

Company Registration No. 00668770

David S Smith (Pension Contributions) Limited

**Annual Report and Financial Statements
for the year ended 30 April 2016**

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David S Smith (Pension Contributions) Limited
Annual Report and Financial Statements for the year ended 30 April 2016

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David S Smith (Pension Contributions) Limited

Officers and Professional Advisers

Directors

M Jowett (resigned 21 January 2016)
W B Hicks (appointed 21 January 2016)
A Steele

Company Secretary

A Steele

Registered Office

350 Euston Road
London
NW1 3AX
United Kingdom

Registered Number

00668770

Auditors

Deloitte LLP
Chartered Accountants and Statutory Auditor
London
United Kingdom

David S Smith (Pension Contributions) Limited

Directors' Report

The Directors present their Annual Report and the audited Financial Statements of the Company for the year ended 30 April 2016.

This Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption under s415a of the Companies Act 2006.

The Directors took advantage of the small companies' exemption from preparing a Strategic Report.

Principal activity

The Company's principal activity to co-ordinate and collect pension contributions from certain subsidiary companies of DS Smith Plc ceased in May 2010.

Business review

The profit for the financial year after tax amounted to £3,000 (2015: £8,000).

Dividends

The Directors have not proposed or paid a dividend for the year ended 30 April 2016 (2015: £nil).

Directors

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

W B Hicks (appointed 21 January 2016)

M P Jowett (resigned 21 January 2016)

A Steele

Directors' and officers' liability insurance

During the year and up to the date of approval of these Financial Statements, the parent company maintained liability insurance for the Directors and other Officers of the Company.

Future developments

The Directors expect the general level of activity to remain consistent with 2016 in the forthcoming year.

Political contributions

No political contributions were made during the year (2015: £nil).

Financial risk management objectives and policies

Where applicable, the Company follows the DS Smith Group policy on financial risk management: 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 function, supported by external borrowings where appropriate, designed to ensure the Company has sufficient available funds for operations.

Credit risk

The Company's credit risk is primarily attributable to its receivables held on the Statement of Financial Position, all of which are inter-group. Recoverability of these receivables is reviewed regularly against the Statement of Financial Position of the counterparty.

David S Smith (Pension Contributions) Limited

Directors' Report (continued)

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out above. The financial position of the Company is as shown in the Statement of Financial Position on page 8.

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 Company has access to considerable financial resources from across the DS Smith Group. As a consequence, the Directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook. Taking into consideration the financial performance and financial position of the Company, they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in note 1 to these Financial Statements.

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:



W B Hicks

Director

9 January 2017

David S Smith (Pension Contributions) 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 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, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- notify the Company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of 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 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.

Independent Auditor's Report to the members of David S Smith (Pension Contributions) Limited

We have audited the financial statements of David S Smith (Pension Contributions) Limited for the year ended 30 April 2016 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 11. 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) including Financial Reporting Standard 101 *Reduced Disclosure Framework*.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 April 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; 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 Directors' Report.

Independent Auditor's Report to the members of David S Smith (Pension Contributions) 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; or
- the Directors were not entitled to take advantage of the small companies exemption from preparing a Strategic Report or in preparing the Directors' Report



Neil Yazdani (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

London, United Kingdom

9 January 2017

David S Smith (Pension Contributions) Limited
Income Statement
Year ended 30 April 2016

	Notes	2016 £'000	2015 £'000
Finance income	4	4	10
Profit before income tax		4	10
Income tax expense	5	(1)	(2)
Profit for the financial year		3	8

The results shown above are from continuing operations.

There are no recognised gains or losses other than those detailed in the Income Statement for both the current and prior year, and therefore no separate Statement of Comprehensive Income has been presented.

David S Smith (Pension Contributions) Limited
Statement of Financial Position
As at 30 April 2016

	Note	2016 £'000	2015 £'000
Assets			
Non-current assets			
Other receivables	6	-	601
Total non-current assets		-	601
Current assets			
Other receivables	6	598	-
Cash and cash equivalents		164	160
Total current assets		762	160
Total assets		762	761
Liabilities			
Current liabilities			
Other payables	7	(1)	(1)
Income tax liabilities		(2)	(4)
Total current liabilities		(3)	(5)
Total liabilities		(3)	(5)
Net assets		759	756
Equity			
Retained earnings		759	756
Shareholders' equity		759	756

These financial statements for David S Smith (Pension Contributions) Limited (registered number 00668770), were approved by the Board of Directors and authorised for issue on 9 January 2017.

Signed on behalf of the Board of Directors:


W B Hicks
Director

The accompanying notes are an integral part of these Financial Statements.

David S Smith (Pension Contributions) Limited
Statement of Changes in Equity
Year ended 30 April 2016

	Retained earnings £'000	Total equity £'000
At 1 May 2014	748	748
Profit for the year	8	8
Total comprehensive income	8	8
At 30 April 2015 ¹	756	756
Profit for the year	3	3
Total comprehensive income	3	3
At 30 April 2016	759	759

¹ Restated on adoption of Financial Reporting Standard 101 (FRS 101), *Reduced Disclosure Framework* (see note 11)

David S Smith (Pension Contributions) Limited

Notes to the financial statements for the year ended 30 April 2016

1. Principal accounting policies

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. The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

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;
- 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 disclosure:

- 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.

