

**Huhtamaki Finance Limited**  
**Annual Report and Financial Statements**  
**for the year ended 31 December 2017**

Registered No: 07973380



**Huhtamaki Finance Limited**

**Annual report and financial statements  
For the year ended 31 December 2017**

	<b>Page</b>
Directors and advisers	1
Strategic report	2
Directors' report	3
Statement of directors' responsibilities	4
Independent auditors' report	5-7
Income Statement and Statement of Comprehensive Income	8
Statement of changes in equity	9
Balance sheet	10
Notes to the financial statements	11-15

**Huhtamaki Finance Limited****Directors and advisers****Directors**

T Erander  
S-J Pauni  
E Le Lay

**Registered office**

Rowner Road  
Gosport  
Hampshire  
PO13 0PR

**Registered Auditors**

Ernst & Young LLP  
Wessex House  
19 Threefield Lane  
Southampton  
SO14 3QB

**Huhtamaki Finance Limited****Strategic report  
for the year ended 31 December 2017****Principal activities**

The principal activity of the Company in the period was the holding of investments in subsidiary companies.

**Business review and results for the year**

The loss for the year, after taxation, is £3,378,000 (2016: £4,227,000). The loss for the year is due to interest payable on group company loans. In 2016 the result includes costs relating to the acquisition of Delta Print and Packaging Limited in May 2016 (name now changed to Huhtamaki Foodservice Delta Limited). The directors do not propose the payment of a dividend (2016: £nil).

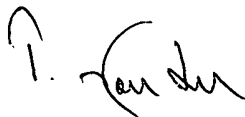
**Key performance indicators**

As the Company's principal activity is that of a holding company, the directors do not consider KPIs appropriate to the management of the business.

**Principal risks and uncertainties**

The management of the business is subject to a number of potential risks and uncertainties. These could have a material impact on the Company's long term performance and could cause actual results to differ materially from expected and historical results. The key area of risk to the business is the risk of deterioration in business performance of its group undertakings which may have an adverse effect on the carrying value of the Company's investments.

On behalf of the board



**T Erander  
Director**



**E Le Lay  
Director**

Date: 31/5/18

Date: 31/5/18

**Registration No: 07973380**

**Huhtamaki Finance Limited****Directors' report  
for the year ended 31 December 2017**

The directors present herewith their report for the year ended 31 December 2017.

**Directors**

The directors who served since 1 January 2017 were:

T Erander  
F Hofenbetzer (resigned 30 September 2017)  
R Mason (resigned 30 September 2017)  
S-J Pauni  
E Le Lay (appointed 30 September 2017)

**Directors' liabilities**

The Company has indemnified one or more Directors of Huhtamaki Finance Limited against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision was in force during the year and remains in place to the date of this report.

**Going Concern**

The ultimate parent undertaking has indicated its willingness to continue to provide financial support to the Company for the foreseeable future. The directors, having considered this and the financial position of the Company for a period of at least twelve months from the date of signing these financial statements, have no reason to believe that a material uncertainty exists that may cast doubt about the ability of the Company to continue as a going concern. Accordingly, the directors have a reasonable expectation that the Company will continue in operational existence and thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**Disclosure of information to auditors**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the board



**T Erander**  
Director

Date:

31/12/18



**E Le Lay**  
Director

Date:

31/12/18

**Registration No: 07973380**

**Huhtamaki Finance Limited****Statement of directors' responsibilities in respect of the Annual Report and Financial Statements**

The directors are responsible for preparing the Annual Report and 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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.

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

## **Independent auditor's report to the members of Huhtamaki Finance Limited**

### **Opinion**

We have audited the financial statements of Huhtamaki Finance Limited for the year ended 31 December 2017 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Balance Sheet and the related Notes 1 to 13, 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 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 101 "Reduced Disclosure Framework"; 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.

### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **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.

## **Independent auditor's report to the members of Huhtamaki Finance Limited (continued)**

### **Other information**

The other information comprises the information included in the annual report (set out on pages 2 to 3), 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.

### **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 statement of directors' responsibilities (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.



**Independent auditor's report to the members of Huhtamaki Finance Limited (continued)****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.

*Ernst + Young UK*

David Marshall (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Southampton

Date: *4/6/2018*

**Huhtamaki Finance Limited****Income statement  
for the year ended 31 December 2017**

Registered No: 07973380

	Note	2017 £'000	2016 £'000
Administrative expenses		(26)	(1,389)
Other operating income		33	27
<b>Operating (loss)/profit</b>	<b>3</b>	<b>7</b>	<b>(1,362)</b>
Interest payable and related costs	<b>6</b>	<b>(4,260)</b>	<b>(3,551)</b>
<b>Loss on ordinary activities before taxation</b>		<b>(4,253)</b>	<b>(4,913)</b>
Tax credit on loss on ordinary activities	<b>7</b>	<b>875</b>	<b>686</b>
<b>Retained loss for the year</b>		<b>(3,378)</b>	<b>(4,227)</b>

All the Company's results were attributable to continuing activities.

