

Antalis Group

Annual Report and Financial Statements
for the Year Ended 31 December 2014

Registration number: 157418

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Antalis Group

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Antalis Group

Company Information

Directors D Hunter
A P D Gourjon
X G U Roy Contancin
S G McCue

Company secretary Abogado Nominees Limited

Registered office 100 New Bridge Street
London
EC4V 6JA

Auditors PricewaterhouseCoopers LLP
Chartered Accountant and Statutory Auditor
1 Embankment Place
London
WC2N 6RH

Antalis Group

Strategic Report for the Year Ended 31 December 2014

The directors present their strategic report for the year ended 31 December 2014.

Fair review of the business

The company's activities have remained unchanged all year and the directors do not foresee any alteration to its activities as an investment holding company in the foreseeable future.

The company's loss for the year is £35,000 (2013: loss of £11,000).

Key performance indicators ("KPI's")

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

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to the following risks:

All borrowings are through a group treasury department, based in Paris, which operates a base rate plus system, so the company is exposed to interest rate volatility. The company operates in foreign currencies and is open to currency fluctuations.

Approved by the Board on 30 June 2015 and signed on its behalf by:



S G. McCue
Director

Antalis Group

Directors' Report for the Year Ended 31 December 2014

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

Principal activity

The principal activity of the company is that of an investment holding company holding shares in subsidiary undertakings, situated in the United Kingdom and overseas, which are principally engaged in the sale of paper and paper products.

Dividends

The directors recommend a final dividend payment of £0 be made in respect of the financial year ended 31 December 2014 (2013: £0).

Directors of the company

The directors who held office during the year and up to the date of signing were as follows:

D Hunter

A P D Gourjon

X G U Roy Contancin

S G McCue

Directors' liabilities

As permitted by the Articles of Association, the directors have the benefit of an indemnity, which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the financial year and is currently in force. The company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and the directors.

Disclosure of information to the auditor

Each director has taken 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. The directors confirm that there is no relevant information that they know of and which they know the auditor is unaware of.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 prepared 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 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; and

Antalis Group


Directors' Report for the Year Ended 31 December 2014

..... continued

- 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.

Approved by the Board on 30 June 2015 and signed on its behalf by:



S G McCue
Director

Independent Auditors' Report to the Members of Antalis Group

Report on the financial statements

Our opinion

In our opinion, Antalis Group financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2014 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.

What we have audited

Antalis Groups financial statements comprise:

- the Balance Sheet as at 31 December 2014;
- the Profit and Loss Account for the year then ended;
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditors' Report to the Members of Antalis Group

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Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- We have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Director's remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3 and 4, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent Auditors' Report to the Members of Antalis Group

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What an audit of financial statements involves

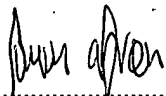
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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.



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Simon O'Brien (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP, Statutory Auditor

1 Embankment Place
London
WC2N 6RH

30 June 2015

Antalis Group

Profit and Loss Account for the Year Ended 31 December 2014

| | Note | 2014 £ 000 | 2013 £ 000 |
|--|------|---------------|---------------|
| Administrative expenses | | (152) | (141) |
| Other operating income | | <u>130</u> | <u>142</u> |
| Operating (loss)/profit | 2 | (22) | 1 |
| Other interest receivable and similar income | 4 | 98 | 97 |
| Interest payable and similar charges | 5 | <u>(111)</u> | <u>(109)</u> |
| Loss on ordinary activities before taxation | | <u>(35)</u> | <u>(11)</u> |
| Loss for the financial year | 11 | <u>(35)</u> | <u>(11)</u> |

The operating loss derives wholly from continuing operations.


The company has no recognised gains or losses for the year other than those in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented.

There is no material differences between the loss on ordinary activities before taxation and the loss for the financial years stated above and their historical cost equivalents.

Antalis Group
(Registration number: 157418)
Balance Sheet at 31 December 2014

| | Note | 2014 £ 000 | 2013 £ 000 |
|--|------|-----------------|-----------------|
| Fixed assets | | | |
| Investments | 7 | <u>127,463</u> | <u>127,463</u> |
| Current assets | | | |
| Debtors | 8 | 9,921 | 9,858 |
| Cash at bank and in hand | | <u>96</u> | <u>86</u> |
| | | 10,017 | 9,944 |
| Creditors: Amounts falling due within one year | 9 | <u>(1,999)</u> | <u>(1,891)</u> |
| Net current assets | | <u>8,018</u> | <u>8,053</u> |
| Net assets | | <u>135,481</u> | <u>135,516</u> |
| Capital and reserves | | | |
| Called up share capital | 10 | 220,471 | 220,471 |
| Share premium account | 11 | 500 | 500 |
| Profit and loss account | 11 | <u>(85,490)</u> | <u>(85,455)</u> |
| Total shareholders' funds | 12 | <u>135,481</u> | <u>135,516</u> |

