

**Company Registration No. 08150751**

**DS Smith Perch Limited**

**Annual report and financial statements**

**For the year ended 30 April 2014**



# **DS Smith Perch Limited**

## **Annual report and financial statements For the year ended 30 April 2014**

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# **DS Smith Perch Limited**

## **Annual report and financial statements For the year ended 30 April 2014**

### **Officers and professional advisers**

#### **Directors**

M P Jowett  
A Steele

#### **Company Secretary**

A Steele

#### **Registered Office**

350 Euston Road  
London  
NW1 3AX  
United Kingdom

#### **Auditor**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London  
United Kingdom

#### **Registered number**

08150751 (England and Wales)

# **DS Smith Perch Limited**

## **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 30 April 2014.

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

The directors took advantage of the small companies' exemption from preparing a strategic report.

### **Principal activity**

The Company was incorporated on 20 July 2012. The principal activity of the Company is to act as a financing company for the DS Smith Plc group. There has been no significant change in the Company's principal activity in the year under review. The directors are not aware, at the date of this report, of any likely significant changes in the Company's activities in the financial year.

### **Business review**

The retained loss for the year amounted to £5,767,000 (2013: profit £8,859,000). The Company will continue to act as a financing company for the DS Smith Plc group for the foreseeable future.

### **Dividends**

The directors have not proposed or paid a dividend for the year ended 30 April 2014 (2013: £nil).

### **Directors**

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

S W Dryden	(resigned 28 June 2013)
M P Jowett	
D J Matthews	(resigned 16 January 2014)
A Steele	(appointed 28 June 2013)

### **Registered office**

The registered office of the company moved from Beech House, Whitebrook Park, 68 Lower Cookham Road, Maidenhead SL6 8XY to 350 Euston Road, London NW1 3AX on 20 November 2013.

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

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

### **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 8. Due to the Company being in a net current asset but loss making 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. 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.

## DS Smith Perch 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 section 418 of the Companies Act 2006.

Elective resolutions to dispense with holding annual general meetings, the laying of financial statements before the company in general meeting and the appointment of auditor annually are currently in force. The auditor Deloitte LLP, will therefore be deemed to have been reappointed at the end of the year of 28 days beginning with the day on which copies of this annual report and financial statements 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  
Director

16 October 2014

# **DS Smith Perch 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 year. 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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 Perch Limited**

We have audited the financial statements of DS Smith Perch Limited for the year ended 30 April 2014 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 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 revised financial statements sufficient to give reasonable assurance that the revised 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 revised financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the revised 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 2014 and of its loss for the year 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 Perch 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 or in preparing the directors' report.



Sukhbinder Kooner (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom

16 October 2014



## DS Smith Perch Limited

### Profit and loss account For the year ended 30 April 2014

	Note	2014 £'000	2013 £'000
Administrative (expense)/income	4	(12,405)	6,278
<b>(Loss)/profit on ordinary activities before interest and taxation</b>		<b>(12,405)</b>	<b>6,278</b>
Interest payable and similar charges	5	(66)	(1,112)
Interest receivable and similar income	6	6,722	6,478
<b>(Loss)/profit on ordinary activities before taxation</b>		<b>(5,749)</b>	<b>11,644</b>
Tax charge on (loss)/profit on ordinary activities	7	(18)	(2,785)
<b>(Loss)/profit for the financial year after taxation</b>		<b>(5,767)</b>	<b>8,859</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.

# DS Smith Perch Limited

## Balance sheet As at 30 April 2014

	Note	2014 £'000	2013 £'000
<b>Current assets</b>			
Debtors: amount due within one year	8	4,670	6,478
<b>Non current assets</b>			
Debtors: amounts due after more than one year	8	110,135	113,000
<b>Total assets</b>		<b>114,805</b>	<b>119,478</b>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	9	(3,922)	(2,828)
<b>Net assets</b>		<b>110,883</b>	<b>116,650</b>
<b>Capital and reserves</b>			
Called-up share capital	10	106,930	106,930
Share premium	11	861	861
Profit and loss account	11	3,092	8,859
<b>Shareholders' funds</b>	12	<b>110,883</b>	<b>116,650</b>

The financial statements of DS Smith Perch Limited (company number 08150751) were approved by the Board of Directors and authorised for issue on 16 October 2014.

Signed on behalf of the Board of Directors



A Steele  
Director

# **DS Smith Perch Limited**

## **Notes to the financial statements For the year ended 30 April 2014**

### **1. Accounting policies**

#### **Accounting basis**

These financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards. The accounting policies have been applied consistently throughout the year.

