

Smurfit Ward Limited

Annual report and financial statements

for the year ended 31 December 2014

Registered number: 2891814

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COMPANIES HOUSE

Directors and advisors

Directors

P McNeill

N Pritchard

Secretary

N Pritchard

Registered office

Cunard Buildings

Water Street

Liverpool

Directors' report for the year ended 31 December 2014

The directors present their report and audited financial statements for the year ended 31 December 2014.

Principal activities

The company has not traded in the period.

Business review

Review of the business

During the year the company continued to participate in the simplification and restructuring of the UK companies in the Smurfit Kappa Group. The directors expect the company to be dormant for the foreseeable future, and that it will be struck off in due course.

Results, dividends and financial position

The profit for the year was £nil (2013: £nil).

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

Going concern

The accounts have been prepared on the going concern basis. The company has received confirmation of the intention of Smurfit Kappa Treasury, a fellow subsidiary company wholly owned by Smurfit Kappa Group Plc, to provide continuing financial support to the company and other fellow UK group companies for a period of at least one year from the date of signing these accounts. Accordingly, the accounts have been prepared on the going concern basis and all amounts due from fellow group companies are deemed recoverable.

Principal risks and uncertainties, including financial risk management

Following the cessation of trading activities and preparation of the company for strike off the directors do not consider that the company has any significant risks or uncertainties.

Directors

The following directors have held office during the year and up to the date of signing of these financial statements:

P McNeill
N Pritchard

Directors' report for the year ended 31 December 2014 continued

Statement of directors' responsibilities in respect of the Annual Report and the financial statements

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 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, subject to any material departures disclosed and explained in the financial statements;
- 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.

For the year ended 31 December 2014 the company was entitled to exemption f under Section 477 of the Companies Act 2006 relating to small companies

No members have required the company to obtain an audit of its accounts for the year in question in accordance with Section 476 of the Companies Act 2006

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

By order of the board



N Pritchard
Director
16th July 2015

Profit and loss account
for the year ended 31 December 2014

	Notes	2014 £	2013 £
Other operating income			
Profit on ordinary activities before taxation	2		
Tax on profit on ordinary activities	3		-
Profit for the financial year			

The notes on pages 7 to 10 form an integral part of these financial statements.

The company has no recognised gains or losses other than the profit for the current year.

There are no material differences between the profit on ordinary activities before taxation and the profit for the financial year and their historical equivalents.

Balance sheet**As at 31 December 2014**

	Notes	2014 £	2013 £
Current liabilities			
Creditors – amounts falling due within one year	4	(5,045,800)	(5,045,800)
Net current liabilities		(5,045,800)	(5,045,800)
Net liabilities		(5,045,800)	(5,045,800)
Capital and reserves			
Called up share capital	6	12,250	12,250
Share premium account	7	3,305,000	3,305,000
Profit and loss reserve	7	(8,363,050)	(8,363,050)
Total shareholder's deficit	7	(5,045,800)	(5,045,800)

The notes on pages 6 to 10 form an integral part of these statements.

For the year ended 31 December 2014 the company was entitled to exemption from audit under Section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with Section 476 of the Companies act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting periods and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements on pages 4 to 10 were approved by the board of directors on 16th July 2015 and signed on its behalf by:



N Pritchard
Director

Notes to the financial statements

for the year ended 31 December 2014

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention, and in accordance with applicable United Kingdom accounting standards and the Companies Act 2006.

The principal accounting policies, which are applied consistently, are set out below:

Going concern

The accounts have been prepared on the going concern basis. The company has received confirmation of the intention of Smurfit Kappa Treasury, a fellow subsidiary company wholly owned by Smurfit Kappa Group Plc, to provide continuing financial support to the company and other fellow UK group companies for a period of at least one year from the date of signing these accounts. Accordingly, the accounts have been prepared on the going concern basis and all amounts due from fellow group companies are deemed recoverable.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its ultimate parent publishes a consolidated cash flow statement.

Related party transactions

As a wholly owned subsidiary of Smurfit Kappa Group Plc the company has taken advantage of the exemption available within Financial Reporting Standards 8 from disclosing transactions with wholly owned subsidiaries of the group.

Deferred taxation

Deferred taxation is recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in the future, or a right to pay less taxation in the future. An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain.

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

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Financial instruments

The company follows the requirements of FRS25 "Financial instruments: disclosure and presentation". This results in the classification of preference shares and preferred ordinary shares issued by the company within creditors. Any dividends payable on these shares are including in interest payable and other similar charges.

Notes to the financial statements

for the year ended 31 December 2014

2. Profit on ordinary activities

Profit on ordinary activities is stated after crediting:

	2014	2013
	£	£
Waiver of amounts owed to group undertakings	-	-

None of the directors receive any remuneration for the services to the company.

3. Tax on profit on ordinary activities

(a) Tax on profit on ordinary activities

There is no current tax or deferred tax charge for the year (2013: £nil).

