

GRAPHIC PACKAGING INTERNATIONAL GATESHEAD LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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GRAPHIC PACKAGING INTERNATIONAL GATESHEAD LIMITED

COMPANY INFORMATION

Directors	Lauren Tashma Stephen Richard Scherger Jean-Francois Roche
Registered number	01298663
Registered office	2 New Bailey 6 Stanley Street Salford Greater Manchester M3 5GS
Independent auditors	PricewaterhouseCoopers LLP Central Square 29 Wellington Street Leeds LS1 4DL
Bankers	Bank of America 2 King Edward Street London EC1A 1HQ
Solicitors	Eversheds Sutherland LLP 70 Great Bridgewater Street Manchester M1 5ES

GRAPHIC PACKAGING INTERNATIONAL GATESHEAD LIMITED

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GRAPHIC PACKAGING INTERNATIONAL GATESHEAD LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Introduction

The directors present their Strategic Report for the year ended 31 December 2022.

Business review

The company operates as a wholly-owned subsidiary of Graphic Packaging Holding Company operating as part of the food packaging division.

The company's principal activities are the design, manufacture and sale of printed folding cartons to the food industry in the UK and Europe. There have not been any significant changes in the company's principal activities in the period under review. The directors are not, at the date of this report, aware of any likely major changes in the company's activities in the next period.

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 nature of the price risks this 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.

Competitive pressure

Competitive pressure in the UK and Europe is a continuing risk for the company, which could result in it losing turnover. To manage this risk, the company strives to provide added-value products and services to its customers, utilising lean manufacturing processes, with regular capital expenditure in state of the art equipment, prompt response times in the supply of products and services.

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 (see Going concern and the European cash pool facility).

Foreign exchange transactional currency exposure

The company is exposed to currency exchange rate risk due to a 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 and overdrafts and these risks are not deemed to be material given the majority of the trade is within the UK.

Geopolitical factors

Other geopolitical events such as the war in Ukraine have impacted the inflationary environment in the UK, which in turn has driven a downturn in the UK economic outlook. It is hard to know if there will be any significant ongoing implications to the business but the directors are confident in the company's and wider group's financial risk management practices.

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.

GRAPHIC PACKAGING INTERNATIONAL GATESHEAD LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Financial key performance indicators

	2022	2021	Change
	£'000	£'000	%
Turnover	67,765	61,557	10%
EBITDA	7,706	6,896	12%
Profit after tax	7,460	5,261	42%
Net Assets	77,366	69,906	11%
Average number of employees	357	352	1%

Turnover has increased by 10%, £6.2M, due to price increases passed onto customers. EBITDA has increased by 12%, £0.8M, due to improved cost control and a more favorable product mix. Financial performance for the next financial year is expected to be similar to that achieved this year.

Average number of employees increased slightly with management of the cost base.

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Directors' statement of compliance with duty to promote the success of the Company

The Directors of Graphic Packaging International Gateshead Limited must act in accordance with a set of general rules detailed in the Companies Act 2006 and include Section 172 a duty to promote the success of the company:

A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and the environment;
- the desirability of the company maintaining a reputation for high standards of business conduct;
- the need to act fairly as between members of the company.

Each of the Directors is mindful of their duties under Section 172 to run the Company for the benefit of its owners and therefore to take into account the long term impact of any decisions on stakeholder relationships and the impact of its activities on its reputation for high standards of business conduct. The Company recognises that it cannot operate in a vacuum and so continuously interact in a responsible manner so as to have positive relationships with all of our stakeholders.

Delegation of authority – the board believes governance of the company is best achieved by delegation of its authority for the executive management of the company to the President of Europe (a director of this company), subject to defined limits and monitoring by the board. The board routinely monitors the delegation of authority, ensuring that it is regularly updated, while retaining ultimate responsibility.

Strategy and monitoring - the annual goals and objectives are set and cascaded from the parent company board by the US President and CEO. The European Management Team meet regularly to discuss the European businesses and to review the strategic decisions in place to meet the set goals and objectives. Key members of the European Management Team report to the US Management Team (which includes a director of this company) on a regular basis, discuss risks and to plan ahead. The board satisfies itself that emerging and principal risks to the company are identified and understood, systems of risk management, compliance and controls are in place to mitigate such risks and expected conduct of the company's business and its employees is reflected in a set of values established by the President of Europe.

The directors have identified the key stakeholders in the table below together with an explanation of why the stakeholder is key, how the directors interact with the stakeholder, what is discussed with the stakeholders and the outcomes of those interactions.

