

**Company Registration No. 501594**

**DS Smith (UK) Limited**

**Report and Financial Statements**

**30 April 2011**

FRIDAY



\*A0ZXLLP6\*

A30

06/01/2012

#28

COMPANIES HOUSE

---

## **DS Smith (UK) Limited**

### **Report and financial statements 2011**

<b>Contents</b>	<b>Page</b>
<b>Officers and professional advisers</b>	<b>1</b>
<b>Directors' report</b>	<b>2</b>
<b>Directors' responsibilities statement</b>	<b>4</b>
<b>Independent auditor's report</b>	<b>5</b>
<b>Profit and loss account</b>	<b>6</b>
<b>Balance sheet</b>	<b>7</b>
<b>Notes to the financial statements</b>	<b>8</b>

---

# **DS Smith (UK) Limited**

## **Report and financial statements 2011**

### **Officers and professional advisers**

#### **Directors**

S W Dryden  
M W Roberts  
M P Jowett

#### **Secretary**

A Steele

#### **Registered Office**

Beech House  
Whitebrook Park  
68 Lower Cookham Road  
Maidenhead  
SL6 8XY

#### **Registered Number**

501594 (England and Wales)

#### **Auditor**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London

# **DS Smith (UK) Limited**

## **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 30 April 2011

### **Principal activity**

The Company acts as a holding company. The company's principal subsidiaries are DS Smith Packaging Limited and DS Smith Plastics Limited. DS Smith Packaging Limited is a manufacturer of corrugated packaging, and DS Smith Plastics Limited is a manufacturer of plastic-based packaging.

### **Business review**

The profit for the year, after taxation, amounted to £12,000,000 (2010 £37,000,000) being dividend income from investments.

### **Dividends**

An interim dividend of £12,000,000 was paid (2010 £37,000,000) during the year under review.

### **Directors**

Directors who held office during the year, except as noted, were as follows:

C T Cattermole (resigned 30 June 2011)

S W Dryden

M W Roberts (appointed 4 May 2010)

A D Thorne (resigned 4 May 2010)

M P Jowett (appointed 30 June 2011)

### **Going concern**

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out above. The financial position of the Company is as shown in the balance sheet on page 7. The Company has no exposure to risks outside of the Group.

The directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of accounting policies in the financial statements.

### **Directors' and officers' liability insurance**

During the year the parent company maintained liability insurance for the directors and officers of the Company.

## **DS Smith (UK) Limited**

### **Directors' report (continued)**

#### **Financial risk management**

The principal risk affecting the Company is that the businesses operated by DS Smith Packaging Limited and DS Smith Plastics Limited (its principal subsidiary companies) do not, over time, generate revenue streams that will be sufficient to provide a return to the Company on its investment and to support the value of the investment in the Company's financial statements

This risk is managed through the DS Smith Group's overall management and governance processes

Business reviews of DS Smith Packaging Limited and DS Smith Plastics Limited are included within their respective financial statements. Copies of the group financial statements are available from the Company Secretary, DS Smith Plc, Beech House, Whitebrook Park, 68 Lower Cookham Road, Maidenhead SL6 8XY

#### **Auditor**

Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Elective resolutions to dispense with holding annual general meetings, the laying of accounts before the Company in general meeting and the appointment of an auditor annually are currently in force. The auditor, Deloitte LLP, will therefore be deemed to have been reappointed at the end of the period of 28 days beginning with the day on which copies of this report and accounts are sent to members unless a resolution is passed to the effect that their appointment be brought to an end

Approved by the Board of Directors  
and signed on behalf of the Board



A Steele  
Secretary

23 December 2011

## **DS Smith (UK) Limited**

### **Directors' responsibilities statement**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

## **Independent auditor's report to the members of DS Smith (UK) Limited**

We have audited the financial statements of DS Smith (UK) Limited for the year ended 30 April 2011 which comprise the profit and loss account, the balance sheet and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 30 April 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where 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.



