

Company Registration No. 1455554

Multigraphics Limited

Report and Financial Statements

30 April 2010

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Multigraphics Limited

Report and financial statements 2010

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Multigraphics Limited

Report and financial statements 2010

Officers and professional advisers

Directors

C T Cattermole
S W Dryden
R McLellan
M W Roberts

Secretary

A Steele

Registered office

Beech House
Whitebrook Park
68 Lower Cookham Road
Maidenhead
Berkshire
SL6 8XY

Bankers

National Westminster Bank Plc
P O Box 221
Connaught House
65 Aldwych
London
WC2B 4EJ

Auditor

Deloitte LLP
Chartered Accountants
2 New Street Square,
London, EC4A 3BZ

Multigraphics Limited

Directors' Report

The directors present their report with the financial statements of the company for the year ended 30 April 2010

Business review and principal activities

Multigraphics Limited is a company specialising in large format and digital promotional printing for the retail and leisure sectors

The performance measures considered to be key by the directors are turnover and operating profit, as set out in the profit and loss account on page 7, which shows a pre-tax loss of £444,000 (2009 Loss £487,000). The retained loss attributable to equity shareholders of £229,000 (2009 Loss £353,000) will be charged to reserves

Future outlook

As explained in Note 19, the trade, assets and liabilities of the company were transferred to DS Smith Packaging Limited (the parent company of Multigraphics Holdings Limited) on 30 April 2010 and Multigraphics Limited ceased trading on that date. The Directors intend to keep the company in existence as a dormant entity.

For the reasons explained above the financial statements for the year ended 30 April 2010 have been prepared on the basis other than that of a going concern.

Dividends

The directors do not recommend the payment of a dividend (2009 £nil).

Directors

The directors who held office during the financial year were as follows

C T Cattermole

S W Dryden

R McLellan

A D Thorne resigned 4 May 2010

M W Roberts appointed 4 May 2010

Secretary

A Steele held office as secretary during the financial year

Employees

The company systematically informs employee representatives of matters of concern to the company's employees in order to achieve a common awareness of the financial and economic factors affecting the performance of the company.

The contracts of employment of all of the company's employees were transferred to DS Smith Packaging Limited on 30 April 2010.

Multigraphics Limited

Directors' Report (continued)

Auditors

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 auditors are 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 auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Deloitte LLP have expressed their willingness to continue in office as auditors

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

A handwritten signature in black ink, appearing to read 'R McLellan', with a large circular flourish at the start and a long horizontal line extending to the right.

R McLellan
Director

4th October 2010

Multigraphics Limited

Statement of directors' responsibilities

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 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Multigraphics Limited

Independent auditors' report to the members of Multigraphics Limited

We have audited the financial statements of Multigraphics Limited for the year ended 30 April 2010 which comprise the profit and loss account, the balance sheet and the related notes 1 to 20. 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 auditors' 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 auditors

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 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 (APB'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 2010 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.

Emphasis of matter - Financial statements prepared on a basis other than that of a going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

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.

Multigraphics Limited

Independent auditors' report to the members of Multigraphics 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



Emma Cox (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom

4 October 2010

Multigraphics Limited

Profit and loss account Year ended 30 April 2010

	Note	2010 £'000	2009 £'000	2009 £'000	2009 £'000
		Total	Before Exceptional Items	Exceptional Items (Note 8)	Total
Turnover	2	8,577	9,027	-	9,027
Cost of sales		(6,615)	(6,684)	(50)	(6,734)
Gross profit		1,962	2,343	(50)	2,293
Distribution costs		(1,227)	(1,316)	-	(1,316)
Administrative expenses		(1,140)	(1,314)	(26)	(1,340)
Operating loss	5	(405)	(287)	(76)	(363)
Loss on disposal of fixed assets		1	(5)	-	(5)
Interest payable and similar charges	6	(40)	(119)	-	(119)
Loss before income tax		(444)	(411)	(76)	(487)
Income tax on loss	7	215	113	21	134
Loss for the financial year	16	(229)	(298)	(55)	(353)

All amounts relate to discontinued operations

There are no other recognised gains and losses in the year other than the result as stated above, and therefore a separate statement of total recognised gains and losses has not been presented

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Multigraphics Limited

Balance sheet As at 30 April 2010

	Note	2010 £'000	2009 £'000
Fixed assets			
Tangible fixed assets	9	-	2,399
Current assets			
Stocks	10	-	304
Debtors amounts falling due within one year	11	-	1,430
Debtors amounts falling due after more than one year	11	11,761	11,726
		11,761	13,460
Creditors: amounts falling due within one year	12	-	(2,711)
Net current assets		11,761	10,749
Total assets less current liabilities		11,761	13,148
Creditors: amounts falling due after more than one year	13	(5,159)	(6,171)
Provisions for liabilities	14	-	(146)
Net assets		6,602	6,831
Capital and reserves			
Called-up share capital	15	50	50
Share premium account	16	4	4
Capital redemption reserve	16	4	4
Profit and loss account	16	6,544	6,773
Shareholders' funds	17	6,602	6,831

These financial statements were approved and authorised for issue by the Board of Directors on 4th October 2010

Signed on behalf of the Board of Directors



R McLellan

Director

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Multigraphics Limited

Notes to the accounts Year ended 30 April 2010

1 Accounting policies

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006 and applicable UK accounting standards

As explained in the Directors' Report, the company ceased to trade on 30 April 2010 and will become dormant. As required by FRS 18 Accounting Policies, the directors have prepared the financial statements on a basis other than that of a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis.