GRAPHIC PACKAGING INTERNATIONAL GATESHEAD LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

WHO? STAKEHOLDER GROUP	WHY?	HOW?	WHAT?	OUTCOMES AND ACTIONS
<p><u>Our Investors</u></p> <p>Graphic Packaging Holding Company (GPHC) is our ultimate parent (see note 22) and is our main provider of capital funding</p>	<p>Major capital projects require prior approval from the US management team to ensure that they are aligned with the overall strategic goals and objectives of GPHC.</p> <p>Compliance with group's Treasury and Dividend policy</p>	<p>On an annual basis, the Long Range Plan (3 years) is prepared and submitted to GPHC for approval. This plan includes the capital requests including justification. Once the plan has been signed off, regular monthly meetings are conducted to review performance against the plan.</p> <p>The Treasury and Tax departments in the US regularly review the liquidity position in Europe</p>	<p>Internal Audit have an independent direct reporting line to the Audit Committee in the US and formally test and report on compliance with key financial regulations applied in our company. These include:-</p> <p>⇒ Testing the design and operation of financial controls within the Sarbanes-Oxley financial control framework</p> <p>⇒ Treasury policy</p> <p>⇒ Dividends policy</p>	<p>Internal audits are conducted on a regular basis. The Company was in scope for key controls testing (SOX) including the 10K.</p> <p>⇒ Process improvements are documented and reviewed on a regular basis</p> <p>⇒ The general intent is to minimise net interest expense and manage funds and loans appropriately by balancing liquidity across Europe</p> <p>⇒ The general intent is to keep cash within Europe</p>
<p><u>Our Suppliers</u></p> <p>A significant proportion of our main raw material is purchased internally from our associate companies in the US. Other materials are sourced from vendors with whom it is not uncommon for the business relationship to be mature and strategic.</p> <p>Key metrics:</p> <p>⇒ Availability of sustainable certified products</p> <p>⇒ Monitoring of the integrity of contract commitments, relating to volume commitments and applicable commercial conditions</p>	<p>Suppliers have an important role to play in the Company's success. We aim to build long term, honest, and respectful relationships with suppliers who maintain regulatory compliance and share our ethical standards and commitment to sustainability throughout the supply chain.</p>	<p>⇒ Direct engagement via a centralised procurement function</p> <p>⇒ Contracts and terms of business</p> <p>⇒ Long term business relationships</p>	<p>⇒ Impact of Brexit and wider supply chain disruption: working with our suppliers to minimise business friction and manage inflation</p>	<p>⇒ Maintain regular dialogue with suppliers to understand and manage supply chain and inflation risks</p>

GRAPHIC PACKAGING INTERNATIONAL GATESHEAD LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

WHO? STAKEHOLDER GROUP	WHY?	HOW?	WHAT?	OUTCOMES AND ACTIONS
<p><u>Our People</u></p> <p>We define workforce as the combination of employees and contractors.</p> <p>Key metrics:</p> <ul style="list-style-type: none"> ⇒ Board – 33% Female (1) ⇒ 67% Male (2) ⇒ Workforce – 17% Female ⇒ 83% Male ⇒ Gender Pay Gap Reporting – Mean 14% 	<p>Our workforce is an important asset and play a significant role in achieving our vision. Accordingly, we are focused on ensuring we have the right talent in the right roles at the right time.</p>	<ul style="list-style-type: none"> ⇒ Code of Conduct sets the culture ⇒ Mid-year plans critical components - talent acquisition, succession, development, and diversity and inclusion strategies ⇒ Engagement with unions ⇒ Intranet, newsletters, presentations, email, notices and post 	<ul style="list-style-type: none"> ⇒ Physical working conditions and environment (Health and Safety) ⇒ Opportunities for development and training ⇒ Communication ⇒ President & Leadership awards 	<ul style="list-style-type: none"> ⇒ Mental health and wellbeing programme - 24/7 confidential helpline ⇒ Enhanced Occupational Health support ⇒ Mental Health First Aiders ⇒ Hybrid working available to office staff ⇒ Employee Assistance Program available to all employees ⇒ Talent Acceleration programme/ succession planning / talent pipeline ⇒ Use of the apprenticeship levy ⇒ Compulsory annual Code of Business Conduct and Ethics training ⇒ Monthly Team meetings ⇒ Quarterly factory Presentations ⇒ Quarterly CEO Updates ⇒ Engagement Forum ⇒ Gender Pay Reporting – GPI website ⇒ Site Newsletter ⇒ Information screens around the facility ⇒ Training recognition awards, long service awards ⇒ KUDOS Recognition Awards

