

Company Registration No. 08158972

DS Smith Haddock Limited

**Annual report and financial statements
for the year ended 30 April 2019**

TUESDAY



A8X504MI

A05

21/01/2020

#294

COMPANIES HOUSE

DS Smith Haddock Limited

Annual report and financial statements for the year ended 30 April 2019

Contents

Officers and professional advisers	1
Strategic report	2
Directors' report	3
Directors' responsibilities statement	5
Independent Auditor's report	6
Income statement	9
Statement of financial position	10
Statement of changes in equity	11
Notes to the financial statements	12

DS Smith Haddock Limited

Annual report and financial statements for the year ended 30 April 2019

Officers and professional advisers

Directors

Z W Stone
W B Hicks

Company secretary

Z W Stone

Registered office

350 Euston Road
London
NW1 3AX
United Kingdom

Registered number

08158972 (England and Wales)

Auditor

Deloitte LLP
Statutory Auditor
London
United Kingdom

DS Smith Haddock Limited

Strategic report

The Directors present their strategic report for the year ended 30 April 2019.

Business review and principal activities

The principal activity of the Company is to act as a financing company for the DS Smith Group ('the 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 forthcoming financial year.

The results for the financial year show a profit before taxation of £1,104,000 (2018: loss £1,529,000). No dividends were paid during the year (2018: £nil).

The Company is a wholly owned subsidiary of DS Smith Holdings Limited and operates as part of the Group. The financial key performance indicators on which the Company is measured are as shown in the income statement and the statement of financial position shown on pages 9 and 10 respectively. We do not consider there to be any non-financial key performance indicators relevant to the entity other than those listed in the Group financial statements. The performance of the Group, which includes this Company, is discussed in the Group's annual report which does not form part of this report.

Financial risk management objectives and policies

Where applicable, the Company follows the Group policy on financial risk management. 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 Group Treasury function, supported by external borrowings where appropriate, designed to ensure the Company has sufficient available funds for operations.

Credit risk

The Company's credit risk is primarily attributable to its receivables held on the balance sheet, all of which are inter-group. Recoverability of these receivables is reviewed regularly against the balance sheet position of the counterparty.

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



W B Hicks

Director

17 January 2020

DS Smith Haddock Limited

Directors' report

The Directors present their audited financial statements of the Company for the year ended 30 April 2019.

Disclosures required by s416(4) which have been elevated to the strategic report:

- Financial risk management objectives and policies (page 2).

Dividends

The Directors have not proposed or paid a dividend for the year ended 30 April 2019 (2018: £nil).

Directors

The Directors who held office during the year and to the date of signing the Financial Statements, except as noted, were as follows:

A Steele (resigned 31 October 2018)

Z W Stone (appointed 31 October 2018)

W B Hicks

Directors' and officers' liability insurance

During the year and up to the date of approval of these financial statements, the ultimate parent company maintained liability insurance for the Directors and other Officers of the Company. The ultimate parent company has also entered into qualifying third-party indemnity arrangements for the benefit of the directors of the Company.

Going concern

The financial position of the Company is as shown in the statement of financial position on page 10. The profit for the financial year after tax amounted to £1,043,000 (2018: loss £427,000). At 30 April 2019 the Company had net current liabilities of £175,000 (2018: £119,000) and net assets of £31,070,000 (2018: £30,027,000). The Company benefits from the ongoing support of its ultimate parent company, DS Smith Plc, and this has been evidenced through a written undertaking from the ultimate parent company to provide financial support if required from a period of at least 12 months from the date of signing of the financial statements. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements. Information in respect of financial risk management and liquidity risks is set out in the strategic report on page 2. Further details regarding the adoption of the going concern basis can be found in the accounting policies note in the financial statements (see note 1).

Future developments

The Directors expect the general level of activity to remain consistent with 2019 in the forthcoming year.

Political contributions

No political contributions were made during the year (2018: £nil).

Auditor

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
- they have taken all the steps that they ought to have taken as a Director in order to make themselves 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.

DS Smith Haddock Limited

Directors' report (continued)

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements are being made for them to be reappointed as auditor in the absence of an Annual General Meeting.

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



W B Hicks

Director

17 January 2020

DS Smith Haddox 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), including FRS 101 "Reduced Disclosure Framework". 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 Haddock Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of DS Smith Haddock Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 30 April 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the income statement;
- the statement of financial position;
- the statement of changes in equity; 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, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

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.

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 Financial Reporting Council's (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.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises information included in the strategic report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our 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 this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Independent Auditor's report to the members of DS Smith Haddock Limited (continued)

Responsibilities of directors

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, 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.

