

Company Registration No. 09223390

Total Marketing Support Limited

**Annual report and financial statements
for the year ended 30 April 2020**

Total Marketing Support Limited

Annual report and financial statements for the year ended 30 April 2020

Contents

Officers and professional advisers	1
Strategic report	2
Directors' report	5
Directors' responsibilities statement	7
Independent Auditor's report	8
Income statement	11
Statement of financial position	12
Statement of changes in equity	13
Notes to the financial statements	14

Total Marketing Support Limited

Annual report and financial statements for the year ended 30 April 2020

Officers and professional advisers

Directors

W B Hicks
P J Brown
S J Clough

Company Secretary

Z W Stone

Registered Office

350 Euston Road
London
NW1 3AX
United Kingdom

Registered Number

09223390

Auditor

Deloitte LLP
Statutory Auditor
Cardiff
United Kingdom

Banker

Citibank
London

Total Marketing Support Limited

Strategic report

The Directors present their strategic report for the year ended 30 April 2020.

Business review and principal activities

Total Marketing Support Limited ('the Company') is a subsidiary of DS Smith Plc and operates as part of the DS Smith Group ('the Group'). The principal activity of the Company is point of sale procurement and related activities.

The results for the year show a loss before taxation of €2,643,000 (2019: loss before taxation of €422,000). The loss in the year includes exceptional cost relating to an adjusting post balance sheet event, as outlined in Note 3 and 22. No dividends were paid during the year (2019: €nil).

Management uses a range of performance measures to monitor and manage the business. The KPIs are used as a performance indicator and are used to highlight any areas of concern where corrective actions need to be taken. Turnover and Operating profit indicate the level of activity and the resulting profitability of the business. The KPIs for 2020 are shown in the table below along with the prior year comparatives.

	2020 €'000	2019 €'000	% Change
Turnover	36,877	41,894	-12.0%
Operating Loss	(2,553)	(315)	155.9%
Gross Profit	5,210	4,359	19.5%

Turnover has decreased from the previous year due to changes in the customer base and the contractual savings generated in their spend. Gross margin has improved due to a focus on a more efficient sourcing model. This has in turn led to an improved gross profit. The directors are satisfied with the general performance of the company.

S172(1) of the Companies Act 2006

The Directors have regard to the matters set out in Section 172(1) of the Companies Act 2006 when performing their duties under Section 172 to promote the success of the Company. When making decisions, the Directors pay due regard to: the likely consequences of decisions in the long-term; the interests of stakeholders, the interests of the Company's employees, the impact actions have on the communities in which we operate and the environment; maintaining high standards of business conduct; and acting fairly at all times. Our key stakeholders include our employees, customers, the communities in which we operate and our impact on the environment. During the year the Directors received relevant information to help it understand the interest and views of these key stakeholder groups when making decisions and the potential impact decisions could have on each group. Information included reports regarding financial and operational performance, non-financial key performance indicators, risk, responsible business matters and the results of specific stakeholder engagement exercises.

Employee Engagement

The Company is fully committed to ensuring that sufficient emphasis is placed on employee involvement and communication through a variety of methods, and continues to keep employees informed on matters affecting them as employees and on the various factors affecting the performance of the Company and the wider Group. The Company is committed to both the principle and achievement of equal opportunities in employment and policies are designed to provide such equality irrespective of sex, creed, ethnic origin, nationality, sexual orientation, age or disability. Dependent upon their skills and abilities, the Company applies the same criteria to disabled persons as it does to other employees whether in selection, promotion or training. If any employee becomes disabled during employment with the Company, every effort is made to find suitable continuing employment. The Company fully recognises its responsibilities and continues to promote all aspects of health and safety in the interests of its employees and members of the public.

We employ around 53 people in the Company. We engage people in a number of ways: on site through team briefings and through monthly leadership business updates. Mechanisms for feedback include biennial employee surveys and more regular informal pulse surveys offering updates, guidance and sharing of best practice. By giving all employees a voice, we create the opportunity to improve their work experience and feel pride in working for Total Marketing Support. We also have a confidential hotline known as 'Speak Up!' for employees to report concerns where they do not wish to go through their line manager.