GRAPHIC PACKAGING INTERNATIONAL GATESHEAD LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

WHO? STAKEHOLDER GROUP	WHY?	HOW?	WHAT?	OUTCOMES AND ACTIONS
<p><u>Our Customers</u></p> <p>Our customers range from small, medium and large food manufacturers to retailers as well as associate GPI companies</p>	<p>The Company strives to provide its customers with packaging solutions designed to deliver marketing and performance benefits at a competitive cost through its commitment to quality and service and where possible allow for vertical integration benefits to exist</p>	<p>⇒ Direct engagement with our customers to support their critical business objectives</p> <p>⇒ Website provides inspiration of products we produce across the group</p> <p>⇒ Industry associations & exhibitions</p> <p>⇒ Contracts and terms of business</p>	<p>⇒ Market conditions, customer service, value optimisation and product quality</p>	<p>⇒ Customers are often invited to site where the Sales, Design, Customer Service and Senior Management Teams can showcase product innovation as well as reviewing business activities & market conditions</p>
<p><u>Our Communities and Environment</u></p> <p>Our communities comprise those living and working in close geographic proximity to our operations and those who represent the needs of our communities including charities</p>	<p>We have a long history of environmental and social responsibility practices at the Company and we continue to improve our manufacturing processes</p> <p>We encourage local community engagement as this is just one of the sources of future employees</p>	<p>⇒ Our parent company in the US supply us with our main material - paper-board - which is primarily from a renewable wood fibre, which is highly recyclable</p> <p>⇒ Local school engagement</p> <p>⇒ Charity related fundraising</p> <p>⇒ The company plans to reduce its carbon footprint and is preparing to report on this through the Streamlined Energy and Carbon Reporting Framework (SECR)</p>	<p>⇒ Apprenticeships</p> <p>⇒ Support local junior sporting clubs</p> <p>⇒ Supporting local charities</p> <p>⇒ SECR compliance</p>	<p>⇒ Succession planning for skilled roles</p> <p>⇒ Sponsorship for sports kit and equipment</p> <p>⇒ 2 key projects supporting vulnerable adults and families</p> <p>⇒ Engagement with manufacturing plants</p> <p>⇒ Software installation</p> <p>⇒ ESOS reporting since December 2019</p>

GRAPHIC PACKAGING INTERNATIONAL GATESHEAD LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

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



Jean-Francois Roche
Director

Date: 13 December 2023

GRAPHIC PACKAGING INTERNATIONAL GATESHEAD LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present their report and the audited financial statements for the year ended 31 December 2022.

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they 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.

GRAPHIC PACKAGING INTERNATIONAL GATESHEAD LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Going concern

No material uncertainties that cast doubt about the ability of the company to continue as a going concern have been identified by the directors.

The company has a good track record of generating profits and enjoys a strong correlation between profitability and cash generation. The cash generated by the company is held in the group's European cash pool, as part of the balances due from parent entities, and is available for the company to draw down on demand if required. The company has no external debt.

The directors have considered the profit projections and cash flow forecasts for at least 12 months from the date of signing the financial statements. The expectation is that the company will continue to contribute to the European cash pool over that time frame but due to the fluctuations of its working capital cycle there may be periods where the company needs access to the amounts deposited in the European cash pool.

The formal cash pooling agreement gives the company the right to access on demand the funds deposited in the European cash pool and the company has also obtained a letter of support from its ultimate parent which would give access to funds in the unlikely event that the funds in the European pool cannot be accessed as expected.

Interest rates are not expected to have a significant impact on the total Graphic Packaging Corporation. Inflation has been significant in 2022 and 2023 to date but the majority of raw material inflation has been recovered through price increases to customers. Other inflation to date has been mitigated by operational savings. Energy inflation is significant and is also expected to be recovered through price increases passed on to customers. Energy reduction initiatives have been started and further opportunities explored. Our supply chain has not experienced any direct impact as a result of the Ukraine war other than global inflation.

Since the company has invested in new machinery that will expand the range of products we are able to produce on site this will encourage and generate new sales opportunities.

In assessing the ability of the ultimate parent to support the company if needed the directors have received and reviewed a copy of the group going concern assessments which are produced as each set of quarterly results are released to the US market in accordance with ASC 205-40-50. The directors note that the US parent has considerable net current assets and very high levels of liquidity due to a combination of cash reserves and access to undrawn but committed facilities.