These financial statements on pages 8 to 15 were approved and authorised for issue by the Board on 30 June 2015 and signed on its behalf by:


 S G McCue
 Director

Antalis Group

Notes to the Financial Statements for the Year Ended 31 December 2014

1 Accounting policies

Basis of preparation

The financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been consistently applied, are set out below.

The financial statements contain information about Antalis Group as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent Sequana SA (formerly Sequana Capital SA), a company registered in France, and is included in the consolidated financial statements of Sequana SA (formerly Sequana Capital SA), which are publicly available.

Cash flow statement and related party transactions

The company is a wholly owned subsidiary company of a group headed by Antalis International SAS and is included in the consolidated financial statements of that company, which are publicly available (note 13). Consequently, the company has taken advantage of the exemption within FRS 1 (revised 1996) 'Cash flow statements' from preparing a cash flow statement.

The company has taken advantage of the exemption under paragraph 3(c) from the provisions of FRS8, 'Related Party Disclosures', on the grounds that it is a wholly owned subsidiary of a group headed by Antalis International SAS.

Income from group companies

Income from group companies comprises dividends receivable on investments in other group companies, which are recognised as income once they are formally approved.

Foreign currency

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All monetary assets and liabilities expressed in foreign currencies are translated into sterling at the rate of exchange ruling at the end of the financial year. Differences between the translated transactions and subsequent cash settlements are taken as gains or losses to the profit and loss account.

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Notes to the Financial Statements for the Year Ended 31 December 2014

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Deferred tax

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by Financial Reporting Standard 19.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all evidence, it can be regarded as more likely than not there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of 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 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 an undiscounted basis.

Fixed asset investments

Fixed asset investments are shown at cost less any provision for impairment. The carrying value of investments is reviewed on an annual basis and is shown at the lower of cost and net realisable value.

2 Operating (loss)/profit

Operating (loss)/profit is stated after charging:

| | 2014 £ 000 | 2013 £ 000 |
|-------------------------|---------------|---------------|
| Foreign currency losses | 12 | - |
| Auditors' remuneration | 1 | 3 |

3 Particulars of employees

The directors are or were employees of other group companies and their emoluments and contributions to pension schemes on their behalf are paid by other group companies. Their services to the company are of a non executive nature and their remuneration, including pension benefits, is deemed to be wholly attributable to their services to other group companies. Accordingly, none of the directors received any remuneration for their services as a director of the company during the year (2013: none).

The company had no other employees during the year (2013: none).

4 Other interest receivable and similar income

| | 2014 £ 000 | 2013 £ 000 |
|---------------------------|---------------|---------------|
| Other interest receivable | 98 | 97 |

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Notes to the Financial Statements for the Year Ended 31 December 2014

..... *continued*

5 Interest payable and similar charges

| | 2014 £ 000 | 2013 £ 000 |
|---|---------------|---------------|
| Interest on loans from group undertakings | 111 | 109 |
| | <u>111</u> | <u>109</u> |

6 Taxation

Tax on loss on ordinary activities

| | 2014 £ 000 | 2013 £ 000 |
|------------------------|---------------|---------------|
| Current tax | | |
| Corporation tax credit | (5) | (3) |
| Group relief payable | 5 | 3 |
| UK Corporation tax | <u>-</u> | <u>-</u> |

Factors affecting current tax charge for the year

Tax on loss on ordinary activities for the year is higher than (2013 - higher than) the standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%).

The differences are reconciled below:

| | 2014 £ 000 | 2013 £ 000 |
|--|---------------|---------------|
| Loss on ordinary activities before taxation | <u>(35)</u> | <u>(11)</u> |
| Corporation tax at standard rate | (8) | (3) |
| Losses carried forward with no deferred tax asset | 3 | - |
| Group losses surrendered to fellow group undertaking | <u>5</u> | <u>3</u> |
| Total current tax | <u>-</u> | <u>-</u> |

Factors that may affect future tax charges

At 31 December 2014 the company has an unrecognised deferred tax asset relating to accelerated depreciation and losses carried forward. The recovery of this asset is dependent upon the continued operating profitability of the company. With the current level of uncertainty of operating conditions in the UK market, the timing of recovery is not sufficiently clear to justify recognition of this deferred tax asset. The amount not recognised in the year was £129,000 (31 December 2013 - £131,000).