Total Marketing Support Limited

Strategic report (continued)

Engagement with suppliers, customers and others in a business relationship with the company

The Directors aim to promote the success of the Company, taking into account the long-term consequences of its decisions and looking at those decisions through a variety of lenses. This involves management thinking about the interests of the Company's stakeholders, including our people, our customers, local communities, non-governmental organisations and our suppliers; about the importance of maintaining our reputation for high standards of business conduct; and about the environment.

Engagement with customers is the lifeblood of our business, and takes place across all of our teams.

The environment and communities

The Group's Sustainability policies align the management of sustainability across the organisation and these are periodically reviewed and updated, with action plans communicated to the heads of each business unit. This ensures that environmental and sustainability-related risks and opportunities are appropriately managed.

Our suppliers

We engage with suppliers to enforce our established supplier standards and supplier code of conduct, which set out our ways of working, including for example, in relation to our obligations under anti-modern slavery laws.

Financial risk management objectives and policies

The Company's operations expose it to a variety of financial risks that include liquidity risk, interest rate risk and foreign currency risk.

Where applicable, the Company follows the DS Smith Group policy, as outlined below. 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 DS Smith Group Treasury, supported by external borrowings where appropriate, that is designed to ensure the Company has sufficient available funds for operations.

Interest rate risk

The Company has interest-bearing liabilities payable to DS Smith Plc arising from the continued financial support of the operating business. The DS Smith Group Treasury function is responsible for identifying and managing interest rate exposure.

Foreign currency risk

The Company is exposed to foreign currency exchange rate fluctuations between its functional currency of the euro and primarily sterling. These exchange rate risks are mitigated by the use of a sterling bank account and the operating model of buying and selling in the same currency, although no formal hedging activities are undertaken.

Total Marketing Support Limited

Strategic report (continued)

Principal risks and uncertainties

Covid-19

The Covid-19 pandemic has resulted in the shutdown of economies across the world, resulting in job losses and business failures and a global recession, including the UK. In response to the pandemic the Group has undertaken measures to reinforce its financial position and ongoing performance through conserving cash and managing costs.

The Company's risk is low, as its principal activities and trading have continued uninterrupted. There is a risk that the Company's related party's business performance may be adversely impacted by the Covid-19 pandemic resulting in an impairment of these investments. However, the Directors consider that this risk is minimal, as the Group has continued to trade through the pandemic, has focused on maintaining an uninterrupted supply to its customers.

Brexit

In line with the guidance issued by the Financial Reporting Council (FRC), the leadership team continues to assess, on an ongoing basis, the consequential risks and uncertainties in the political and economic environment following the UK officially leaving the EU as of 1st January 2021, and the impacts of those risks and uncertainties on the Company.

The leadership team have considered these regular updates and have monitored the impact on the company since the UK left the EU. Whilst the short and medium-term impact of Brexit remains uncertain, the leadership team continue to believe that Company is not likely to be materially directly impacted by Brexit and that appropriate plans are in place to manage any trading or other impact. Since the 1st January 2021 the company have not observed any major changes to trading and supply chain. Majority of the trade within the Company is concluded with the purchase and sale in country which mitigates any cross-border impact. The leadership team continue to assess the wider impact of Brexit on an ongoing basis.

Subsequent Events

Post year end, the outcome relating to an ongoing legal matter was determined and agreed by Total Marketing Support Ltd and the other party. The costs have been included in these financial statements and as a result, a provision has been recognised relating to settlement costs and related legal fees. This has been recognised as an exceptional cost in Note 3.

Going concern

At 30 April 2020 the Company had net liabilities of €3,507,000 (30 April 2019: net liabilities of €1,195,000). The Company benefits from the ongoing support of its ultimate parent company, DS Smith Plc, who the Directors believe have the ability to provide sufficient support and this has been evidenced through a written undertaking from the 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.