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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Report on other legal and regulatory requirements

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 and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic and the Directors' report has been prepared in accordance with applicable legal requirements.

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 any material misstatements in the Strategic and the Directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

Independent Auditor's report to the members of DS Smith Haddock Limited (continued)

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.



Stephen Turner (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

17 January 2020

DS Smith Haddox Limited**Income statement****For the year ended 30 April 2019**

	Notes	2019 £'000	2018 £'000
Administrative income/(expense)		781	(1,849)
Operating profit/(loss) before interest and income tax	2	781	(1,849)
Finance income	5	323	320
Profit/(loss) before income tax		1,104	(1,529)
Income tax expense	6	(61)	(61)
Profit/(loss) for the financial year		1,043	(1,590)

The results shown above are from continuing operations.

There are no recognised gains or losses other than those detailed in the income statement for both the current and prior year and therefore no separate statement of comprehensive income has been presented.

The accompanying notes are an integral part of these financial statements.

DS Smith Haddock Limited
Statement of financial position
As at 30 April 2019

	Note	2019 £'000	2018 £'000
Assets			
Non-current assets			
Other receivables	7	31,245	30,146
Investment in subsidiary undertakings	11	0	0
Total non-current assets		31,245	30,146
Current assets			
Other receivables	7	157	152
Total current assets		157	152
Total assets		31,402	30,298
Liabilities			
Current liabilities			
Trade and other payables	8	(332)	(271)
Total current liabilities		(332)	(271)
Total liabilities		(332)	(271)
Net current liabilities		(175)	(119)
Total assets less current liabilities		31,070	30,027
Net assets		31,070	30,027
Equity			
Share capital	9	5,000	5,000
Share premium account		20,997	20,997
Retained earnings		5,073	4,030
Shareholder's equity		31,070	30,027

The accompanying notes are an integral part of these financial statements.

These financial statements for DS Smith Haddock Limited (registered number 08158972), were approved by the Board of Directors and authorised for issue on 17 January 2020.

Signed on behalf of the Board of Directors:



W B Hicks
Director

DS Smith Haddock Limited
Statement of changes in equity
For the year ended 30 April 2019

	Share capital £'000	Share premium £'000	Retained earnings £'000	Total equity £'000
At 1 May 2017	5,000	20,997	5,620	31,617
Loss for the year	-	-	(1,590)	(1,590)
Total comprehensive expense	-	-	(1,590)	(1,590)
At 30 April 2018	5,000	20,997	4,030	30,027
Profit for the year	-	-	1,043	1,043
Total comprehensive income	-	-	1,043	1,043
At 30 April 2019	5,000	20,997	5,073	31,070

The accompanying notes are an integral part of these financial statements.

DS Smith Haddock Limited

Notes to the financial statements for the year ended 30 April 2019

1. Principal accounting policies

Basis of preparation

The financial statements of the Company have been prepared on the going concern basis and in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101) and the UK Companies Act. The Company is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is shown on page 1. The nature of the Company's operations and its principal activities are set out in the strategic report on page 2.

The financial statements are prepared under the historical cost convention.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- statement of cash flows and related notes;
- a comparative period reconciliation for share capital;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs; and
- disclosures in respect of key management personnel.

As the Group Financial Statements include the equivalent disclosures, the Company has also taken advantage of the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instruments*.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The Company's functional currency is sterling (£).

The following new standards, amendments or interpretations have been adopted by the Company as of 1 May 2018:

- IFRS 9 Financial instruments

IFRS 9 Financial instruments

IFRS 9 has replaced IAS 39 Financial instruments: Recognition and measurement and concerns the classification, measurement, and de-recognition of financial assets and financial liabilities, introduces the expected credit loss model for the assessment of impairment of financial assets, introduces new classification measurement rules for financial assets affecting the Company's other investments previously classified as available for sale and held at fair value, and changes the hedge accounting requirements.

Foreign Currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the foreign exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated using the rate of exchange ruling at that date.

Interest receivable

Interest receivable is recognised on an accruals basis in the income statement.

DS Smith Haddock Limited

Notes to the financial statements for the year ended 30 April 2019 (continued)

1. Principal accounting policies (continued)

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price and, where applicable, are subsequently measured at amortised cost. Financial assets and liabilities are only offset in the statement of financial position when, and only when, there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Financial assets are derecognised when, and only when, a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Taxation

Income tax on the profit or loss for the year comprises current tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years. In accordance with Group policy, the Company surrenders current year tax losses to other members of the Group and receives payment for those tax losses at the rate of tax prevailing in the year.

