

Company Registration No. 00382678

DS Smith Display Holding Limited

Annual Report and Financial Statements

For the year ended 30 April 2015

TUESDAY



A4MSYZ41

A07

22/12/2015

#65

COMPANIES HOUSE

DS Smith Display Holding Limited

Annual Report and Financial Statements For the year ended 30 April 2015

Contents

	Page
Directors and Professional Advisers.....	1
Directors' Report.....	2
Directors' Responsibilities Statement.....	4
Independent Auditor's Report	5
Profit and Loss Account	7
Balance Sheet	8
Notes to the Financial Statements.....	9

DS Smith Display Holding Limited

Directors and Professional Advisers

Directors

G P Jenkins

M P Jowett

S Rossi

Company Secretary

A Steele

Registered Office

350 Euston Road

London

NW1 3AX

United Kingdom

Independent Auditors

Deloitte LLP

5 Callaghan Square

Cardiff

CF10 5BT

Bankers

National Westminster Bank Plc

1 Princes Street

London

EC2R 8AQ

Registered number

00382678

DS Smith Display Holding Limited

Directors' Report for the year ended 30 April 2015

The Directors present their Annual Report and the audited Financial Statements of the Company for the year ended 30 April 2015. This Directors' Report has been prepared in accordance with the provisions applicable to small companies entitled to the small companies' exemption.

Business review and principal activities

The principal activity of the Company is to act as a holding company for a subsidiary which is engaged in the manufacture and sale of paper and packaging and the provision of packaging services. The results for the Company shows a loss on ordinary activities before taxation of £8,065,000 (2014: loss of £7,645,000) for the year.

The Company did not pay any interim dividends during the period (2014: £nil). The Directors do not recommend payment of a final dividend (2014: £nil).

The Company has net liabilities at 30 April 2015 of £5,986,000 (2014: net assets of £643,000).

Going concern and future developments

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 shown in the Balance Sheet on page 8. The Company has no exposure to risks outside of the Group. Due to the Company being in a net current liability position, a letter of support has been received from the ultimate parent company stating they intend to provide any financial support necessary to meet the Company's financial obligations as they fall due for a period of at least 12 months from the date these financial statements are signed.

The Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future despite the current uncertain economic climate. 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 note 1 to the financial statements.

Key performance indicators ("KPIs")

Given the straight forward nature of the business, the Company's Directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Principal risks and uncertainties

The Company is a holding company for a trading subsidiary. As such, the principal risks and uncertainties facing the subsidiary entity are disclosed in their own financial statements. The Company's principal risks are considered to be the financial risks noted below.

Financial risk management

The Company's operations expose it to two principal financial risks: namely the effects of changes in liquidity risk and of changes in interest rate risk.

Where applicable, the Company follows the DS Smith Group monetary policy. The Company's financial risk management is centralised to capitalise on economies of scale and synergy effects and to minimise operational risks.

Liquidity risk

The Company actively manages its liquidity risk by short-term debt finance with the DS Smith Group Treasury, supported by external borrowings where appropriate, that is designed to ensure the company has sufficient available funds for operations and planned expansions. The Company has interest bearing liabilities. The DS Smith Group Treasury function is responsible for identifying and managing interest rate exposure.

DS Smith Display Holding Limited

Directors' Report for the year ended 30 April 2015 (continued)

Directors

The Directors who served during the year and up to the date of signing, except as noted, were as follows:

C T A Brereton (resigned 16 June 2014)

G P Jenkins (appointed 16 June 2014)

M P Jowett

S Rossi (appointed 29 September 2014)

R Stuckes (resigned 22 December 2014)

Insurance effected for Officers

During the year the parent company maintained liability insurance for the Directors and other Officers of the Company.

Statement on disclosure of information to Auditors

Each person 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
- he 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 auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

On behalf of the board



G P Jenkins

Director

18 December 2015

DS Smith Display Holding Limited

Directors' Responsibilities Statement

The Directors are responsible for preparing the Directors' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared 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;
- 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 Display Holding Limited

We have audited the financial statements of DS Smith Display Holding Limited for the year ended 30 April 2015 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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2015 and of its loss 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.

Independent Auditor's Report to the members of DS Smith Display Holding Limited (continued)

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; or
- the Directors were not entitled to take advantage of the small companies exemption from preparing a Strategic Report and in preparing the Directors' Report.