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

S J Clough

Director

10 February 2021

Total Marketing Support Limited

Directors' report

The Directors present their annual report and the audited financial statements of the Company for the year ended 30 April 2020.

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

- Financial risk management, objectives, and policies
- Going concern

Dividends

The Directors have not proposed or paid a dividend for the year ended 30 April 2020 (2019: €nil).

Directors

The Directors who held office during the year and to the date of signing the financial statements, were as follows:

W B Hicks
P J Brown
S J Clough
J A Aron (resigned 29 May 2020)

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 Company has not made qualifying third-party indemnity provisions for the benefit of the Group's Directors during the year.

Employees

The Company is fully committed to ensuring that sufficient emphasis is placed on employee involvement and communication through a variety of methods, and continues to keep employees informed on matters affecting them as employees and on the various factors affecting the performance of the Company and the wider Group. The Company is committed to both the principle and achievement of equal opportunities in employment and policies are designed to provide such equality irrespective of sex, creed, ethnic origin, nationality, sexual orientation, age or disability. Dependent upon their skills and abilities, the Company applies the same criteria to disabled persons as it does to other employees whether in selection, promotion or training. If any employee becomes disabled during employment with the Company, every effort is made to find suitable continuing employment. The Company fully recognises its responsibilities and continues to promote all aspects of health and safety in the interests of its employees and members of the public.

Political contributions

No political or charitable contributions were made during the year (2019: €nil).

Future developments

The company will strive to remain a low cost, flexible provider of its core services and maintain its focus on quality and customer service.

Total Marketing Support Limited
Directors' report (continued)

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.

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:

S J Clough

Director

10 February 2021

Total Marketing Support 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101).

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 year. 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, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; 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 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.

Total Marketing Support Limited

Independent Auditor's report to the members of Total Marketing Support Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Total Marketing Support Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 30 April 2020 and of its loss 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 22.

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 the information included in the annual 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 Total Marketing Support 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 report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The strategic report and the Directors' report have 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 report or 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 Total Marketing Support 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.

David Hedditch (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Cardiff, United Kingdom

10 February 2021

Total Marketing Support Limited
Income statement
Year ended 30 April 2020

	Note	2020 €'000	2019 €'000
Revenue	2	36,877	41,894
Cost of sales		(31,667)	(37,535)
Gross profit		5,210	4,359
Administrative expenses		(6,016)	(4,674)
Exceptional costs	3	(1,747)	-
Operating loss	4	(2,553)	(315)
Finance costs	7	(90)	(107)
Loss before tax		(2,643)	(422)
Income tax credit	8	331	71
Loss for the financial year		(2,312)	(351)

The results shown above are from continuing operations.

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

Total Marketing Support Limited
Statement of financial position
As at 30 April 2020

	Note	2020 €'000	2019 €'000
Assets			
Non-current assets			
Intangible assets	9	535	43
Property, plant and equipment	10	82	9
Right of use assets	11	343	-
Investments in subsidiaries	12	1	1
Deferred tax assets	16	-	216
Total non-current assets		961	269
Current assets			
Trade and other receivables	13	10,290	18,076
Cash and cash equivalents		9,129	4,413
Total current assets		19,419	22,489
Total assets		20,380	22,758
Liabilities			
Non-Current liabilities			
Lease Liabilities	15	(245)	-
Current liabilities			
Lease Liabilities	15	(95)	-
Trade and other payables	14	(23,547)	(23,953)
Total current liabilities		(23,642)	(23,953)
Total liabilities		(23,887)	(23,953)
Net current liabilities		(4,468)	(1,464)
Net liabilities		(3,507)	(1,195)
Equity			
Called-up share capital	17	-	-
Retained earnings		(3,507)	(1,195)
Shareholder's Deficit		(3,507)	(1,195)

These financial statements for Total Marketing Support Limited (registered number 09223390), were approved by the Board of Directors and authorised for issue on 10 February 2021.