Given the above the directors have a reasonable expectation that the company has adequate resources and if needed, further financial support to continue in operational existence for the foreseeable future. Thus the financial statements have been prepared on a going concern basis.

Results and dividends

The profit for the year, after taxation, amounted to £7,460K (2021 - £5,261k).

The directors do not recommend the payment of a dividend for the year ended 31 December 2022 (2021: £nil)

Directors

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

Jean-Francois Roche
Lauren Tashma
Eveline Maria Van de Rovert (resigned 4 November 2022)
Stephen Richard Scherger

GRAPHIC PACKAGING INTERNATIONAL GATESHEAD LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Environmental matters

The Company will seek to minimise adverse impacts on the environment from its activities, whilst continuing to address health, safety and economic issues. The Company has complied with all applicable legislation and regulations.

Engagement with employees

Details of the number of employees and related costs can be found in note 7 to the financial statements.

For additional detail regarding 'Engagement with employees', please refer to the Strategic Report - Directors' statement of compliance with duty to promote the success of the Company from page 3.

The company participates in Graphic Packaging Company's policies and practices to keep employees informed on matters relevant to them as employees through appropriate means, such as employee meetings and newsletters. Graphic Packaging values diversity within its workforce and the contribution each employee makes. The Company has a long-standing commitment to equal opportunity and is dedicated to maintaining working environments that are free from discrimination and harassment based on gender or sex (including pregnancy), race, colour, religion, national origin, ancestry, age, disability, marital status, sexual orientation, genetic information, gender identity, political affiliation, veteran/military status and any other status protected by applicable law. Graphic Packaging is an equal opportunity employer.

Engagement with suppliers, customers and others

For detail regarding 'Engagement with suppliers, customers and others', please refer to the Strategic Report - Directors' statement of compliance with duty to promote the success of the Company from page 3.

Greenhouse gas emissions, energy consumption and energy efficiency action

	2022 £000	2019 £000
Emissions from activities for which the company own or control including combustion of fuel & operation of facilities (Scope 1) (in tonnes of CO2 equivalent)	283	160
Emissions from purchase of electricity, heat, steam and cooling purchase for own use (Scope 2, location-based) (in tonnes of CO2 equivalent)	1,412	2,094
Total gross Scope 1 & Scope 2 (in tonnes of CO2 equivalent)	1,695	2,254

Energy consumption used to calculate the above emissions (kWh) is 8,675,889 (2019: 9,062,616) and the Intensity ratio tCO2e (gross scope 1+2) / metric tonne of paperboard converted is 0.056 (2019: 0.067).

Greenhouse gas emissions, energy consumption and energy efficiency action (continued)

Boundaries:-

Determining the boundary of our organisation, we are reporting on energy consumed and corresponding GHG emissions generated by our UK sites. We have excluded from this report fuel used in company or private vehicles used on company business. Where available, we have added for the first-year fugitive emissions from refrigerants even though they are not very material.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Base Year Policy:-

Data collected for the base year 2019, as a representative pre-COVID baseline, is used to enable us to show a comparison with this third-year reporting of 2022. We are using a fixed year basis. Where significant business changes occur to the legal entity reporting then the base year data will be recalculated.

We have elected to report one KPI ratio measuring the greenhouse gases emitted per physical tonne of product processed. GPI global targets have been set and incorporated into our Vision 2025 detailing a 15% reduction in the use of non-renewable energy and the emission of greenhouse gases per saleable tonne of product therefore decoupling emissions from company growth targets.

Verification and assurance:-

The data is uploaded to Schneider Electric's Resource Advisor (a cloud-based energy and sustainability management tool), validated against invoice details. The core data forms part of the ESG and CDP reporting for the global organisation which is audited by Lloyd's Register.

Methodology:-

GPI has implemented the monitoring of its energy consumption through a centralised software platform (Resource Advisor from Schneider electrics) and is therefore able to track the different invoices for electricity, natural gas and fuel used in each UK site as well as the full range of energy used globally. Since 2022, the inventory has been complemented with refrigerants for the sites able to track it, as well as additional fuels used on site has been reviewed. The sum of all consumptions as well as scope 1 and 2 emissions can therefore be calculated in the same platform for each site and globally. DEFRA emission factors has been used by our consultant for converting usage data into GHG emissions. The base year data (2019) have not been changed versus the prior report.