Andrew Wright

Andrew Wright (Senior Statutory Auditor)

for and on behalf Deloitte LLP

Chartered Accountants and Statutory Auditors

Bristol, United Kingdom

18 December 2015

DS Smith Display Holding Limited

Profit and Loss Account

For the year ended 30 April 2015

	Note	2015 £'000	2014 £'000
Operating Profit	2	-	-
Interest payable and similar charges	3	(8,065)	(7,645)
Loss on ordinary activities before taxation		(8,065)	(7,645)
Tax on loss on ordinary activities	4	1,436	2,164
Loss for the financial year	10	(6,629)	(5,481)

The results above are derived from continuing operations.

There are no recognised gains or losses other than those detailed in the Profit and Loss Account, and therefore no separate Statement of Total Recognised Gains and Losses has been presented.

DS Smith Display Holding Limited

Balance Sheet

As at 30 April 2015

	Note	2015 £'000	2014 £'000
Fixed assets			
Investments	5	135,348	135,348
Current assets			
Debtors	6	26,985	25,548
Creditors: amounts falling due within one year	7	(168,319)	(160,253)
Net current liabilities		(141,334)	(134,705)
Total (liabilities)/assets		(5,986)	643
Capital and reserves			
Called up share capital	8	42,313	42,313
Share premium account	9	124,393	124,393
Profit and loss account	9	(172,692)	(166,063)
Total shareholders' (deficit)/funds	10	(5,986)	643

The financial statements of DS Smith Display Holding Limited (registered number 00382678), were approved and authorised for issue by the Board of Directors on 18 December 2015.

Signed on behalf of the Directors:



G P Jenkins
Director

The accompanying notes form an integral part of the Financial Statements.

DS Smith Display Holding Limited

Note to the Financial Statements For the year ended 30 April 2015

1 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

Going concern

The financial position of the Company is as shown in the Balance Sheet on page 8. The Company has no exposure to risks outside of the Group. Due to the Company being in a net current liability position, a letter of support has been received from the ultimate parent company stating they intend to provide any financial support necessary to meet the Company's financial obligations as they fall due for a period of at least 12 months from the date these financial statements are signed.

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 DS Smith Group has access to considerable financial resources which would be 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.

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

Exemption from consolidation

In accordance with Section 400 of the Companies Act 2006 the Company has not presented consolidated accounts as it is a wholly owned subsidiary of DS Smith Plc, a company incorporated in the European Economic Area, and the Company's results are included in the consolidated financial statements of this company.

Cash flow statement

The Company is exempt from preparing a cash flow statement under the provisions of FRS 1 (revised 1996) 'Cash Flow Statements'.

Fixed asset investments

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the directors when there has been an indication of potential impairment.

DS Smith Display Holding Limited

Note to the Financial Statements (continued) For the year ended 30 April 2015

1 Accounting policies (continued)

Guarantees

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the Company considers these to be insurance arrangements and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

Taxation

Current tax, including UK corporation tax is provided for at amounts expected to be paid (or recovered) using the tax rates 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.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

2 Operating Profit

The Company has no employees (2014: none) and paid no emoluments to Directors (2014: £nil). The emoluments of Directors are paid by other Group companies as their services are deemed to be wholly attributable to other Group companies.

Audit fees of £2,500 have been borne by other Group companies in both the current and prior years.

DS Smith Display Holding Limited

Note to the Financial Statements (continued) For the year ended 30 April 2015

3 Interest payable and similar charges

	2015	2014
	£'000	£'000
Interest paid to fellow Group companies	8,065	7,645

4 Tax on loss on ordinary activities

(a) Analysis of tax credit in the year

	2015	2014
	£'000	£'000
United Kingdom corporation tax on losses of the year		
- Current tax – group relief	1,436	1,471
- Adjustment in respect of prior years – group relief	-	693
Tax on loss on ordinary activities	1,436	2,164

DS Smith Display Holding Limited

Note to the Financial Statements (continued) For the year ended 30 April 2015

4 Tax on loss on ordinary activities (continued)

(b) Factors affecting tax credit for the year

The tax credit assessed for the year is lower (2014: higher) than the standard rate of corporation tax in the UK of 20.92% (2014: 22.83%). The differences are explained below.