Signed on behalf of the Board of Directors:

S J Clough
Director

Total Marketing Support Limited
Statement of Changes in Equity
Year ended 30 April 2020

	Share capital €'000	Retained earnings €'000	Total equity €'000
At 1 May 2018	-	(844)	(844)
Loss for the year	-	(351)	(351)
Total comprehensive expense	-	(351)	(351)
At 30 April 2019	-	(1,195)	(1,195)
Loss for the year	-	(2,312)	(2,312)
Total comprehensive expense	-	(2,312)	(2,312)
At 30 April 2020	-	(3,507)	(3,507)

Total Marketing Support Limited

Notes to the financial statements for the year ended 30 April 2020

1. Principal accounting policies

General Information

The company is a private company limited by shares and registered in England and Wales under the Companies Act 2006. The registered address is 350 Euston Road, London, England NW1 3AX.

The nature of the Company's operations and its principal activities are set out in the strategic report on page 2.

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 2006. The presentation currency of these financial statements is Euro's. All amounts in the financial statements have been rounded to the nearest €1.

FRS 101 sets out an optional reduced disclosure framework which addresses the financial reporting requirements and disclosure exemptions for the individual financial statements of subsidiaries and ultimate parents that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The accounts 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;
- comparative period reconciliations for tangible fixed assets and intangible assets;
- 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.

Total Marketing Support Limited

Notes to the financial statements for the year ended 30 April 2020 (continued)

1. Principal accounting policies (continued)

The following new standards, amendments or interpretations have been adopted by the Company as of 1 May 2019:

- IFRS 16 Leases;

IFRS 16 Leases

The Company adopted IFRS 16 on 1 May 2019 using the modified retrospective approach and practical expedients available. As per the specific transitional arrangements in the standard, comparative information has not been restated. As such, results for the year ended 30 April 2019 continue to be reported under the previous lease accounting standard, IAS 17 Leases.

IFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements for both lessors and lessees. IFRS 16 supersedes the previous lease guidance including IAS 17 Leases and the related Interpretations for accounting periods beginning on or after 1 January 2019.

The change in definition of a lease mainly relates to the concept of control. IFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on 'risks and rewards' in IAS 17 and IFRIC 4.

The Company applies the definition of a lease and related guidance set out in IFRS 16 to all lease contracts entered into or changed on or after 1 January 2019 (whether it is a lessor or a lessee in the lease contract).

IFRS 16 prescribes a single lessee accounting model that requires the recognition of a right-of-use asset and corresponding liability for all leases with terms over 12 months, unless the underlying asset is of low value. The liability is initially measured as the present value of future lease payments for the lease term.

The right-of-use asset is calculated as the lease liability adjusted by the amount of any prepaid or accrued lease payments. Lease incentives are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under IAS 17 they resulted in the recognition of a lease incentive, amortised as a reduction of rental expenses on a straight-line basis. Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36. Depreciation of right-of-use assets and interest on the corresponding lease liabilities are recognised in the income statement over the lease term. In contrast to lessee accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17.

On transition, all right-of-use assets were measured at an amount equal to the lease liability.

Leases

The Company recognises a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use asset is initially measured at cost, being the initial amount of the lease liability adjusted for any lease payments made at or before commencement date, plus any initial direct costs incurred and an estimate of end of lease dismantling or restoration costs, less any incentives received and related provisions.

Lease liabilities are recorded at the present value of lease payments, which include:

- Fixed lease payments;

The interest rate implicit in the lease is used to discount lease payments

Right-of-use assets are depreciated on a straight-line basis over the lease term.

Interest is recognised on the lease liability, resulting in a higher finance cost in the earlier years of the lease term.

Total Marketing Support Limited

Notes to the financial statements for the year ended 30 April 2020 (continued)

1. Principal accounting policies (continued)

Consolidated financial statements

The Company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 400 of the Companies Act 2006 because it is a wholly owned subsidiary of DS Smith Plc which prepares consolidated financial statements which are publicly available.