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Notes to the Financial Statements for the Year Ended 31 December 2014

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The standard rate of corporation tax changed from 23% to 21% on 1 April 2014 and will reduce to 20% on 1 April 2015.

7 Investments

Shares in group undertakings and participating interests

| | Subsidiary undertakings £ 000 | Total £ 000 |
|---------------------------------|-------------------------------------|----------------|
| Cost | | |
| At 1 January 2014 | 178,410 | 178,410 |
| At 31 December 2014 | 178,410 | 178,410 |
| Provision for impairment | | |
| At 1 January 2014 | 50,947 | 50,947 |
| Net book value | | |
| At 31 December 2014 | 127,463 | 127,463 |
| At 31 December 2013 | 127,463 | 127,463 |

Inversiones Antalis Holdings Limitada is incorporated in Chile.

The directors believe the carrying value of the investments is supported by their underlying net assets and the impairment recognised continues to be appropriate.

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

| Undertaking | Holding | Proportion of voting rights and shares held | Principal activity |
|-----------------------------------|-------------------------|--|--------------------|
| Subsidiary undertakings | | | |
| Antalis Holdings Limited | Ordinary shares | 100% | Holding company |
| Antalis Overseas Holdings Limited | Ordinary shares | 100% | Holding company |
| Inversiones Holdings Limitada | Antalis Ordinary shares | 12.89% | Holding company |
| Antalis Limited | Ordinary Shares | 100% | Paper Merchant |

Antalis Group**Notes to the Financial Statements for the Year Ended 31 December 2014***..... continued***8 Debtors**

| | 2014 | 2013 |
|--|--------------|--------------|
| | £ 000 | £ 000 |
| Amounts owed by group undertakings | 9,895 | 9,798 |
| Amounts owed by undertakings in which the company has a participating interest | - | 36 |
| Prepayments and accrued income | 26 | 24 |
| | <u>9,921</u> | <u>9,858</u> |

The loan is owed from Antalis International SAS. The loan is repayable on demand. The interest is calculated daily at LIBOR plus 0.5% (2013: LIBOR plus 0.5%)

9 Creditors: Amounts falling due within one year

| | 2014 | 2013 |
|------------------------------------|--------------|--------------|
| | £ 000 | £ 000 |
| Amounts owed to group undertakings | 1,998 | 1,889 |
| Accruals and deferred income | 1 | 2 |
| | <u>1,999</u> | <u>1,891</u> |

The loan is due to Antalis Holdings Limited, a fellow group company, and is unsecured and repayable on demand. Interest is calculated daily at LIBOR plus 5.260% (2013: LIBOR plus 5.748%).

10 Called up share capital**Allotted, called up and fully paid shares**

| | 2014 | | 2013 | |
|----------------------------|----------------|----------------|----------------|----------------|
| | No. 000 | £ 000 | No. 000 | £ 000 |
| Ordinary shares of £1 each | <u>220,471</u> | <u>220,471</u> | <u>220,471</u> | <u>220,471</u> |

Antalis Group

Notes to the Financial Statements for the Year Ended 31 December 2014

..... *continued*

11 Reserves

| | Share premium account £ 000 | Profit and loss account £ 000 | Total £ 000 |
|---------------------|--------------------------------------|--|-----------------|
| At 1 January 2014 | 500 | (85,455) | (84,955) |
| Loss for the year | - | (35) | (35) |
| At 31 December 2014 | <u>500</u> | <u>(85,490)</u> | <u>(84,990)</u> |

12 Reconciliation of movement in shareholders' funds

| | 2014 £ 000 | 2013 £ 000 |
|---|----------------|----------------|
| Loss attributable to the members of the company | (35) | (11) |
| Net reduction to shareholders' funds | (35) | (11) |
| Shareholders' funds at 1 January | <u>135,516</u> | <u>135,527</u> |
| Shareholders' funds at 31 December | <u>135,481</u> | <u>135,516</u> |

13 Control

The company is controlled by Antalis International SAS, a company registered in France. Sequana SA (formerly Sequana Capital S.A.), a Company registered in France, is the parent undertaking of the smallest group of undertakings to consolidate these financial statements. A copy of the consolidated financial statements of that company can be obtained from the Company Secretary at the following address:

8 rue de Seine,
92100 Boulogne Billancourt,
France.