Initiatives put in place in 2022 to improve the energy efficiency and reduce greenhouse emissions:-

Graphic Packaging is improving its operational sustainability following strategic goals set in its Vision 2025 including by 2025 a decrease by 15% of non-renewable energy use and greenhouse gases emitted. A continuous improvement program has been in place in Europe for years to capture opportunities to improve efficiency where possible. All EU sites run energy savings programs since Q3 2022 considering e.g. limiting the temperature in the different areas of the factories to the minimum needed and ensuring powering off during weekends and down time, etc. The installation of motion detectors, timers, the transition to LED lights, recovery of heat from machines to warm up production area, the set up of monitoring systems, use of sun energy on the roof for hot water, review of building insulation, etc. are also considered areas for improvements where applicable. Replication of best practices and rewarding of staff ideas are also encouraged.

In terms of the Gateshead site, they continued to participate in the CCA and ESOS schemes and actions have been taking place to improve eco-efficiency including new installation of LED lighting as well as replacing legacy fittings with LED. Motion sensors have also been installed in areas like the staff canteen facility & commercial offices to turn off lighting in periods of no use to further reduce energy costs. In addition to this, the sites had a compressed air survey assessment to assess any compressed air leaks around the production areas & equipment to help with air compressor efficiency and reduce energy costs. The use of non-UV printing inks to reduce in-process energy consumption which requires less drying energy usage has also helped with the reduction in energy consumption.

Intensity data for 2022 are better than any previous SECR year in spite of adding the category of refrigerant (minor) for the first time. In addition to the above initiatives, the frequent concentration of the work in 5 to 5.5 days during the week rather than spread across 7 days, reduced operational waste and re-printed jobs, are the main drivers for this improvement.

GRAPHIC PACKAGING INTERNATIONAL GATESHEAD LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

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.

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, 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.



Jean-Francois Roche
Director

Date: 13 December 2023

Independent auditors' report to the members of Graphic Packaging International Gateshead Limited

Report on the audit of the financial statements

Opinion

In our opinion, Graphic Packaging International Gateshead Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 balance sheet as at 31 December 2022; the profit and loss account and 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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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.

Independent auditors' report to the members of Graphic Packaging International Gateshead Limited (continued)

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 our work undertaken in the course of the audit, the Companies Act 2006 requires 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 31 December 2022 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 Directors' responsibilities statement, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation, health and safety legislation and employment law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006.

Independent auditors' report to the members of Graphic Packaging International Gateshead Limited (continued)

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and significant one-off or unusual transactions. Audit procedures performed by the engagement team included:

- discussions with management and those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- evaluation of management's controls designed to prevent and detect fraudulent financial reporting;
- testing accounting estimates that we deemed to present a risk of material misstatement, including assessing the data, methods and assumptions applied by management in the development of each estimate;
- identifying and testing journal entries using a risk-based targeting approach for unexpected account combinations or unusual words or phrases in the journal description; and
- reviewing financial statement disclosures and testing to supporting documentation, where appropriate, to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 obtained 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.



Tom Yeates (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds
13 December 2023

GRAPHIC PACKAGING INTERNATIONAL GATESHEAD LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £000	2021 £000
Turnover	4	67,765	61,557
Cost of sales		(41,668)	(37,272)
Gross profit		26,097	24,285
Distribution costs		(4,117)	(4,404)
Administrative expenses		(16,261)	(15,066)
Other operating income	5	191	-
Operating profit	6	5,910	4,815
Interest receivable and similar income	9	1,718	655
Interest payable and similar expenses	10	(51)	(18)
Profit before tax		7,577	5,452
Tax on profit	11	(117)	(191)
Profit for the financial year		7,460	5,261

There are no items of other comprehensive income for 2022 or 2021 other than the profit for the year. As a result, no separate Statement of Comprehensive Income has been presented.

GRAPHIC PACKAGING INTERNATIONAL GATESHEAD LIMITED
REGISTERED NUMBER: 01298663

BALANCE SHEET
AS AT 31 DECEMBER 2022

			<i>As restated - see note 16</i>
	Note	2022 £000	2021 £000
Fixed assets			
Tangible assets	13	6,897	7,574
		<u>6,897</u>	<u>7,574</u>
Current assets			
Stocks	14	11,197	7,815
Debtors: amounts falling due within one year	15	81,277	71,443
		<u>92,474</u>	<u>79,258</u>
Creditors: amounts falling due within one year	16	(21,765)	(16,797)
Net current assets		<u>70,709</u>	<u>62,461</u>
Total assets less current liabilities		<u>77,606</u>	<u>70,035</u>
Provisions for liabilities			
Deferred tax	17	(240)	(129)
		<u>(240)</u>	<u>(129)</u>
Net assets		<u><u>77,366</u></u>	<u><u>69,906</u></u>
Capital and reserves			
Called up share capital	18	50	50
Profit and loss account		77,316	69,856
Total equity		<u><u>77,366</u></u>	<u><u>69,906</u></u>

The financial statements on pages 16 to 35 were approved and authorised for issue by the board and were signed on its behalf by:



Jean-Francois Roche
Director

Date: 13 December 2023

The notes on pages 19 to 35 form part of these financial statements.