Revenue

Revenue comprises the fair value of the sale of goods and services, net of value added tax and other sales taxes, rebates and discounts.

Revenue from the sale of goods is recognised when:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- all significant performance obligations have been met;
- the Company retains neither continuing managerial involvement nor effective control over the goods sold;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the amount of revenue can be measured reliably.

This is typically when the goods are unloaded at the delivery address if the Company is responsible for delivery.

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. The functional currency is Euros.

Intangible assets

Computer software that is integral to a related item of hardware is included within property, plant and equipment. All other computer software is treated as an intangible asset.

Amortisation of intangible assets (excluding goodwill) is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets (other than goodwill) are amortised from the date they are available for use.

The estimated useful lives are as follows:

Computer software	3-5 years
-------------------	-----------

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each item of property, plant and equipment, to leave the estimated residual values. Major components are accounted for separately (or in the case of leased assets, the lease period, if shorter).

The estimated useful lives are as follows:

Fixtures and fittings	2-25 years
-----------------------	------------

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Any impairment in the value of freehold or leasehold land and buildings is charged to the income statement as appropriate.

Investments in subsidiaries

Investments in subsidiary undertakings are valued at cost less provisions for impairment.

Total Marketing Support Limited

Notes to the financial statements for the year ended 30 April 2020 (continued)

1. Principal accounting policies (continued)

Employee benefits

Defined contribution schemes

Contributions to defined contribution pension schemes are recognised as an employee benefit expense within personnel expenses in the income statement, as incurred.

Leases

Operating leases

Operating lease rentals are charged to the income statement on a straight-line basis over the lease term. Any premium or discount on the acquisition of a lease is spread over the life of the lease on a straight line basis.

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 and deferred 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 DS Smith Group, and receives payment for those tax losses at the rate of tax prevailing in the year.

Deferred tax is provided for using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Total Marketing Support Limited

Notes to the financial statements for the year ended 30 April 2020 (continued)

1. Principal accounting policies (continued)

Going concern

The financial position of the Company is as shown in the statement of financial position. Due to the Company being in a net current liability position, a letter of support has been received from the ultimate parent company stating it intends to provide any financial support necessary to meet the Company's financial obligations as they fall due for a period of at least 12 months from the date these financial statements are signed.

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. The directors have considered the impact of the Covid-19 pandemic and believe the risk for the company to be minimal, as outlined in Strategic report. Accordingly, they have continued to adopt the going concern basis in preparing these financial statements.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

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

2. Revenue

	2020 €'000	2019 €'000
Revenue by activity		
Sale of goods	36,877	41,894
	36,877	41,894

	2020 €'000	2019 €'000
Revenue by geographical destination		
United Kingdom	5,660	8,712
Continental Europe	31,217	31,085
Rest of World	-	2,097
	36,877	41,894

All revenue is derived from the principal activities of the Company.

Total Marketing Support Limited

Notes to the financial statements for the year ended 30 April 2020 (continued)

3. Exceptional items

	2020 €'000	2019 €'000
Legal provision	(1,747)	-

Total amount recognised as exceptional items relates to legal settlement costs and associated legal fees.

4. Operating loss

Operating loss is stated after charging/(crediting):

	2020 €'000	2019 €'000
Auditor's remuneration – fees payable for the audit of the Company's financial statements	31	37
Depreciation of owned assets	8	8
Amortisation of intangible assets	42	42
Depreciation of right of use land & building (IFRS16)	54	-
Operating lease rental cost	-	36
Foreign exchange (gains)	(70)	(26)

No fees in relation to non-audit services were paid to the Company's Auditor in the current or preceding year.

5. Directors' emoluments

The emoluments of the highest paid Director were €176k (2019: €199k) including pension contributions of €9k (2019: €9k).

