent of the scheme's sponsoring employer, with the assets and liabilities applicable to Graphic Packaging International Limited presented below. The major assumptions used by the actuary are shown below.

On the 12th September 2016 the Company and Pension Trustee entered into agreements to merge the assets and liabilities of the Riverwood International Pension Scheme (RIPS) into the Graphic Packaging UK Pension scheme (GPUK). The principal employer of the GPUK scheme is Graphic Packaging International Europe UK Holdings Limited. Under the terms of the transfer agreement, Graphic Packaging International Ltd became a participating employer to the GPUK scheme. Following the transfer of all assets and liabilities from RIPS, the scheme will be wound up.

The contributions made by the employer over the financial year have been £3,094,000 (2016: £1,483,000). The Company currently pays contributions at the rate of £614k p.a.. The Company also pays £128,000 per annum in respect of expenses and reimburses the scheme for the PPF levy paid.

Reconciliation of present value of plan liabilities:

	2017 £000	2016 £000
Reconciliation of present value of plan liabilities		
At the beginning of the year	104,096	85,318
Current service cost	250	295
Interest cost	2,431	2,912
Actuarial gains/losses	2,336	20,672
Benefits paid	(5,556)	(5,101)
Derecognition of surplus	11,289	5,089
At the end of the year	114,846	109,185

Composition of plan assets:

	2017 £000	2016 £000
Equities	16,632	21,486
Hedge Funds	19,451	17,806
Emerging Market Bonds	7,440	1,795
Fixed Income Gilts	17,269	7,419
Property	5,062	8,129
Cash	31,474	33,750

GRAPHIC PACKAGING INTERNATIONAL LIMITED

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

21. Pension commitments (continued)

LDI funds	17,518	18,801
Total plan assets	114,846	109,186
	2017	2016
	£000	£000
Fair value of plan assets	114,846	109,185
Present value of plan liabilities	(114,846)	(109,185)
Net pension scheme liability	-	-

The amounts recognised in profit or loss are as follows:

	2017	2016
	£000	£000
Current service cost	250	295
Total	250	295

If the net interest income had not been restricted for the period ended 31 December 2017, due to the surplus not being recoverable, the net interest income would have been £ 157,000 (2016: £189,000)

Reconciliation of fair value of plan assets were as follows:

	2017	2016
	£000	£000
Opening fair value of scheme assets	109,185	90,407
Interest income	2,588	3,101
Contributions by employer	3,094	1,483
Return on plan assets	5,785	19,295
Benefits paid	(5,806)	(5,101)
	114,846	109,185

Analysis of actuarial loss recognised in Other Comprehensive Income

Actual return less interest income included in net interest income	5,785	19,295
Experience gains and losses arising on the scheme liabilities	353	859
Changes in assumptions underlying the present value of the scheme liabilities	(2,939)	(21,531)

GRAPHIC PACKAGING INTERNATIONAL LIMITED

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

21. Pension commitments (continued)

Changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - (loss)/gain

(6,043)	189
<u>(2,844)</u>	<u>(1,188)</u>

Assumptions

The assets of the plan have been taken at market value and overall expected rates of return are established by applying published brokers' forecasts to each category of scheme assets. These rates of return were 4.4% (liabilities plus 2.0%) for 2017 (2016: 4.4%).

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2017	2016
	%	%
Discount rate	2.50	2.80
Inflation RPI	3.20	3.25
Inflation CPI	2.10	2.15
Revaluation rate deferred pensioners CPI	2.10	2.15
Pension in payment increases RPI or 5% p.a. if less	3.10	3.10
Pension in payment increases RPI or 3% p.a. if less	3.00	3.00
Pension in payment increases CPI	2.10	2.15
Commutation of pension for cash day	85% of post A day	85% of post A day
Mortality rates		
- for a male aged 60 now	25.8	26.1
- at 60 for a male aged 40 now	27.0	27.5
- for a female aged 60 now	27.7	28.2
- at 60 for a female member aged 40 now	<u>29.1</u>	<u>29.8</u>

GRAPHIC PACKAGING INTERNATIONAL LIMITED

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

22. 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 period	118	118
Within two to five periods	279	397
	<u>397</u>	<u>515</u>

During the year an expense in the profit and loss account in respect of operating leases was recognised of £118k (2016: £59k).

23. 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 wholly owned subsidiaries within the Group.

	Amounts owed by related parties		Amounts owed to related parties	
	2017 £'000	2016 £'000	2017 £'000	2016 £'000
Parent	-	-	1,250	3,896
Subsidiaries and indirect subsidiaries	12,464	1,365	75,013	65,719
Other group entities	24,678	27,761	10,842	11,547
	<u>37,142</u>	<u>29,126</u>	<u>87,105</u>	<u>81,162</u>

24. Controlling party

At 31 December 2017 The Company's immediate parent undertaking is Graphic Packaging International Holding Company, a company incorporated in the United States of America. The ultimate parent company 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. A copy of the financial statements can be obtained from:

Graphic Packaging International Limited
Filwood Road
Fishponds
Bristol BS16 3SB