**Statement of Comprehensive Income  
for the year ended 31 December 2017**

	2017 £'000	2016 £'000
Loss for the year	(3,378)	(4,227)
Other comprehensive income	-	-
<b>Total Comprehensive loss for the year</b>	<b>(3,378)</b>	<b>(4,227)</b>

**Huhtamaki Finance Limited**
**Statement of changes in equity  
for year ended 31 December 2017**

	<i>Share Capital</i>	<i>Retained Earnings</i>	<i>Total Shareholders' Deficit</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>
At 1 January 2016	10	(6,381)	(6,371)
Loss for year	-	(4,227)	(4,227)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>(4,227)</b>	<b>(4,227)</b>
<b>At 31 December 2016</b>	<b>10</b>	<b>(10,608)</b>	<b>(10,598)</b>
Loss for year	-	(3,378)	(3,378)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>(3,378)</b>	<b>(3,378)</b>
<b>As 31 December 2017</b>	<b>10</b>	<b>(13,986)</b>	<b>(13,976)</b>

**Huhtamaki Finance Limited****Balance sheet  
at 31 December 2017****Registered No: 07973380**

	Note	2017 £'000	2016 £'000
<b>Fixed assets</b>			
Investments	8	<u>126,636</u>	<u>126,636</u>
<b>Current assets</b>			
Debtors	9	6,645	3,739
Cash at bank and in hand		<u>343</u>	<u>226</u>
		<b>6,988</b>	<b>3,965</b>
<b>Creditors: amounts falling due within one year</b>	10	<u>(147,600)</u>	<u>(141,199)</u>
<b>Net current liabilities</b>		<u>(140,612)</u>	<u>(137,234)</u>
<b>Total assets less current liabilities</b>		<u>(13,976)</u>	<u>(10,598)</u>
<b>Net liabilities</b>		<u>(13,976)</u>	<u>(10,598)</u>
<b>Capital and reserves</b>			
Called up share capital	11	10	10
Retained Earnings		<u>(13,986)</u>	<u>(10,608)</u>
<b>Total Equity</b>		<u>(13,976)</u>	<u>(10,598)</u>

These financial statements were approved by the board of directors on behalf by:

April 2018 and were signed on its



**T Erander  
Director**



**E Le Lay  
Director**

## Huhtamaki Finance Limited

### Notes to the financial statements for the year ended 31 December 2017

#### 1. Authorisation of financial statements and statement of compliance with FRS 101

The financial statements of Huhtamaki Finance Limited (the "Company") for the year ended 31 December 2017 were authorised for issue by the board of directors on the date shown on the balance sheet and were signed on the board's behalf by Tom Erander and Eric Le Lay. Huhtamaki Finance Limited is incorporated and domiciled in England and Wales.

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and in accordance with applicable accounting standards.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

The Company has taken advantage of the exemption under s400 of the Companies Act 2006 not to prepare group accounts as it is a wholly owned subsidiary of Huhtamaki Finance BV.

The results of Huhtamaki Finance BV are included in the consolidated financial statements of Huhtamaki Oyj which are available from Miestentie 9, FI-02150 Espoo, Finland.

The principal accounting policies adopted by the Company are set out in note 2.

#### 2. Accounting policies

##### 2.1 Basis of preparation

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2017.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) The requirements of IAS 7 Statement of Cash Flows;
- (b) The requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- (c) The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of the group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member. The consolidated financial statements of Huhtamaki Oyj, within which this company is included, can be obtained from the address given in note 13.
- (d) The requirements of IFRS 7 Financial Instruments: Disclosures, the equivalent disclosures are included in the consolidated financial statements of the group in which the entity is consolidated.
- (e) The requirement of paragraph 38 of IAS 1 Presentation of Financial Statements.

#### Going Concern

The ultimate parent undertaking has indicated its willingness to continue to provide financial support to the Company for the foreseeable future. The directors, having considered this and the financial position of the Company for a period of at least twelve months from the date of signing these financial statements, have no reason to believe that a material uncertainty exists that may cast doubt about the ability of the Company to continue as a going concern. Accordingly the directors have a reasonable expectation that the Company will continue in operational existence and thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

## Huhtamaki Finance Limited

### Notes to the financial statements for the year ended 31 December 2017 (continued)

#### 2. Accounting policies (continued)

##### 2.2 Judgements and key sources of estimation uncertainty

The preparation of 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:

##### Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount in order to determine the extent of the impairment loss. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses on continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

For assets where an impairment loss subsequently reverses, the carrying amount of the asset or cash generating unit is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined, net of depreciation, had no impairment losses been recognised for the asset or cash generating unit in prior years. A reversal of impairment loss is recognised immediately in the income statement, unless the asset is carried at a revalued amount when it is treated as a revaluation increase.

##### 2.3 Significant Accounting Policies

##### Investments in subsidiaries

Investments in subsidiaries, associates and joint ventures are held at historical cost less any applicable provision for impairment.

##### Foreign currency translation

The company's financial statements are presented in sterling, which is also the company's functional currency.