The number of Directors for which pension contributions have been paid by the Company during the financial year was 1 (2019: 1)

The emoluments of the Directors are paid by other companies within the Group. The Company receives management and operational recharges for relevant pooled Group costs which may include a portion of the Directors' emoluments along with numerous other costs. The Directors who served during the year are also Directors of a number of fellow subsidiaries within the Group. It is not practical to make an accurate apportionment of the emoluments in respect of each of the subsidiaries. Accordingly, their emoluments are disclosed in the financial statements of the respective companies with whom they have their primary employment contracts.

6. Employee information

The average monthly number of staff (including Directors) employed by the Company during the financial year was:

	2020 Number	2019 Number
Average number of staff (full time equivalent) by activity during the year:		
Selling and distribution	45	42
Management and administration	8	7
	53	49

Total Marketing Support Limited

Notes to the financial statements for the year ended 30 April 2020 (continued)

6. Employee information (continued)

The aggregate payroll costs of these persons were as follows:		
Wages and salaries	2,527	2,538
Social security costs	290	234
Contributions to defined contribution pension plans (note 18)	140	89
	2,957	2,861

7. Finance costs

	2020	2019
	€'000	€'000
Interest on amounts owed to Group undertakings	(79)	(89)
Bank interest	(2)	(18)
Right of use Assets (IFRS 16)	(9)	-
Finance costs	(90)	(107)

8. Income tax credit

	2020	2019
	€'000	€'000
Continuing operations		
Current tax credit/(charge)		
UK Corporation tax in respect of current year	492	28
Adjustment in respect of prior Years	55	(33)
Total current tax credit/(charge)	547	(5)
Deferred tax (charge)/credit		
Origination and reversal of temporary differences	-	46
Reduction in tax rate	-	-
Adjustment in respect of prior years	(216)	30
Total deferred tax (charge)/credit	(216)	76
Total income tax credit in the income statement from continuing operations	331	71

Total Marketing Support Limited

Notes to the financial statements for the year ended 30 April 2020 (continued)

8. Income tax credit (continued)

The difference between the actual tax charge and the standard rate of corporation tax in the UK of 19% (2019: 19%) is as follows:

	2020 €'000	2019 €'000
(Loss) before tax	(2,643)	(422)
Income tax at the UK standard rate of corporation tax of 19% (2019: 19%)	502	80
Effects of:		
- Permanent differences	(10)	(1)
- Effect of change in corporate tax rate	-	(5)
- Adjustments in respect of prior Years	(161)	(3)
Tax credit	331	71

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.

As announced in the March 2020 Budget, the reduction in the UK corporation tax rate to 17% will now not occur. Accordingly, the rate applied to UK deferred tax assets and liabilities is 19% (2019: 17%).

9. Intangible assets

	Software €'000	Total €'000
Cost		
At 1 May 2019	491	491
Additions	534	534
At 30 April 2020	1,025	1,025
Amortisation		
At 1 May 2019	(448)	(448)
Amortisation	(42)	(42)
At 30 April 2020	(490)	(490)
Net book value		
At 30 April 2020	535	535
At 30 April 2019	43	43

Total Marketing Support Limited

Notes to the financial statements for the year ended 30 April 2020 (continued)

10. Property, plant and equipment

	Fixtures and fittings €'000	Total €'000
Cost		
At 1 May 2019	25	25
Additions	81	81
Disposal	(16)	(16)
At 30 April 2020	90	90
Accumulated depreciation		
At 1 May 2019	(16)	(16)
Charge for the year	(8)	(8)
Disposal	16	16
At 30 April 2020	(8)	(8)
Net book value		
At 30 April 2020	82	82
At 30 April 2019	9	9

11. Right of use of assets

	Land & Buildings €'000	Total €'000
Cost		
At 1 May 2019	-	-
Additions	422	422
At 30 April 2020	422	422
Depreciation		
At 1 May 2019	-	-
Depreciation	(79)	(79)
At 30 April 2020	(79)	(79)
Net book value		
At 30 April 2020	343	343
At 30 April 2019	-	-