Going concern

The financial position of the Company is as shown in the statement of financial position.

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 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.

At 30 April 2019 the Company had net current liabilities of £175,000 (2018: £119,000) and net assets of £31,070,000 (2018: £30,027,000). The Company benefits from the ongoing support of its ultimate parent company, DS Smith Plc, and this has been evidenced through a written undertaking from the ultimate parent company to provide financial support if required from a period of at least 12 months from the date of signing of the financial statements.

Accordingly, they have continued to adopt the going concern basis in preparing these financial statements.

Critical accounting judgements and estimates

The Directors do not deem there to be any critical accounting judgements or estimation uncertainty in the preparation of the financial statements.

DS Smith Haddock Limited

Notes to the financial statements for the year ended 30 April 2019 (continued)

2. Operating profit

Operating profit is stated after crediting:

	2019 £'000	2018 £'000
Foreign exchange gains/(losses) on loan to Group undertakings	781	(1,849)

3. Auditor's remuneration

The Auditor's remuneration of £1,500 (2018: £1,500) for the statutory audit of the Company's financial statements for the current 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. Directors' emoluments

The Directors are remunerated by other Group companies and no specific recharge is made in respect of their services to the Company in the current or prior year.

The Company had no employees during the current and prior year.

5. Finance income

	2019 £'000	2018 £'000
Interest on loans to Group undertakings	323	320
Finance income	323	320

6. Income tax expense

	2019 £'000	2018 £'000
Continuing operations		
Current tax expense		
UK Corporation tax in respect of current year	(61)	(61)
Total current tax	(61)	(61)
Total income tax expense in the Income Statement from continuing operations	(61)	(61)

The difference between the actual tax charge and the standard rate of corporation tax in the UK of 19% (2018: 19%) is as follows:

	2019 £'000	2018 £'000
Profit/(loss) before tax	1,104	(1,529)
Income tax at the UK standard rate of corporation tax of 19% (2018: 19%)	(210)	291
Effects of:		
• Permanent Differences	149	(351)
Income tax expense	(61)	(61)

In future years, the tax charge will be affected by the extent to which any capital gains can either be rolled over or sheltered by capital losses within the Group as well as subsequently enacted changes in tax rate.

DS Smith Haddox Limited**Notes to the financial statements for the year ended 30 April 2019
(continued)****7. Other receivables**

	2019		2018	
	Non-current £'000	Current £'000	Non-current £'000	Current £'000
Amounts owed by Group undertakings	31,245	157	30,146	152

Interest is charged on the loans as follows:

- CHF 41,433,631.57 at 6m LIBOR plus 1%, which is repayable on 29 July 2022.

8. Trade and other payables

	2019 Current £'000	2018 Current £'000
Tax owed to Group undertakings	83	78
Amounts owed to Group undertakings	249	193
	332	271

No interest was charged on amounts owed to Group undertakings, which are repayable on demand.

9. Share capital

	2019 £'000	2018 £'000
Allotted, called-up and fully paid:		
5,000,001 (2018: 5,000,001) ordinary shares of £1 each	5,000	5,000

10. Related parties

The Company has taken the exemption available under FRS 101 from disclosing related party transactions entered into between two or more members of the Group, provided that the fellow group entities are wholly owned by the Group. See note 4 for details of Directors' remuneration. There were no other related party transactions.

DS Smith Haddox Limited

Notes to the financial statements for the year ended 30 April 2019 (continued)

11. Investments in subsidiaries

The Company's interests in subsidiary undertakings are:

Name of Company	Nature of business	Country of Incorporation	Registered Address	Share Class	Percentage of share capital held
DS Smith Perch Limited	Financing Company	United Kingdom	350 Euston Road London NW1 3AX	Ordinary (Pounds Sterling)	100%

DS Smith Haddox Limited holds 1 Ordinary share of the Ordinary Pounds Sterling class of share capital of DS Smith Perch Limited. The immediate parent company of DS Smith Perch Limited is DS Smith Holdings Limited, a company incorporated in the United Kingdom, that holds 100% of the 1,140,174,031 (2018: 1,140,174,031) Ordinary Swedish Krona class of shares.

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

12. Ultimate parent undertaking and controlling party

The Company's immediate parent company is DS Smith Holdings Limited, a company incorporated in the United Kingdom.

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. This is DS Smith Plc's registered address.

13. Subsequent events

There are no subsequent events after the reporting date which require disclosure.