Company Registration No. 00668770

David S Smith (Pension Contributions) Limited

Annual report and financial statements for the year ended 30 April 2018

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David S Smith (Pension Contributions) Limited

Annual report and financial statements for the year ended 30 April 2018

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David S Smith (Pension Contributions) Limited

Officers and professional advisers

Directors

W B Hicks
A Steele

Company Secretary

A Steele

Registered office

350 Euston Road
London
NW1 3AX
United Kingdom

Registered number

00668770

Auditor

Deloitte LLP
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 2018.

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.

The Company is a wholly owned subsidiary of DS Smith Holdings Limited and operates as part of the DS Smith Group ('the Group'). The financial key performance indicators on which the Company is measured are as shown in the income statement and the statement of financial position shown on pages 7 and 8 respectively. We do not consider there to be any non-financial key performance indicators relevant to the entity other than those listed in the Group financial statements. The performance of the Group, which includes this Company, is discussed in the Group's annual report which does not form part of this report. A copy of the Group's annual report can be obtained from the address provided in note 10.

Business review

The loss for the financial year after tax amounted to £29,000 (2017: profit of £3,000).

Dividends

The Directors have not proposed or paid a dividend for the year ended 30 April 2018 (2017: £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

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 2018 in the forthcoming year, excluding the 2018 exceptional item.

Political contributions

No political contributions were made during the year (2017: £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.

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 pursuant to s487 of the Companies Act 2006.

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

W B Hicks

Director

28 September 2018

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; 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

Opinion

In our opinion the financial statements of David S Smith (Pension Contributions) Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 30 April 2018 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 10.

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 David S Smith (Pension Contributions) Limited

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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has 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.

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.

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.

Deloitte LLP

Neil Yazdani (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
28 September 2018

David S Smith (Pension Contributions) Limited

Income statement

For the year ended 30 April 2018

	Notes	2018 £'000	2017 £'000
Operating cost		**(32)**	-
Operating loss before interest and income tax		**(32)**	
Finance income	4	**4**	4
(Loss)/profit before income tax		**(28)**	4
Income tax expense	5	**(1)**	(1)
(Loss)/profit for the financial year		**(29)**	3

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 2018

	Note	2018 £'000	2017 £'000
Assets			
Current assets			
Other receivables	6	**564**	597
Cash and cash equivalents		**172**	168
Total current assets		**736**	765
Total assets		**736**	765
Liabilities			
Current liabilities			
Other payables	7	**(1)**	(1)
Income tax liabilities		**(2)**	(2)
Total current liabilities		**(3)**	(3)
Total liabilities		**(3)**	(3)
Net current assets		**733**	762
Total assets less current liabilities		**733**	762
Net assets		**733**	762
Equity			
Retained earnings		**733**	762
Shareholders' equity		**733**	762

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 28 September 2018.

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 2018

	Retained earnings £'000	Total equity £'000
At 1 May 2016	**759**	**759**
Profit for the year	3	**3**
Total comprehensive income	3	**3**
At 30 April 2017	**762**	**762**
Loss for the year	(29)	**(29)**
Total comprehensive expense	(29)	**(29)**
At 30 April 2018	**733**	**733**

David S Smith (Pension Contributions) Limited

Notes to the financial statements for the year ended 30 April 2018

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 Company is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is shown on page 1. The nature of the Company's operations and its principal activities are set out in the Directors' report on pages 2 to 3.

The financial statements 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 years presented in these financial statements.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

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.

Notes to the financial statements for the year ended 30 April 2018 (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 (2017: £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 prior year.

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

4. Finance income

	2018 £'000	2017 £'000
Bank interest	**4**	4

5. Income tax expense

Continuing operations	2018 £'000	2017 £'000
Current tax expense		
UK Corporation tax in respect of current year	**(1)**	(1)
Total current tax	**(1)**	(1)
Total income tax expense in the income statement from continuing operations	**(1)**	(1)

The difference between the actual tax charge and the standard rate of corporation tax in the UK of 19.00% (2017: 19.92%) is as follows:

	2018 £'000	2017 £'000
(Loss)/profit before tax	**(28)**	4
Income tax at the UK standard rate of corporation tax of 19.00% (2017: 19.92%)	**5**	(1)
Permanent differences	**(6)**	-
Income tax expense	**(1)**	(1)

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

	2018		2017	
	Non-current £'000	**Current £'000**	Non-current £'000	Current £'000
Amounts owed by Group undertakings	-	**564**	-	597

The amounts owed by Group undertakings are non-interest bearing and are repayable on demand. These loans are unsecured.

7. Trade and other payables

	2018		2017	
	Non-current £'000	**Current £'000**	Non-current £'000	Current £'000
Accruals and deferred income	-	**1**	-	1

8. Share capital

	2018 £	2017 £
Allotted, called-up and fully paid:		
5 (2017: 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.