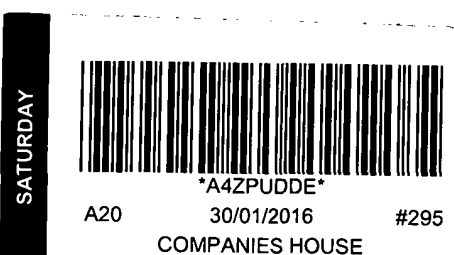


REGISTERED NUMBER: 04795100 (England and Wales)

**Report of the Directors and
Financial Statements for the year ended 30 April 2015
for
Paper Trade Limited**



Paper Trade Limited (Registered number: 04795100)

**Contents of the Financial Statements
for the year ended 30 April 2015**

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Paper Trade Limited

**Company Information
for the year ended 30 April 2015**

DIRECTORS:

Herve Grondin
Dr James Malone (resigned 3 September 2015)
Peter McGuinness (resigned 17 March 2015)
Colin McIntyre (resigned 3 September 2015)

SECRETARY:

A Steele (resigned 3 September 2015)

REGISTERED OFFICE:

350 Euston Road
London
NW1 3AX

REGISTERED NUMBER:

04795100 (England and Wales)

AUDITOR:

Deloitte LLP
Chartered Accountants and Statutory Auditor
Bristol
BS1 6GD

Paper Trade Limited (Registered number: 04795100)

**Report of the Director
for the year ended 30 April 2015**

The director presents his report with the financial statements of the Company for the year ended 30 April 2015.

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

PRINCIPAL ACTIVITY

The Company's principal activity is in the buying and selling of recyclable material. This service is provided to the DS Smith Plc group and third parties.

REVIEW OF BUSINESS

A loss before tax of £19,000 (2014: loss of £266,000) in this financial year as the company did not make any sales due to ongoing discussions regarding the sale of the company which completed on 3 September 2015. The company has recommenced trading from January 2016.

DIVIDENDS

No dividend was distributed for the year ended 30 April 2015 (2014: £nil).

FUTURE DEVELOPMENTS

The external commercial environment of the company is expected to remain challenging during the financial year 2015/16; however, the director is confident that the longer-term business outlook is positive.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

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

ENVIRONMENT

The Company recognises the importance of its environmental responsibilities and monitors its impact on the environment.

GOING CONCERN

The Company's business activities, together with the factors likely to affect its future development, performance and position, are set out in the director's report. The financial position of the Company is as shown in the balance sheet on page 7. The Company, due to minimum trading during the year, has generated a loss this year of £19,764, and has profit and loss deficit of £180,764.

The Company has a supply agreement in place with DS Smith Recycling UK Limited for purchase of material for the 2015/16 year at a discount. The availability of material, a trading license to operate in the Chinese market, factoring arrangement for European trading (non-recourse) and Letter of Credit discounting facility provide the company with adequate resources to continue in operational existence for the foreseeable future. Accordingly, the director continues to adopt the going concern basis in preparing the financial statements.

**Report of the Director (continued)
for the year ended 30 April 2015**

DIRECTOR'S RESPONSIBILITIES STATEMENT

The director is responsible for preparing the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

AUDITOR

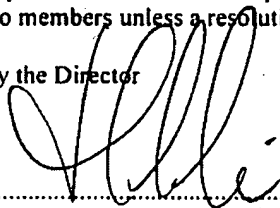
The person who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order 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 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 the auditor annually are currently in force. Deloitte LLP will 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.

Signed by the Director



H Grondin
Director

Report of the Independent Auditor to the Shareholders of Paper Trade Limited

We have audited the financial statements of Paper Trade Limited for the year ended 30 April 2015 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 14. 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 DIRECTOR AND AUDITOR

As explained more fully in the Director's Responsibilities Statement, the director is 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 director; 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 Report of the Director 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; or
- the director was not entitled to take advantage of the small companies' exemption from preparing a Strategic Report or in preparing the Director's Report.