#### **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 exempt under the terms of Financial Reporting Standard 8 "Related Party Disclosures" from disclosing related party transactions with entities that are wholly-owned members of DS Smith Plc group or investees of the group qualifying as related parties.

#### **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.

#### **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.

#### **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 8. Due to the Company being in a net current asset but loss making 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 Company has access to considerable financial resources from across the DS Smith Group. 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 financial statements.

# DS Smith Perch Limited

## Notes to the financial statements (continued) For the year ended 30 April 2014

### 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 the company during the current or prior year. No staff were directly employed by the company during the current or prior year.

### 3. Auditor's remuneration

The auditor's remuneration of £1,500 (2013: £1,500) for the statutory audit of the company's financial statements for the current year and previous year has been borne and not recharged by another group undertaking. There is no non-audit remuneration paid in the current and prior year.

### 4. Administrative expense/income

	2014 £'000	2013 £'000
Foreign exchange (loss)/gain on loan to group undertaking	(12,405)	6,278
Total administrative (expense)/income	<u>(12,405)</u>	<u>6,278</u>

### 5. Interest payable and similar charges

	2014 £'000	2013 £'000
Interest payable to group undertaking	<u>66</u>	<u>1,112</u>

### 6. Interest receivable and similar income

	2014 £'000	2013 £'000
Interest receivable from group undertaking	<u>6,722</u>	<u>6,478</u>

# DS Smith Perch Limited

## Notes to the financial statements (continued) For the year ended 30 April 2014

### 7. Taxation

	2014 £'000	2013 £'000
UK corporation tax credit on profit for the year at 22.83% (2013: 23.92%)	1,519	2,785
Under provision in respect of prior year	(1,501)	-
UK corporation tax at 22.83% (2013: 23.92%) on (loss)/profit for the year	<u>18</u>	<u>2,785</u>

Finance Act 2013 includes a reduction in the standard rate of corporation tax from 23% to 21%, effective from 1 April 2014, and a further reduction in the rate of corporation tax to 20%, effective from 1 April 2015, which were substantively enacted at the balance sheet date. There have been no further indications of potential future changes to the rate of corporation tax of 20%.

Factors affecting the current tax charge for the year:

	2014 £'000	2013 £'000
(Loss)/profit before tax on ordinary activities	<u>(5,749)</u>	<u>11,644</u>
Tax charge on profit at 2.83% (2013: 23.92%)	1,313	(2,785)
Permanent differences	(2,832)	-
Prior year tax adjustment	1,501	-
Current tax charge for the year	<u>(18)</u>	<u>(2,785)</u>

### 8. Debtors

	2014 £'000	2013 £'000
<b>Amounts falling due within one year:</b>		
Amounts owed by group undertakings	<u>4,670</u>	<u>6,478</u>
<b>Amounts falling due after more than one year:</b>		
Amounts owed by group undertakings	<u>110,135</u>	<u>113,000</u>

Interest is charged on SEK 1,138,174,000 at IBOR plus 4%, repayable on 31 July 2017.

### 9. Creditors

	2014 £'000	2013 £'000
<b>Amounts falling due within one year:</b>		
Amounts owed by group undertakings	2,402	43
Group relief	1,520	2,785
	<u>3,922</u>	<u>2,828</u>

# DS Smith Perch Limited

## Notes to the financial statements (continued) For the year ended 30 April 2014

### 10. Called-up share capital

	2014 £'000	2013 £'000
<b>Called-up, allotted and fully paid:</b>		
1 ordinary shares of £1 each		
1,140,174,031 ordinary shares of SEK1 each	106,930	106,930

### 11. Reserves

	Profit and loss account £'000	Share premium £'000	Total £'000
At 1 May 2013	8,859	861	9,720
Premium on shares issued during the year	-	-	-
Loss for the financial year	(5,767)	-	(5,767)
At 30 April 2014	3,092	861	3,953

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

	2014 £'000	2013 £'000
(Loss)/profit for the financial year	(5,767)	8,859
Issue of shares	-	106,930
Share premium	-	861
<b>Net (reduction)/addition to shareholders' funds</b>	<b>(5,767)</b>	<b>116,650</b>
Opening shareholders' funds	116,650	-
<b>Closing shareholders' funds</b>	<b>110,883</b>	<b>116,650</b>

### 13. Ultimate parent undertaking

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

Copies of the group financial statements are available from the Company Secretary of DS Smith Plc, 350 Euston Road, London, NW1 3AX, United Kingdom.