A summary of the more important accounting policies, which have been applied consistently during this year and prior year, is set out below.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax and trade discounts, and is recognised at the point of despatch of goods to the customer.

Tangible fixed assets

Tangible fixed assets are stated at cost less provisions for depreciation and impairment.

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is provided on a straight-line basis over the estimated useful lives of each item.

The estimated useful lives are as follows:

Leasehold improvements	period of the lease
Plant and machinery	3 - 20 years
Fixtures and fittings	3 - 10 years
Motor vehicles	3 - 5 years
Software	3 - 5 years

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of attributable overheads.

Taxation

Current tax, including UK corporation tax and foreign 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 rates 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 group'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.

Multigraphics Limited

Notes to the accounts Year ended 30 April 2010

1. Accounting policies (continued)

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.

Finance and operating leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term.

Leasing and hire purchase agreements which transfer to the company substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profit in proportion to the reducing capital element outstanding.

Foreign currencies

Transactions denominated in foreign currencies are translated at the rates of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated into sterling at rates of exchange ruling at the balance sheet date. All currency profits and losses are dealt with in the profit and loss account.

Financial assets and liabilities

Financial assets and liabilities are initially recognised at cost and only derecognised once payment has been received/made in respect of the instrument.

Cash flow statement

The company is a wholly-owned subsidiary of DS Smith Plc and its cash flows are included in that company's consolidated cash flow statement. The company has taken advantage of the exemption provided in Financial Reporting Standard 1 (Revised) from publishing a cash flow statement.

2. Segmental analysis of turnover by geographical area

	2010 £'000	2009 £'000
Geographical segment by destination		
UK	8,476	8,923
Continental Europe	101	104
	<u>8,577</u>	<u>9,027</u>

3. Employee information

	2010 £'000	2009 £'000
Wages and salaries	2,848	2,997
Social security costs	238	249
	<u>3,086</u>	<u>3,246</u>

Multigraphics Limited

Notes to the accounts Year ended 30 April 2010

3 Employee information (continued)

The average monthly number of employees during the year was as follows

	2010 No.	2009 No.
Production staff	68	76
Sales, distribution and administrative staff	25	35
	<u>93</u>	<u>111</u>

4. Directors' emoluments

The directors received no emoluments (2009 £nil) for their services to the company

5. Operating loss

	2010 £'000	2009 £'000
Operating loss is stated after charging		
Depreciation charge for the year		
Tangible owned fixed assets	435	471
Tangible fixed assets held under hire purchase agreements	130	279
Auditors' remuneration for		
Audit of the company's annual accounts	10	10
Audit of fellow subsidiary undertakings	1	1
Operating lease charges		
Plant, machinery and motor vehicles	41	52
Land and buildings	243	226
	<u>243</u>	<u>226</u>

6. Interest payable and similar charges

	2010 £'000	2009 £'000
Hire purchase agreements	22	49
Overdrafts	18	-
Factoring charges	-	70
	<u>40</u>	<u>119</u>

Multigraphics Limited

Notes to the accounts Year ended 30 April 2010

7. Taxation on loss on ordinary activities

	2010 £'000	2009 £'000
Current tax		
UK corporation tax at 28% (2009 28%)	(73)	81
Adjustments in respect of prior periods	(111)	(3)
	<u>(184)</u>	<u>78</u>
Deferred tax		
Origination and reversal of timing differences	(31)	(198)
Adjustments in respect of prior periods	-	(14)
	<u>-</u>	<u>(112)</u>
Tax on loss on ordinary activities	<u>(215)</u>	<u>(134)</u>

The tax assessed for the year differs from the standard rate of corporation tax in the UK. The difference is explained below

	2010 £'000	2009 £'000
Loss on ordinary activities before tax	<u>(444)</u>	<u>(487)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2009 28%)	(124)	(136)
Effects of		
Expenses not deductible for taxation purposes	20	19
Capital allowances for year less than depreciation	31	198
Adjustments in respect of prior periods	(111)	(3)
	<u>(184)</u>	<u>78</u>
Current tax (credit) / charge	<u>(184)</u>	<u>78</u>

8. Exceptional Items

All exceptional costs comprise redundancy payments in respect of restructuring activities