	2015 £'000	2014 £'000
Loss on ordinary activities before taxation	(8,065)	(7,645)
Loss on ordinary activities multiplied by the standard rate of corporation tax of 20.92 % (2014: 22.83%)	1,687	1,745
Effects of:		
- Expenses not deductible for tax purposes	(251)	(274)
- Adjustment in respect of prior years – group relief	-	693
Current tax credit for the year	1,436	2,164

(c) Factors affecting future tax charges

Under UK GAAP, the tax charge is calculated at the tax rate that has been enacted or substantively enacted at the balance sheet date. The Finance Act 2013 includes a 3% reduction to the main UK corporation tax rate to 20% effective 1 April 2015 which has been substantively enacted at the balance sheet date and is therefore reflected in these financial statements. There have been no further indications of additional changes to the rate of corporation tax from 20%.

DS Smith Display Holding Limited

Note to the Financial Statements (continued) For the year ended 30 April 2015

5 Fixed asset investments

	Shares in subsidiary undertakings £'000
Cost and net book value	
At 30 April 2015 and 30 April 2014	135,348

In the opinion of the Directors, the recoverable amount of each of the Company's interests in subsidiary undertakings is not less than the amount at which that investment is stated or included in the Company's balance sheet.

The Company owns 100% interests of the following company which was incorporated in the United Kingdom and registered in England and Wales.

Name of company	Class of shares and proportion held	Activity
DS Smith Corrugated Packaging Limited	£1 Ordinary 100% £1 7.5% Cumulative Preference 100%	Manufacture of corrugated cases

DS Smith Display Holding Limited

Note to the Financial Statements (continued) For the year ended 30 April 2015

6 Debtors

	2015 £'000	2014 £'000
Amounts owed by Group undertakings	24,810	24,809
Current tax	2,175	739
	26,985	25,548

7 Creditors

	2015 £'000	2014 £'000
Amounts falling due within one year:		
- Amounts owed to Group undertakings	168,319	160,253

The amounts owed to Group undertakings falling due within one year comprise loans totalling £162,146,000 (2014: £146,373,000) owed to other Group undertakings plus accrued interest of £6,173,000 (2014: £13,880,000). Interest is payable at a rate of 4% above LIBOR and these loans are renewable on maturity.

The amounts owed to Group undertakings falling due after more than one year have no fixed repayment dates and are interest free.

8 Called up share capital

	2015 £'000	2014 £'000
Authorised		
50,210,000 ordinary shares of £1 each	50,210	50,210
Allotted and fully paid		
42,312,508 (2014: 42,312,508) ordinary shares of £1 each	42,313	42,313

DS Smith Display Holding Limited

Note to the Financial Statements (continued) For the year ended 30 April 2015

9 Reserves

	Share premium account £'000	Profit and loss account £'000
At 30 April 2014	124,393	(166,063)
Loss for the financial year	-	(6,629)
At 30 April 2015	124,393	(172,692)

10 Reconciliation of movements in shareholders' funds

	2015 £'000	2014 £'000
Loss for the year	(6,629)	(5,481)
Opening shareholders' funds	643	6,124
Closing shareholders' (deficit)/funds	(5,986)	643

11 Contingent liabilities

The Company is a participant in the DS Smith Group's uncommitted overdraft facility with a net limit of £5m. The participants in the facility cross guarantee the overdrawn balances under the facility.

12 Related party transactions

As the Company is a 100% owned subsidiary of DS Smith Plc and the Company's results are included in the DS Smith Group financial statements, which are publicly available, the Company has taken advantage of the exemption from disclosing transactions with other Group undertakings, where 100% of their voting rights are controlled within the group, as permitted by FRS 8.

There are no other related party transactions.

DS Smith Display Holding Limited

Note to the Financial Statements (continued)

For the year ended 30 April 2015

13 Ultimate parent undertaking and controlling party

The Company's immediate parent company is DS Smith Packaging Holding BV, a company incorporated in the Netherlands.

The ultimate parent company and the ultimate controlling party is DS Smith Plc, a company incorporated in the United Kingdom.

DS Smith Plc represents both the largest and smallest group of undertakings for which Group financial statements are prepared and of which the Company is a member. Copies of the Group financial statements are available from the Company Secretary of DS Smith Plc at 350 Euston Road, London, NW1 3AX.