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

#### 3. Operating (loss)/profit

	2017 £'000	2016 £'000
<b>Operating (loss)/profit is stated after charging:</b>		
Exchange (gains)/losses	-	-
Audit fees	4	4

**Huhtamaki Finance Limited****Notes to the financial statements for the year ended 31 December 2017 (continued)****4. Directors' remuneration**

No directors received any remuneration in respect of qualifying services provided to the Company and its subsidiaries.

**5. Employee information**

The Company does not have any employees.

**6. Interest payable and related costs**

	2017 £'000	2016 £'000
Interest payable to group undertakings	<u>4,260</u>	<u>3,551</u>

**7. Taxation**

	2017 £'000	2016 £'000
<b>Analysis of tax credits in period:</b>		
<i>Current tax:</i>		
Group relief receivable - current year	(848)	(678)
Group relief payable - prior year	(27)	(8)
	<u>          </u>	<u>          </u>
<b>Total tax credit</b>	<u>(875)</u>	<u>(686)</u>

Factors affecting tax credit for the period:

The tax assessed on the profit on ordinary activities for the year is in line with (2016: in line with) the standard rate of corporation tax in the UK of 19.25% (2016: 20%). The differences are explained below:

	2017 £'000	2016 £'000
<b>Loss on ordinary activities before taxation</b>	<u>(4,253)</u>	<u>(4,913)</u>
Loss on ordinary activities multiplied by standard rate of tax in the UK of 19.25% (2016: 20%)	(819)	(983)
<i>Effects of:</i>		
Prior year adjustments	(56)	(8)
Expenses not deductible for tax purposes	-	305
	<u>          </u>	<u>          </u>
<b>Total tax credit</b>	<u>(875)</u>	<u>(686)</u>

**Huhtamaki Finance Limited****Notes to the financial statements for the year ended 31 December 2017 (continued)****8. Investments**

	<b>Shares in group undertakings £'000</b>
<b>Cost</b>	
At 1 January 2017	126,636
Additions	-
	<hr/>
At 31 December 2017	<u>126,636</u>

The Company has the following investments, representing 100% of the share capital of the following companies.

<u>Name of undertaking</u>	<u>Shares held</u>	
Josco Holdings Limited	30,000,000	(2016: 30,000,000) ordinary HK\$1 shares
BCP Corporate Limited	100,000	(2016: 100,000) ordinary £1 shares
Huhtamaki Foodservice Delta Limited	100	(2016: 100) ordinary 10p shares
Huhtamaki Foodservice Portsmouth Limited	1	(2016: nil) ordinary £1 shares

Josco Holdings Limited is incorporated in Hong Kong and acts as a holding company.

BCP Corporate Limited acts as a head office and as a holding company, and is based in the UK.

Huhtamaki Foodservice Delta Limited manufactures other paper and paperboard containers, and is based in the UK.

Huhtamaki Foodservice Portsmouth Limited manufactures paper cups for the food and drinks industry. The company was incorporated on 5<sup>th</sup> June 2017 as a subsidiary of Huhtamaki Finance Ltd.

**9. Debtors**

	<b>2017 £'000</b>	<b>2016 £'000</b>
Amounts owed by group undertakings	<u>6,645</u>	<u>3,739</u>

Amounts owed by group undertakings above include loan balances of £3,701,000 (2016: £1,669,000) which are repayable in February 2018 and which bear interest at various market rates between 1.9% and 2.3% (2016: between 1.5% and 1.9%).

**10. Creditors: amounts falling due within one year**

	<b>2017 £'000</b>	<b>2016 £'000</b>
Amounts owed to group undertakings	<u>147,600</u>	<u>141,199</u>
	<u>147,600</u>	<u>141,199</u>

Amounts owed to group undertakings above include loan balances of £147,498,000 (2016: £140,271,000) which are repayable at various dates through to February 2018 and which bear interest at various market rates between 0.25% and 3.2% (2016: 3.26%)

**11. Called up share capital**

	<b>2017 £'000</b>	<b>2016 £'000</b>
<b>Allotted, called up and fully paid</b>		
10,000 ordinary shares of £1 each	<u>10</u>	<u>10</u>



**Huhtamaki Finance Limited****Notes to the financial statements for the year ended 31 December 2017 (continued)****12. Contingent liability**

The Company is jointly and severally liable together with certain of its fellow subsidiaries for all sums of money, owing now or at any time, on any accounts whatsoever to Nordea Bank plc by the Company or certain other fellow subsidiaries. At 31 December 2017, the Company and certain fellow subsidiaries had net deposits at Nordea Bank plc of £5,036,000 (2016: net deposits of £6,555,000)

**13. Ultimate parent undertaking and immediate parent company**

The Company's immediate parent company is Huhtamaki Finance BV, incorporated in the Netherlands.

The Company is a subsidiary of Huhtamaki Oyj, incorporated in Finland which is considered to be the ultimate parent company and controlling party. The only group in which the results of the Company are consolidated is that headed by Huhtamaki Oyj. The consolidated financial statements of this company are available to the public and may be obtained from Huhtamaki Oyj, Miestentie 9, FI-02150 Espoo, Finland.