Colin Hudson, FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom

23 December 2011

## **DS Smith (UK) Limited**

### **Profit and loss account Year ended 30 April 2011**

	<b>Notes</b>	<b>2011 £'000</b>	<b>2010 £'000</b>
Income from fixed asset investments	4	<u>12,000</u>	<u>37,000</u>
<b>Profit on ordinary activities before taxation</b>		<b>12,000</b>	<b>37,000</b>
Tax on profit on ordinary activities	5	<u>—</u>	<u>—</u>
<b>Profit on ordinary activities after taxation</b>		<b>12,000</b>	<b>37,000</b>
<b>Profit for the financial year</b>		<b><u>12,000</u></b>	<b><u>37,000</u></b>

The results shown above are from continuing operations

There are no recognised gains or losses other than those detailed in the profit and loss account, and therefore no statement of total recognised gains and losses has been presented

There is no material difference between the reported profits on ordinary activities before taxation and the profits restated on a historical cost basis



**DS Smith (UK) Limited**  
**Registered number: 501594**

**Balance sheet**  
**As at 30 April 2011**

	Notes	2011 £'000	2010 £'000
<b>Fixed assets</b>			
Fixed asset investments	7	<u>201,858</u>	<u>201,858</u>
<b>Non-current assets</b>			
Debtors amounts falling due after more than one year – amounts owed by group undertakings		<u>127,404</u>	<u>127,404</u>
<b>Net assets</b>		<u><u>329,262</u></u>	<u><u>329,262</u></u>
<b>Capital and reserves</b>			
Called up share capital	8	<u>128,297</u>	<u>128,297</u>
Share premium	9	<u>200,858</u>	<u>200,858</u>
Other reserves	10	<u>12</u>	<u>12</u>
Profit and loss account	10	<u>95</u>	<u>95</u>
<b>Total shareholders' funds</b>		<u><u>329,262</u></u>	<u><u>329,262</u></u>

These financial statements for DS Smith (UK) Limited, registered number 501594, were approved by the Board of Directors on 23 December 2011

Signed on behalf of the Board of Directors



S W Dryden  
Director

# **DS Smith (UK) Limited**

## **Notes to the accounts Year ended 30 April 2011**

### **1 Accounting policies**

#### **Accounting basis**

These financial statements have been prepared consistently under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards

#### **Fixed asset investments**

Fixed asset investments are shown at their historical cost, less any provisions for impairment

#### **Foreign exchange**

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

#### **Related party transactions**

The Company is also exempt under the terms of Financial Reporting Standard 8, 'Related party disclosures', from disclosing related party transactions with entities that are wholly owned by DS Smith Plc group or investees of the group qualifying as related parties.

#### **Cash flow**

Under Financial Reporting Standard 1 (revised 1996), 'Cash flow statements', the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its published consolidated financial statements.

#### **Taxation**

Current tax, including UK corporation tax is provided for at amounts expected to be paid (or recovered) using the tax rate and laws that have been enacted or substantively enacted by the balance sheet date. In accordance with Group policy, the Company surrenders current year tax losses to other members of the DS Smith Group, and receives payment for those tax losses at the rate of tax prevailing in the year.

#### **Consolidated financial statements**

The Company is not required to prepare consolidated financial statements as defined by Section 400 of the Companies Act 2006, since it is a wholly owned subsidiary of a company registered in England and Wales.

#### **Going concern**

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out above. The financial position of the Company is as shown in the balance sheet on page 7. The Company has no exposure to risks outside of the Group.

The Company's ultimate parent company and controlling party is DS Smith Plc, whose financial statements include the group's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities, and its exposures to credit risk and liquidity risk.

The Group has access to considerable financial resources, which would be made available to the Company if necessary. As a consequence, the directors believe the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries the directors have formed a judgement at the time of approving these financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they have continued to adopt the going concern basis in preparing the financial statements.