GRAPHIC PACKAGING INTERNATIONAL GATESHEAD LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 January 2021	50	64,595	64,645
Comprehensive income for the year			
Profit for the year	-	5,261	5,261
Total comprehensive income for the year	-	5,261	5,261
At 31 December 2021	50	69,856	69,906
Comprehensive income for the year			
Profit for the year	-	7,460	7,460
Total comprehensive income for the year	-	7,460	7,460
At 31 December 2022	50	77,316	77,366

GRAPHIC PACKAGING INTERNATIONAL GATESHEAD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

Graphic Packaging International Gateshead Limited (the "Company") is a private company limited by shares and incorporated in England and domiciled in the UK. The registered office is 2 New Bailey, 6 Stanley Street, Salford, Greater Manchester, M3 5GS.

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

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

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

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

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

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

2. Accounting policies

2.1 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 (see note 3).

The presentation currency amounts are rounded to the nearest £'000.

The following principal accounting policies have been applied:

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)**2.2 Going concern**

No material uncertainties that cast doubt about the ability of the company to continue as a going concern have been identified by the directors.

The company has a good track record of generating profits and enjoys a strong correlation between profitability and cash generation. The cash generated by the company is held in the group's European cash pool, as part of the balances due from parent entities, and is available for the company to draw down on demand if required. The company has no external debt.

The directors have considered the profit projections and cash flow forecasts for at least 12 months from the date of signing the financial statements. The expectation is that the company will continue to contribute to the European cash pool over that time frame but due to the fluctuations of its working capital cycle there may be periods where the company needs access to the amounts deposited in the European cash pool.

The formal cash pooling agreement gives the company the right to access on demand the funds deposited in the European cash pool and the company has also obtained a letter of support from its ultimate parent which would give access to funds in the unlikely event that the funds in the European pool cannot be accessed as expected.

Interest rates are not expected to have a significant impact on the total Graphic Packaging Corporation. Inflation has been significant in 2022 and 2023 to date but the majority of raw material inflation has been recovered through price increases to customers. Other inflation to date has been mitigated by operational savings. Energy inflation is significant and is also expected to be recovered through price increases passed on to customers. Energy reduction initiatives have been started and further opportunities explored. Our supply chain has not experienced any direct impact as a result of the Ukraine war other than global inflation.

Since the company has invested in new machinery that will expand the range of products we are able to produce on site this will encourage and generate new sales opportunities.

In assessing the ability of the ultimate parent to support the company if needed the directors have received and reviewed a copy of the group going concern assessments which are produced as each set of quarterly results are released to the US market in accordance with ASC 205-40-50. The directors note that the US parent has considerable net current assets and very high levels of liquidity due to a combination of cash reserves and access to undrawn but committed facilities.

Given the above the directors have a reasonable expectation that the company has adequate resources and if needed, further financial support to continue in operational existence for the foreseeable future. Thus the financial statements have been prepared on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

Sale of goods

Turnover 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 turnover 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.

2.4 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:

Goodwill	-	5	years
Computer Software	-	5	years

2.5 Tangible 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.

Where parts of an item of tangible assets have different useful lives, they are accounted for as separate items of tangible assets, for example land is treated separately from buildings.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.5 Tangible assets (continued)

Depreciation 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	- 20 years
Long-term leasehold property	- 50 years or amortised over the life of the lease if shorter
Plant and machinery	- 3 to 15 years
Fixtures and fittings	- 5 years

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 profit or loss.

Construction in Progress (CIP) contains capital projects which have been approved but are currently in progress. The CIP will transfer to the fixed asset register once the asset is confirmed operational. The depreciation starts in the following month of the asset being capitalised in the fixed asset register.

2.6 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.

2.7 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.8 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 profit or loss.

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

2.9 Finance costs

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

2.10 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

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

2.11 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 profit or loss 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.12 Interest receivable and similar income

Interest income is recognised in profit or loss using the effective interest method.

2.13 Current and deferred taxation

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

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

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

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

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

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

GRAPHIC PACKAGING INTERNATIONAL GATESHEAD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The following estimates 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.