Andrew Wright

Andrew Wright (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Bristol, United Kingdom

Date: 27 January 2016

Paper Trade Limited (Registered number: 04795100)

**Profit and Loss Account
for the year ended 30 April 2015**

	Notes	2015 £'000	2014 £'000
TURNOVER	2	(5)	4,911
Cost of sales		<u>(4)</u>	<u>(4,740)</u>
GROSS (LOSS)/PROFIT		(9)	171
Administrative expenses		<u>(10)</u>	<u>(410)</u>
OPERATING LOSS	5	<u>(19)</u>	<u>(239)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION		(19)	(239)
Finance charges	6	<u>—</u>	<u>(27)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(19)	(266)
Tax on loss on ordinary activities	7	<u>(1)</u>	<u>60</u>
LOSS FOR THE FINANCIAL YEAR	11	<u><u>(20)</u></u>	<u><u>(206)</u></u>

CONTINUING OPERATIONS

All results in the current and prior period derive from continuing operations.

TOTAL RECOGNISED GAINS AND LOSSES

The Company has no recognised gains or losses other than the loss for the current year and previous year. Accordingly, no separate statement of total recognised gains and losses is presented.

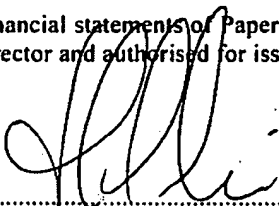
Paper Trade Limited (Registered number: 04795100)

**Balance Sheet
as at 30 April 2015**

	Notes	2015 £'000	2014 £'000
CURRENT ASSETS			
Debtors: amounts falling due within one year	8	1	533
Cash in hand and at bank		<u>37</u>	<u>218</u>
		38	751
CREDITORS			
Amounts falling due within one year	9	<u>(219)</u>	<u>(912)</u>
NET CURRENT LIABILITIES		<u>(181)</u>	<u>(161)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES, BEING NET LIABILITIES		<u>(181)</u>	<u>(161)</u>
CAPITAL AND RESERVES			
Called up share capital	10	20	20
Profit and loss account	11	<u>(201)</u>	<u>(181)</u>
SHAREHOLDERS' DEFICIT	12	<u>(181)</u>	<u>(161)</u>

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

The financial statements of Paper Trade Limited, registered number 04795100, were approved and signed by the Director and authorised for issue on 27/01/2016



H Grondin - Director

**Notes to the Financial Statements
for the year ended 30 April 2015**

I. ACCOUNTING POLICIES

Basis of preparing the financial statements

Significant accounting policies

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

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with applicable United Kingdom accounting standards.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position, are set out in the director's report. The financial position of the Company is as shown in the balance sheet on page 7. The Company, due to minimum trading during the year, has generated a loss this year of £19,764, and has profit and loss deficit of £180,764.

The Company has a supply agreement in place with DS Smith Recycling UK Limited for purchase of material for the 2015/16 year at a discount. The availability of material, a trading license to operate in the Chinese market, factoring arrangement for European trading (non-recourse) and Letter of Credit discounting facility provide the company with adequate resources to continue in operational existence for the foreseeable future. Accordingly, the director continues to adopt the going concern basis in preparing the financial statements.

Foreign currencies

Transactions in foreign currencies are translated into sterling at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into sterling at the foreign exchange rate ruling at that date. All exchange differences are included in the profit and loss account.

Taxation

Current UK corporation tax is provided 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 Plc Group, and receives payment for those tax losses at the rate of tax prevailing in the period.

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.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the 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 a non-discounted basis.

Turnover

Turnover comprises the fair value for the sale of goods, net of value added tax, rebates and discounts. Revenue from the sale of goods is recognised in the profit and loss account when the significant risks and rewards of ownership have been transferred to the buyer.

Notes to the Financial Statements (continued)
for the year ended 30 April 2015

1. ACCOUNTING POLICIES (Continued)

Operating leases

Costs and revenues in respect of operating leases are charged on a straight-line basis over the lease term. Any lease incentives received are deferred in the balance sheet and released to the profit and loss account over the period from receipt to the first rent review.

2. TURNOVER

The turnover and loss before taxation originates in the United Kingdom and is attributable to the one principal activity of the Company.

An analysis of turnover by geographical market is given below:

	2015 £'000	2014 £'000
United Kingdom	-	84
Other European countries	-	750
Rest of the world	(5)	4,077
	<u>(5)</u>	<u>4,911</u>

3. STAFF COSTS

	2015 £'000	2014 £'000
Wages and salaries	3	121
Social security costs	-	6
	<u>3</u>	<u>127</u>

The average monthly number of employees during the period was as follows:

	No.	No.
Administration	<u>-</u>	<u>1</u>

4. DIRECTORS' EMOLUMENTS

	2015 £'000	2014 £'000
Remuneration as executives	<u>-</u>	<u>121</u>

Dr J Malone, Mr P McGuinness, Mr C McIntyre and Mr H Grondin have not been remunerated specifically in respect of their services to the Company.

