

Company Registration No. 518152

DS Smith Sudbrook Limited

Report and Financial Statements

30 April 2011

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DS Smith Sudbrook Limited

Report and financial statements 2011

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

DS Smith Sudbrook 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
Berkshire
SL6 8XY

Registered number

518152 (England and Wales)

Auditor

Deloitte LLP
Chartered Accountants and Statutory Auditor
London

DS Smith Sudbrook Limited

Directors' report

The directors present their report with the financial statements of the Company for the year ended 30 April 2011

Principal activity

The principal activity of the Company in the year under review was that of a financing company for the DS Smith Plc Group

Review of business

Details of the Group's activities are contained in the DS Smith Plc annual report

Dividends

The loss after taxation for the year amounted to £4,188,000 (2010 profit of £8,889,000) No dividend will be paid in 2011 (2010 £nil)

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 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 Sudbrook Limited

Directors' report (continued)

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 auditors annually are currently in force. The auditors 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 Sudbrook Limited

Directors' responsibilities statement

Statement of directors' responsibilities

The directors are responsible for preparing the Report of the Directors 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 Sudbrook Limited

We have audited the financial statements of DS Smith Sudbrook 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 a Report of the Auditors 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 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 Report of the Directors 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 Sudbrook Limited

Profit and loss account Year ended 30 April 2011

	Notes	2011 £'000	2010 £'000
Operating (expense)/income		<u>(7,930)</u>	<u>9,745</u>
Operating (loss)/profit	3	<u>(7,930)</u>	<u>9,745</u>
Interest receivable and similar income		<u>2,353</u>	<u>2,601</u>
(Loss)/profit on ordinary activities before taxation		<u>(5,577)</u>	<u>12,346</u>
Tax credit/(charge) on (loss)/profit on ordinary activities	5	<u>1,389</u>	<u>(3,457)</u>
(Loss)/profit for the financial year after taxation		<u><u>(4,188)</u></u>	<u><u>8,889</u></u>

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 loss on ordinary activities before taxation and the losses restated on a historical cost basis

DS Smith Sudbrook Limited

Balance sheet 30 April 2011

	Notes	2011 £'000	2010 £'000
Current assets			
Debtors amounts falling due within one year	7	31,199	50,803
Debtors amounts falling due after more than one year	7	302,622	279,282
Cash at bank		231	226
Total assets		<u>334,052</u>	<u>330,311</u>
Creditors: Amounts falling due after more than one year	8	<u>(361,861)</u>	<u>(353,932)</u>
Net liabilities		<u>(27,809)</u>	<u>(23,621)</u>
Capital and reserves			
Called up share capital	9	560	560
Profit and loss account	10	<u>(28,369)</u>	<u>(24,181)</u>
Shareholders' deficit	12	<u>(27,809)</u>	<u>(23,621)</u>

The financial statements of DS Smith Sudbrook Limited, registered number 518152, 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 Sudbrook Limited

Notes to the financial statements

Year ended 30 April 2011

1. Accounting policies

Basis of accounting

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

Accounting convention

The financial statements have been prepared under the historical cost convention.

Cash flow statements

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 UK corporation tax is provided 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 Plc 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. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

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. 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.

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 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.

DS Smith Sudbrook Limited

Notes to the financial statements Year ended 30 April 2011

1. Accounting policies (continued)

Foreign currency

Transactions in foreign currencies are recorded using the rate of exchange for sterling 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.

2. Staff costs

There were no staff costs for the year ended 30 April 2011 or for the year ended 30 April 2010.

3. Operating profit

The operating (loss)/profit is stated after charging/(crediting)

	2011 £'000	2010 £'000
Foreign exchange differences	7,930	(9,745)

The directors were remunerated by other group companies. No director has been remunerated specifically in respect of their services to this Company and no recharge is made. These circumstances also applied in the prior year.

4. Auditors' remuneration

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

5. Taxation

Analysis of the tax charge

The tax (credit)/charge on the (loss)/profit on ordinary activities for the year was as follows:

	2011 £'000	2010 £'000
Current tax		
Adjustments in respect of prior years	—	4,312
Deferred tax		
Current year	(1,450)	3,457
Adjustments in respect of prior years	61	(4,312)
Deferred tax credit	(1,389)	(855)
Tax (credit)/charge on (loss)/profit on ordinary activities	(1,389)	3,457

UK corporation tax has been charged at 27.83% (2010: 28%).

DS Smith Sudbrook Limited

Notes to the financial statements Year ended 30 April 2011

5. Taxation (continued)

Tax reconciliation

	2011 £'000	2010 £'000
(Loss)/profit on ordinary activities before taxation	(5,577)	12,346
Tax charge at 27.83% (2010: 28%)	(1,552)	3,457
Being		
Utilisation of brought forward trading losses	–	(3,457)
Prior year adjustment	–	4,312
Trading losses carried forward	1,552	–
Current tax charge for the year	–	4,312

6 Deferred Taxation

At the period end, a deferred tax debtor of £2,244,000 (2010: £855,000) was recognised, arising on unutilised tax losses brought forward from the prior year.

7. Debtors

	2011 £'000	2010 £'000
Amounts falling due within one year		
Amounts owed by group undertakings	14,300	35,293
Tax due from group undertaking	14,655	14,655
Deferred tax	2,244	855
	31,199	50,803
Amounts falling due after more than one year		
Amounts owed by group undertakings	302,622	279,282
Aggregate amounts	333,821	330,085

Interest is charged on amounts falling due after more than one year at 2 month LIBOR plus 0.2%.

8. Creditors: amounts falling due after more than one year

	2011 £'000	2010 £'000
Amounts owed to group undertakings	361,861	353,932

Interest is not charged on amounts owed to group undertakings.

DS Smith Sudbrook Limited

Notes to the financial statements Year ended 30 April 2011

9. Called up share capital

	2011 £'000	2010 £'000
Allotted, issued and fully paid 560,002 ordinary £1 shares	560	560

10 Reserves

	Profit and loss account £'000
At 1 May 2010	(24,181)
Loss for the financial year	(4,188)
At 30 April 2011	(28,369)

11. Related party disclosures

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

12 Reconciliation of movements in shareholders' deficit

	2011 £'000	2010 £'000
(Loss)/profit for the financial year	(4,188)	8,889
Net (reduction)/addition to shareholders' funds	(4,188)	8,889
Opening shareholders' deficit	(23,621)	(32,510)
Closing shareholders' deficit	(27,809)	(23,621)

13. Ultimate parent company

The immediate and ultimate holding company is DS Smith Plc, which is incorporated in Great Britain and registered in England and Wales. 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, Beech House, Whitebrook Park, 68 Lower Cookham Road, Maidenhead, SL6 8XY