(i) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

(ii) Stock

The company makes an estimate of the net realisable value of stocks taking into account the ageing and obsolescence of any stock held at 31 December 2022. There is a stock provision recorded in the year of £9K (2021: £0K).

Critical accounting judgements in applying the Company's accounting policies:-

The company does not make any critical judgements in applying the entity's accounting policies.

4. Turnover

The whole of the turnover is derived from the sale of packaging.

Analysis of turnover by country of destination:

	2022 £000	2021 £000
United Kingdom	65,126	59,494
Rest of Europe	2,639	2,063
	<u>67,765</u>	<u>61,557</u>

5. Other operating income

	2022 £000	2021 £000
Other operating income	62	-
Profit on disposal of tangible assets	129	-
	<u>191</u>	<u>-</u>

GRAPHIC PACKAGING INTERNATIONAL GATESHEAD LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

6. Operating profit

The operating profit is stated after charging:

	2022 £000	2021 £000
Stocks recognised as an expense	35,421	31,098
Depreciation of tangible assets	1,905	2,081
Fees payable to the Company's auditors and their associates for the audit of the Company's annual financial statements	45	45
Exchange differences	26	65
Operating lease rentals	878	876
	<u>38,275</u>	<u>34,165</u>

There are no other services included in the fees payable to the Company's auditors and their associates for both this year and last year.

7. Employees

Staff costs were as follows:

	2022 £000	2021 £000
Wages and salaries	9,905	10,276
Social security costs	1,051	992
Other pension costs	356	317
	<u>11,312</u>	<u>11,585</u>

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

	2022 No.	2021 No.
Manufacturing	319	315
Sales and Distribution	19	17
Administration	19	20
	<u>357</u>	<u>352</u>

GRAPHIC PACKAGING INTERNATIONAL GATESHEAD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

8. Directors' remuneration

The Directors' apportionment of emoluments for the year for services to all UK companies was £28K (2021: £38K) which was paid out of Graphic Packaging International Europe Limited. In 2022 all the directors are also Directors of other group companies. Their remaining 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.

9. Interest receivable and similar income

	2022	2021
	£000	£000
Other interest receivable	1,718	655
	1,718	655

10. Interest payable and similar expenses

	2022	2021
	£000	£000
Bank interest payable	51	18
	51	18

GRAPHIC PACKAGING INTERNATIONAL GATESHEAD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. Tax on profit

	2022	2021
	£000	£000
Corporation tax		
Current tax on profits for the year	-	175
Adjustments in respect of previous periods	6	(2)
	<u>6</u>	<u>173</u>
Total current tax	<u>6</u>	<u>173</u>
Deferred tax		
Origination and reversal of timing differences	148	(20)
Effect of change of tax rate on opening balances	-	36
Adjustments in respect of prior periods	(37)	2
	<u>111</u>	<u>18</u>
Total deferred tax	<u>111</u>	<u>18</u>
Taxation on profit	<u>117</u>	<u>191</u>

GRAPHIC PACKAGING INTERNATIONAL GATESHEAD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. Tax on profit (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2021 - *lower than*) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £000	2021 £000
Profit before tax	7,577	5,452
Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	1,428	1,036
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	21	40
Capital allowances for year in excess of depreciation	(42)	(15)
Adjustments to tax charge in respect of prior periods	6	(2)
Tax rate differences	36	31
Other timing differences leading to an (decrease)/increase in taxation	(37)	2
Group relief	(1,295)	(901)
Total tax charge for the year	117	191

Factors that may affect future tax charges

An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. Deferred tax at 31 December 2022 has been calculated based on the rate that will be in force when the timing differences are expected to reverse.

GRAPHIC PACKAGING INTERNATIONAL GATESHEAD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. Intangible assets

	Computer software £000	Goodwill £000	Total £000
Cost			
At 1 January 2022	277	388	665
At 31 December 2022	277	388	665
Amortisation			
At 1 January 2022	277	388	665
At 31 December 2022	277	388	665
Net book value			
At 31 December 2022	-	-	-
At 31 December 2021	-	-	-

The amortisation, impairment charge and impairment reversals are recognised in Administrative expenses in the profit and loss account.