## DS Smith (UK) Limited

### Notes to the accounts Year ended 30 April 2011

#### 2. Directors' and employees' emoluments

The directors are remunerated by other group companies and no specific recharge is made in respect of their services to this company (2010 £nil)

There were no staff directly employed by the Company during the current or previous year

#### 3. Auditor's remuneration

The auditor's remuneration of £1,500 (2010 £1,500) for the statutory audit of the Company's financial statements for the current and previous period has been borne and not recharged by another group undertaking

#### 4. Income from fixed asset investments

	2011 £'000	2010 £'000
Dividends from subsidiary undertakings	<u>12,000</u>	<u>37,000</u>

#### 5. Taxation

	2011 £'000	2010 £'000
UK corporation tax at 27.83% (2010 28%) on the profit for the year	<u>—</u>	<u>—</u>

Factors affecting current tax rate for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 27.83% (2010 28%). The differences are explained below

	2011 £'000	2010 £'000
Profit on ordinary activities before taxation	<u>12,000</u>	<u>37,000</u>
Tax at 27.83% (2010 28%)	<u>3,340</u>	<u>10,360</u>
Effects of Permanent differences	<u>(3,340)</u>	<u>(10,360)</u>
Current tax charge for the year	<u>—</u>	<u>—</u>

#### 6. Dividends on equity shares

	2011 £'000	2010 £'000
Amounts recognised as distributions to equity holders in the year:		
Interim dividend for the year ended 30 April 2011 of £0.0935 (2010 £0.2884) per ordinary share	<u>12,000</u>	<u>37,000</u>

## DS Smith (UK) Limited

### Notes to the accounts Year ended 30 April 2011

#### 7. Fixed asset investments

	Shares in subsidiary undertakings £'000
<b>Cost</b>	
At 1 May 2010 and 30 April 2011	<b>201,858</b>

The Company's principal subsidiary undertakings, which are wholly-owned and incorporated in Great Britain and registered in England and Wales, are DS Smith Packaging Ltd and DS Smith Plastics Ltd

	Nature of business	Percentage of issued ordinary share capital held by DS Smith (UK) Limited	Country of incorporation
DS Smith Packaging Limited	Corrugated Packaging	100%	England and Wales
DS Smith Plastics Limited	Plastic Packaging	100%	England and Wales

#### 8. Called up share capital

	2011 £'000	2010 £'000
<b>Allotted, called up and fully paid</b>		
128,297,395 (2010 128,297,395) ordinary shares of £1 each	<b>128,297</b>	<b>128,297</b>

#### 9. Share premium

	£'000
At 1 May 2010 and 30 April 2011	<b>200,858</b>

#### 10. Reserves

	Profit and loss account £'000	Capital redemption reserve £'000
At 1 May 2010	95	12
Profit for the year	12,000	–
Dividends Paid	(12,000)	–
At 30 April 2011	<b>95</b>	<b>12</b>

## DS Smith (UK) Limited

### Notes to the accounts Year ended 30 April 2011

#### 11. Commitments and contingencies

The Company remains party to certain leases, the benefit and burden of which were transferred within the DS Smith Group on the sale of the company's former businesses to DS Smith Packaging Limited and DS Smith Plastics Limited in November 2004. The Company has been indemnified by DS Smith Packaging Limited and DS Smith Plastics Limited in respect of any obligations under these leases.

#### 12. Ultimate parent undertaking

The ultimate parent undertaking and controlling party is DS Smith Plc, a company incorporated in Great Britain and registered in England and Wales, which is the parent undertaking of the smallest and largest group to consolidate these financial statements.

Copies of the group financial statements are available from the Company Secretary of DS Smith Plc, Beech House, Whitebrook Park, 68 Lower Cookham Road, Maidenhead SL6 8XY.

#### 13. Reconciliation of movements in shareholders' funds

	2011 £'000	2010 £'000
Profit for the financial year	12,000	37,000
Net addition to shareholders' funds	12,000	37,000
Dividends paid during the year	(12,000)	(37,000)
Opening shareholders' funds	329,262	329,262
Closing shareholders' funds	329,262	329,262