Multigraphics Limited

Notes to the accounts Year ended 30 April 2010

9 Tangible fixed assets

	Leasehold improve- ments £'000	Plant and machinery £'000	Fixtures and fittings £'000	Motor vehicles £'000	Software £'000	Total £'000
Cost						
At 1 May 2009	615	4,467	876	143	126	6,227
Additions	-	90	56	-	5	151
Disposals	-	(3)	-	(18)	-	(21)
Group Transfers	(615)	(4,554)	(932)	(125)	(131)	(6,357)
At 30 April 2010	-	-	-	-	-	-
Depreciation						
At 1 May 2009	(240)	(2,829)	(604)	(62)	(93)	(3,828)
Charge for the year	(65)	(334)	(117)	(33)	(16)	(565)
Eliminated on disposals	-	1	-	16	-	17
Group Transfers	305	3,162	721	79	109	4,376
At 30 April 2010	-	-	-	-	-	-
Net book value						
At 30 April 2010	-	-	-	-	-	-
At 30 April 2009	375	1,638	272	81	33	2,399

Hire purchase agreements

The net book value of fixed assets includes £ Nil (2009 £805,000) relating to assets held under hire purchase agreements. The cost of these assets was £1,810,000 (2009 £1,826,000) and the depreciation charged in the year in respect of such assets amounted to £130,000 (2009 £238,000).

10. Stocks

	2010 £'000	2009 £'000
Raw materials	-	293
Work in progress	-	11
	-	304

Multigraphics Limited

Notes to the accounts Year ended 30 April 2010

11. Debtors:

	2010 £'000	2009 £'000
Amounts falling due within one year:		
Trade debtors	-	1,222
Other debtors and prepayments	-	208
	<u>-</u>	<u>1,430</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	11,761	11,726
	<u>11,761</u>	<u>11,726</u>

The Group amounts falling due after more than one year bear no interest

12. Creditors: amounts falling due within one year

	2010 £'000	2009 £'000
Bank loans and overdrafts	-	944
Trade creditors	-	1,001
Other taxation and social security	-	149
Corporation tax	-	111
Accruals and deferred income	-	128
Hire purchase agreements creditors	-	378
	<u>-</u>	<u>2,711</u>

Multigraphics Limited

Notes to the accounts Year ended 30 April 2010

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

	2010 £'000	2009 £'000
Amounts owed to group undertakings	5,159	6,042
Hire purchase agreements creditors	-	129
	<u>5,159</u>	<u>6,171</u>

The Group amounts falling due after more than one year are not due for repayment within the next year and bear no interest

An analysis of the maturity of other debt is given below

	2010 £'000	2009 £'000
In more than one year, but not more than two years	-	129
In more than two years, but not more than five years	-	-
	<u>-</u>	<u>129</u>

Future minimum payments under hire purchase agreements are as follows

	2010 £'000	2009 £'000
Within one year	-	378
In more than one year, but not more than five years	-	129
	<u>-</u>	<u>507</u>

14. Provisions for liabilities

	Deferred taxation 2010 £'000	2009 £'000
Accelerated capital allowances	-	146

The provision for deferred taxation represents the maximum potential liability

The movement in deferred tax is as follows

	£'000
At 1 May 2009	146
Profit and loss account	(31)
Transfer to Group undertaking	(115)
At 30 April 2010	<u>-</u>

Multigraphics Limited

Notes to the accounts Year ended 30 April 2010

15. Called up share capital

	2010 £'000	2009 £'000
Allotted, issued and fully paid: 50,000 ordinary shares of £1 each	50	50

16. Share premium and reserves

	Share premium £'000	Capital redemption reserve £'000	Profit and loss account £'000
At 1 May 2009	4	4	6,773
Retained loss for the financial year	-	-	(229)
At 30 April 2010	4	4	6,544

17. Reconciliation of movements in shareholders' funds

	2010 £'000	2009 £'000
Retained loss for the financial year	(229)	(353)
Opening shareholders' funds	6,831	7,184
Closing shareholders' funds	6,602	6,831

18. Financial commitments

At 30 April 2010, the company had annual commitments under non-cancellable operating leases as follows

	2010		2009	
	Land and buildings £'000	Plant, machinery and motor vehicles £'000	Land and buildings £'000	Plant, machinery and motor vehicles £'000
Expiring within one year	-	-	-	2
Expiring within two to five years	-	-	-	36
Expiring in more than five years	-	-	244	-
	-	-	244	38

Multigraphics Limited

Notes to the accounts Year ended 30 April 2010

19. Related party transactions

All of the company's voting rights are controlled within the Group headed by DS Smith Plc. The company has taken advantage of the exemption contained in FRS8 and has therefore not disclosed transactions or balances with companies which form part of the Group. The consolidated financial statements of DS Smith Plc, within which this company is included, can be obtained from the address given in Note 20.

On 30 April 2010, the trade, assets and liabilities of the company were transferred to DS Smith Packaging Limited.

The assets and liabilities transferred and the consideration received, is summarised as follows:

	Book value and Fair Value £'000
Tangible Fixed Assets	1,981
Working Capital	(594)
Provision for Deferred Tax	(115)
Bank loans and overdrafts	(1,330)
Net liabilities transferred	(58)
Satisfied by	
Intercompany loan	(58)

20. Ultimate parent company

The immediate parent company is Multigraphics Holdings Limited and the 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 head office of DS Smith Plc at Beech House, Whitebrook Park, 68 Lower Cookham Road, Maidenhead, Berkshire SL6 8XY.