GRAPHIC PACKAGING INTERNATIONAL GATESHEAD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

13. Tangible assets

	Long-term leasehold property £000	Plant and machinery £000	Fixtures and fittings £000	Construction in progress £000	Total £000
Cost or valuation					
At 1 January 2022	152	35,052	779	534	36,517
Additions	-	554	-	718	1,272
Disposals	-	(1,236)	-	-	(1,236)
Transfers between classes	-	620	45	(665)	-
At 31 December 2022	152	34,990	824	587	36,553
Depreciation					
At 1 January 2022	95	28,275	573	-	28,943
Charge for the year on owned assets	7	1,771	61	-	1,839
Disposals	-	(1,126)	-	-	(1,126)
At 31 December 2022	102	28,920	634	-	29,656
Net book value					
At 31 December 2022	50	6,070	190	587	6,897
At 31 December 2021	57	6,777	206	534	7,574

GRAPHIC PACKAGING INTERNATIONAL GATESHEAD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

14. Stocks

	2022	2021
	£000	£000
Raw materials and consumables	4,783	2,919
Work in progress (goods to be sold)	658	1,158
Finished goods and goods for resale	5,756	3,738
	<u>11,197</u>	<u>7,815</u>

Stock recognised as an expense in the year was £35,421K (2021: £31,098K). There is a provision for impairment at the balance sheet date of £9K (2021: £nil).

15. Debtors: Amounts falling due within one year

	2022	<i>As restated - see note 16</i> 2021
	£000	£000
Trade debtors	12,247	14,344
Amounts owed by parent undertakings	66,408	55,330
Amounts owed by group undertakings	1,924	945
Prepayments and accrued income	698	824
	<u>81,277</u>	<u>71,443</u>

All amounts owed by group undertakings are payable on demand and non-interest bearing. There is no provision for impairment at the balance sheet date (2021: £nil).

GRAPHIC PACKAGING INTERNATIONAL GATESHEAD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

16. Creditors: Amounts falling due within one year

	2022	<i>As restated - see note 16</i>
	£000	2021
		£000
Trade creditors	10,128	6,647
Amounts owed to parent undertakings	4,539	2,824
Amounts owed to group undertakings	3,414	2,973
Other taxation and social security	768	831
Other creditors	21	25
Accruals and deferred income	2,895	3,497
	<u>21,765</u>	<u>16,797</u>

All amounts owed to group undertakings are payable on demand and non-interest bearing.

On review of the comparative figures it was noted that a payment on account of Corporation tax by a fellow group company and other account transfers had not been included in the financial statements of this company for the year ended 31 December 2021. This error has been corrected in these financial statements and the comparative figures restated accordingly. The impact of the adjustment is to reduce Corporation tax payable of £174k to £nil, increase Amounts owed to group undertakings from £2,715k to £2,973k and increase Prepayments and accrued income (within Debtors: Amounts falling due within one year) from £740k to £824k. There was no impact on the profit for the year or on reserves at either 1 January 2021 or 31 December 2021.

17. Deferred tax

	2022	2021
	£000	£000
At beginning of year	(129)	(112)
Charged to profit and loss in the year	(111)	(17)
At end of year	<u>(240)</u>	<u>(129)</u>

The provision for deferred taxation is made up as follows:

	2022	2021
	£000	£000
Accelerated capital allowances	(240)	(129)
	<u>(240)</u>	<u>(129)</u>

GRAPHIC PACKAGING INTERNATIONAL GATESHEAD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

18. Called up share capital

	2022	2021
	£000	£000
Authorised, allotted, called up and fully paid		
50,000 (2021 - 50,000) Ordinary shares of £1 each	50	50

19. Pension commitments

There is a defined contribution scheme operated in the UK. The charge for the year amounts to £356K (2021: £317K) and represents the contributions payable by the company to the fund.

20. Commitments under operating leases

At 31 December 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022	2021
	£000	£000
Not later than 1 year	881	618
Later than 1 year and not later than 5 years	3,369	2,225
Later than 5 years	2,169	2,559
	6,419	5,402

21. Related party transactions

The company has taken advantage of the exemption, as permitted by paragraph 1 (A) of chapter 33 of FRS 102, not to disclose related party transactions between fellow wholly owned subsidiaries within the group. There have been no related party transactions in the year other than those with wholly owned subsidiaries within the group.

GRAPHIC PACKAGING INTERNATIONAL GATESHEAD LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

22. Ultimate parent company

Graphic Packaging International Box Holdings Limited is the immediate parent company, incorporated in England. The ultimate parent company and ultimate controlling party is Graphic Packaging Holding Company, a company incorporated in the United States of America. The smallest and largest group of which the company is a member and for which group financial statements are prepared is Graphic Packaging Holding Company. A copy of the consolidated financial statements can be obtained from:-

Graphic Packaging Holding Company
1500 Riveredge Parkway
Suite 100
Atlanta
Georgia 30328
USA