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year differs from the standard rate of tax in the UK. The differences are reconciled below:

	2014	2013
	£	£
Profit on ordinary activities before taxation		
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013: 23.25%)		
Credits not assessable for tax purposes		
Total current tax (see note 3(a))	-	-

Notes to the financial statements

for the year ended 31 December 2014

4. Creditors: amounts falling due within one year

	2014	2013
	£	£
Amounts owed to group undertakings	1,524,355	1,524,355
Non cumulative redeemable preference shares	3,503,945	3,503,945
Preferred ordinary shares	17,500	17,500
	<u>5,045,800</u>	<u>5,045,800</u>

Non cumulative redeemable preference shares

The rights of these shareholders include the payment of a fixed non-cumulative preferential dividend in priority to the payment of any dividend to other shareholders at 12% per annum, payable half yearly in arrears. This dividend shall increase to 20% if the company fails to redeem any of the preference shares in line with the redemption dates specified in the Articles of Association. On a return of assets on liquidation, reduction of capital or otherwise, holders are entitled to vote at general meetings of the company except in certain circumstances as specified in the Articles of Association.

The shares will be redeemed at the original subscriptions price together with any arrears and carry a redemption premium of 5% of the subscription price on each share redeemed within six months of the first redemption dates, 10% of the subscription price on each share redeemed within six months of the second redemption date and 12% thereafter. If the company fails or is unable to redeem the shares, the preference dividend on shares overdue for redemption will increase from 12% to 20% from the due date. The company may redeem whole or part of the shares by giving not less than 14 days notice.

The company has not redeemed the shares on the due dates, the latest of which was 17 March 2002. Dividends are in arrears amounting to £456,000 (2013: £456,000) in respect of these shares. Subsequent to the year end, the immediate parent undertaking Smurfit Nervion SA which holds all the issued preference shares, has waived all entitlement to any unpaid dividends.

Preferred ordinary shares

The rights of these shareholders include the payment of the higher of a fixed non-cumulative dividend at 7% per annum and a non-cumulative cash dividend of 10% of profit before tax after making necessary provisions for payment of dividends and redemption of the preference shares but in priority of ordinary share capital holders. Shareholders are entitled one vote per share at general meetings of the company.

On a return of assets on liquidation, reduction of capital or otherwise, holders are entitled to be paid the subscription price and any arrears in related dividends out of the surplus assets of the company in proportion to their holdings, after making necessary provisions for payment of dividends and redemption of the preference shares but in priority of ordinary share capital holders.

With regard to redemption and conversion, this is subject to certain parameters being achieved, contingent on the listing or sale of the company, being the subject of specific formulae as expressed in the Articles of Association. On conversion, these shares will be either redeemed or converted into ordinary shares.

Subsequent to the year end, the immediate parent undertaking Smurfit Nervion SA holds all the issued preferred ordinary shares, has waived all entitlement to any unpaid dividends.

5. Deferred taxation

The company has no unrecognised deferred tax assets or liabilities (2013: £nil).

Notes to the financial statements

for the year ended 31 December 2014

6. Called up share capital

	<i>No.</i>	<i>Authorised £</i>
Ordinary shares of 10p each – 1 January and 31 December 2014	122,500	12,250
Non cumulative redeemable preference shares – 1 January and 31 December 2014	30,479,450	3,047,945
Preferred ordinary shares of 10p each – 1 January and 31 December 2014	175,000	17,500
		<u>3,077,695</u>

	<i>No.</i>	<i>£</i>	Allotted, called up and fully paid 2014	<i>No.</i>	<i>£</i>
Ordinary shares of 10p each	122,500	12,250		122,500	12,250
Non cumulative redeemable preference shares	30,479,450	3,047,945		30,479,450	3,047,945
Preferred ordinary shares of 10p each	175,000	17,500		175,000	17,500
			3,077,695		3,077,695
Presented within creditors in accordance with FRS25		(3,065,445)			(3,065,445)
			12,250		12,250

Non cumulative redeemable preference shares

These shareholders are entitled, after making a provision for all other shareholders dividends and redemptions to a dividend based on a formula using the dividend received by the non cumulative redeemable preferred participating ordinary shareholders as expressed in the articles of association, thereafter to any dividend the directors may resolve to pay.

With regard to a return of capital the shareholders are entitled, after payment to the other shareholders and payment of company liabilities to an amount equal to the subscription price of the shares together with any arrears of dividend thereon.

The shareholders are entitled to one vote for each share held.

Non cumulative redeemable preference shares and preferred ordinary shares are classified as debt in accordance with FRS25.

7. Reconciliation of total shareholder's funds and movement on reserves

	Share capital £	Share premium £	Profit and loss reserve £	Total share- holders' funds £
At 1 January 2014	12,250	3,305,000	(8,363,050)	(5,045,800)
Profit for the year	-	-	-	-
At 31 December 2014	12,250	3,305,000	(8,363,050)	(5,045,800)

8. Contingent liabilities

There are no contingent liabilities in existence which will have a material effect on the company's financial position.

Notes to the financial statements

for the year ended 31 December 2014

9. Ultimate parent company and controlling party

The immediate parent undertaking is Smurfit Nervion SA which is incorporated in Spain, it has included the company in its group accounts, copies of which are available from its registered office, 84 Barrio Arriandi S/N, Iurreta, E-48200, Spain.

The ultimate parent undertaking is Smurfit Kappa Group Plc, a company incorporated in Ireland. Smurfit Kappa Group Plc is the parent undertaking of the largest and the smallest group of companies for which group accounts are prepared and of which the company is a member. Copies of the accounts of the ultimate parent company may be obtained from Smurfit Kappa Group Plc, Beech Hill, Clonskeagh, Dublin 4, Ireland and on the group website at www.smurfitkappa.com.