Total Marketing Support Limited

Notes to the financial statements for the year ended 30 April 2020 (continued)

12. Investments in subsidiaries

	Shares in subsidiary undertakings €'000
Cost	
At 1 May 2019 and 30 April 2020	1
Provisions for impairment	
At 1 May 2019 and 30 April 2020	-
Carrying value	
At 30 April 2020	1
At 30 April 2019	1

The Company's interests in subsidiary undertakings are:

Name of company	Nature of business	Country of incorporation	Registered office	Share class	Percentage of share capital held
Total Marketing Support Global Limited	Marketing	United Kingdom	350 Euston Road London NW1 3AX United Kingdom	'A' Ordinary	100%
TotalMarketingSupport Bolivia S.A.	Marketing	Bolivia	Santa Cruz De La Sierra, - Calle Dr. Mariano Zambrana No. 700, UV: S/N MZNO: S/N ZONA: OESTE, Bolivia	BOB 100.00 ordinary	2%

13. Trade and other receivables

	2020 Current €'000	2019 Current €'000
Trade receivables	3,069	12,423
Amounts owed by Group undertakings	3,385	2,133
Other receivables	64	22
VAT	2,308	2,115
Current tax asset	-	18
Prepayments and accrued income	1,464	1,365
	10,290	18,076

No interest was charged on the amounts owed by Group undertakings which are unsecured and repayable on demand.

Total Marketing Support Limited

Notes to the financial statements for the year ended 30 April 2020 (continued)

14. Trade and other payables

	2020 Current €'000	2019 Current €'000
Trade payables	9,089	10,961
Amounts owed to Group undertakings	10,111	11,108
Other creditors	3,644	1,547
Current tax liability	385	-
Accruals and deferred income	318	337
	23,547	23,953

Amounts owed to Group undertakings includes €8,248,014 loan drawn down against a loan facility with DS Smith Plc, on which interest is charged at LIBOR plus 2% and is repayable on demand.

No interest was charged on other amounts owed to Group undertakings.

15 Right of use liabilities

The carrying amounts of lease liabilities and the movements during the year are as follows:

	€'000
At 1 May 2019	
Additions	422
Accretion of Interest	9
Payments	(91)
At 30 April 2020	340
Current	95
Non-current	245
At 30 April 2020	340

16. Deferred tax assets

	Depreciation in excess of capital allowances €'000	Other €'000	Total €'000
At 1 May 2018	138	2	140
Credited to income statement	15	61	76
At 30 April 2019	153	63	216
Charged to income statement	(153)	(63)	(216)
At 30 April 2020	-	-	-

Total Marketing Support Limited

Notes to the financial statements for the year ended 30 April 2020 (continued)

16. Deferred tax assets (continued)

Deferred tax asset not recognised

	Total €'000
Loss	71
Decelerated capital allowances	115
Total	186

17. Called-up share capital

	2020 €	2019 €
Allotted, called-up and fully paid:		
1 (2019: 1) ordinary share of £1 each	1	1

18. Employee benefits

Defined contribution scheme

The Company participates in a UK defined contribution scheme, which is a trust-based arrangement offering members a range of investments. All assets are held independently from the Group.

The amount recognised as an expense for the defined contribution scheme in the year, relating to current year contributions was €129,139. (2019: €88,600)

19. Capital commitments and other commitments

There are no annual commitments payable under non-cancellable operating leases.

20. 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 DS Smith 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.

21. 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, which is its registered address.

Total Marketing Support Limited

Notes to the financial statements for the year ended 30 April 2020 (continued)

22. Subsequent events

A dispute between Total Marketing Support Limited and another party which was in progress at the year-end was concluded post year end where the outcome was agreed. This has been included in these financial statements. The total amount of €1,747,000 can be seen in Note 3.

On 18th December 2020, Total Marketing Support Limited acquired 50 'B' ordinary shares of £1 each held by Barrows London Limited in Total Marketing Support Global Limited. Barrows London Limited no longer hold any shares in the Group.