In the transition to FRS 101, the Company has applied IFRS 1 *First-time adoption of International Financial Reporting Standards* (IFRS 1). An explanation of how the transition to FRS 101 has affected the Company is provided in note 11.

Interest receivable

Interest receivable is recognised on an accruals basis in the Income Statement.

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 of current 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.

David S Smith (Pension Contributions) Limited

Notes to the financial statements for the year ended 30 April 2016 (continued)

1. Principal accounting policies (continued)

Going concern

The financial position of the Company is as shown in the Statement of Financial Position. 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. Accordingly, they have continued to adopt the going concern basis in preparing these Financial Statements.

Critical accounting judgements and estimates

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

2. Auditor's remuneration

The auditor's remuneration of £1,500 (2015: £1,500) for the statutory audit of the Company's financial statements for the current and previous year has been borne and not recharged by another Group undertaking. There is no non-audit remuneration paid in the current and prior year.

3. Directors' and employee emoluments

The Directors are remunerated by other Group companies and no specific recharge is made in respect of their services to the Company in the current or preceding year.

The Company had no employees during the current and preceding year.

4. Finance income

	2016 £'000	2015 £'000
Interest on loans to Group undertakings	-	10
Bank interest	4	-
Finance income	4	10

David S Smith (Pension Contributions) Limited

Notes to the financial statements for the year ended 30 April 2016 (continued)

5. Income tax expense

	2016 £'000	2015 £'000
Continuing operations		
Current tax expense		
UK Corporation tax in respect of current year	(1)	(2)
Total current tax	(1)	(2)
Total income tax expense in the income statement from continuing operations	(1)	(2)

The difference between the actual tax charge and the standard rate of corporation tax in the UK of 20.00% (2015: 20.92%) is as follows:

	2016 £'000	2015 £'000
Profit before tax	4	10
Income tax at the UK standard rate of corporation tax of 20.00% (2015: 20.92%)	(1)	(2)
Income tax expense	(1)	(2)

The Finance Act 2015 included a staged 2% reduction to the main UK Corporation tax rate to 18% which was substantively enacted on 26 October 2015. Accordingly, the rate applied to UK deferred tax assets and liabilities is 18% (2014/15: 20%). There has subsequently been an announcement that the rate of UK corporation tax will reduce to 17% from 2020.

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.

6. Other receivables

	2016		2015	
	Non-current £'000	Current £'000	Non-current £'000	Current £'000
Amounts owed by Group undertakings	-	598	601	-

The amounts owed by Group undertakings are non-interest bearing and became repayable on demand in 2016.

David S Smith (Pension Contributions) Limited**Notes to the financial statements for the year ended 30 April 2016
(continued)****7. Trade and other payables**

	2016		2015 restated	
	Non-current £'000	Current £'000	Non-current £'000	Current £'000
Accruals and deferred income	-	1	-	1

8. Share capital

	2016	2015
	£	£
Allotted, called-up and fully paid:		
5 (2015: 5) ordinary shares of £1 each	5	5

9. 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 3 for details of directors remuneration. There were no other related party transactions.

10. 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.

The Company does not have any subsidiary undertakings.

11. Explanation of transition to FRS 101 from previously applied UK GAAP

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 101. The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 30 April 2016, the comparative information for the year ended 30 April 2015 and the opening FRS 101 Statement of Financial Position as at 1 May 2014 (the Company's date of transition).

There were no adjustments to the Income Statement for the year ended 30 April 2015 as a result of the adoption of FRS 101. All FRS 101 adjustments upon transition are balance sheet reclassifications, and as such, have a nil impact on the total equity position at 1 May 2014 (transition date) and at 30 April 2015.

David S Smith (Pension Contributions) Limited

**Notes to the financial statements for the year ended 30 April 2016
(continued)**

11. Explanation of transition to FRS 101 from previously applied UK GAAP (continued)

RECONCILIATION OF EQUITY AT 30 APRIL 2015

	Note	Previous UK GAAP £'000	FRS 101 transition adjustments £'000	FRS 101 £'000
Assets				
Non-current assets				
Other receivables		601	-	601
Total non-current assets		601	-	601
Current assets				
Cash and cash equivalents		160	-	160
Total current assets		160	-	160
Total assets		761	-	761
Liabilities				
Current liabilities				
Other payables	(a)	(5)	4	(1)
Income tax liabilities	(a)	-	(4)	(4)
Total current liabilities		(5)	-	(5)
Total liabilities		(5)	-	(5)
Net assets		756	-	756
Equity				
Retained earnings		756	-	756
Shareholders' equity		756	-	756

Explanation of material adjustments between previous UK GAAP and FRS 101

(a) As part of the FRS 101 transition, income tax liabilities, netted within other payables (named creditors under previous UK GAAP) have been disclosed separately on a gross basis.