5. OPERATING LOSS

The operating loss is stated after charging:

	2015 £'000	2014 £'000
Depreciation - leased assets	-	5
Loss on foreign exchange	-	234
Fees payable to the auditor for the audit of the Company's accounts	<u>3</u>	<u>5</u>

Notes to the Financial Statements (continued)
for the year ended 30 April 2015

6. FINANCE CHARGES (NET)

	2015 £'000	2014 £'000
Factoring interest payable	-	(26)
Bank interest payable	-	(1)
	<u>-</u>	<u>(27)</u>

7. TAXATION

(a) Analysis of tax credit in the period

	2015 £'000	2014 £'000
Current taxation		
UK corporation tax group relief surrender	<u>(4)</u>	<u>(60)</u>
Total current tax credit	<u>(4)</u>	<u>(60)</u>
Deferred taxation		
Origination and reversal of timing differences	-	(1)
Adjustment in respect of prior periods	<u>5</u>	<u>1</u>
Total deferred tax charge	<u>-</u>	<u>-</u>
Tax charge on loss on ordinary activities	<u>1</u>	<u>(60)</u>

(b) Tax reconciliation

	£'000	£'000
Loss on ordinary activities before taxation	<u>(20)</u>	<u>(266)</u>
Tax at 20.92% (2014: 22.83%)	(4)	(61)
Effects of:		
Adjustment in respect of prior periods	<u>5</u>	<u>1</u>
Current tax charge for the year	<u>1</u>	<u>(60)</u>

The 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. In Budget 2015, it was announced that the corporation tax rate would be reduced to 19% in 2017 and to 18% in 2020.

Notes to the Financial Statements (continued)
for the year ended 30 April 2015

8. DEBTORS

	2015 £'000	2014 £'000
Amounts falling due within one year:		
Trade debtors	-	238
Amounts owed by Group undertakings	-	288
VAT	-	-
Deferred tax	-	5
Prepayments and accrued income	<u>1</u>	<u>2</u>
	<u>1</u>	<u>533</u>
Deferred tax asset	£'000	£'000
Deferred tax opening balance	5	5
Deferred tax movement in the year	<u>(5)</u>	<u>-</u>
Deferred tax closing balance	<u>-</u>	<u>5</u>
	£'000	£'000
Depreciation in excess of capital allowances	<u>-</u>	<u>5</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £'000	2014 £'000
Trade creditors	-	91
Amounts owed to group undertakings	206	784
Other creditors	2	14
Corporation tax	10	14
VAT	-	2
Accruals and deferred income	<u>-</u>	<u>7</u>
	<u>218</u>	<u>912</u>

Notes to the Financial Statements (continued)
for the year ended 30 April 2015

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2015	2014
Number:	Class:		£'000	£'000
20,000	Ordinary	£1	<u>20</u>	<u>20</u>

11. RESERVES

	Profit and loss account £'000
At 1 May 2014	(181)
Loss for the year	(20)
	<u> </u>
At 30 April 2015	<u>(201)</u>

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

	2015 £'000	2014 £'000
Loss for the year	(20)	(206)
	<u> </u>	<u> </u>
Net decrease in shareholders' deficit	(20)	(206)
Opening shareholders' (deficit)/funds	<u>(161)</u>	<u>45</u>
Closing shareholders' deficit	<u>(181)</u>	<u>(161)</u>

13. RELATED PARTY TRANSACTIONS

No dividend was paid to the directors in either financial year.

	Purchase of recycled materials £	Sale of recycled materials £	Balance outstanding at 30 April 2015 £
DS Smith Recycling (UK) Limited	<u>-</u>	<u>-</u>	<u>(206,365)</u>

**Notes to the Financial Statements (continued)
for the year ended 30 April 2015**

14. DISCLOSURE OF ULTIMATE CONTROLLING PARTIES

The immediate parent undertaking and ultimate holding company during the year ended 30 April 2015 was DS Smith Paper Limited and DS Smith Plc, respectively, until 3 September 2015.

DS Smith Plc represented 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, DS Smith Plc, 350 Euston Road, London NW1 3AX.

On 3 September 2015 Paper Trade Limited ceased to be a subsidiary of DS Smith Paper Limited. Herve Grondin became the sole shareholder of the company on this date.