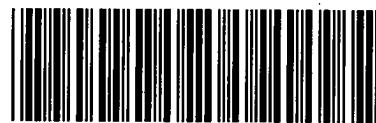


REGISTERED NUMBER: 00621604 (England and Wales)

**Report of the Directors and
Financial Statements for the Year Ended 30 April 2014
for
DS Smith Logistics Limited**

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DS Smith Logistics Limited
Report and financial statements 2014

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for the Year Ended 30 April 2014

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DS Smith Logistics Limited

Officers and professional advisers

DIRECTORS:

P J Brown
M P Jowett
A Marsh

SECRETARY:

A Steele

REGISTERED OFFICE:

350 Euston Road
London
NW1 3AX

REGISTERED NUMBER:

00621604 (England and Wales)

AUDITOR:

Deloitte LLP
Chartered Accountants and Statutory Auditor
London

Strategic Report for the year ended 30 April 2015

The directors, in preparing this Strategic Report, have complied with s414C of the Companies Act 2006

PRINCIPAL ACTIVITY

The Company's principal activity during the year continued to be haulage contracting. This service is provided to its parent company, certain other companies in the DS Smith Group and external third parties.

REVIEW OF BUSINESS

Turnover has increased to £36,246,000 (2013: £35,662,000) due to the passing on of increased fuel costs incurred by the business.

A profit before tax of £57,000 (2013: £118,000) is considered satisfactory for the financial year; as well as the increase in net assets from £8,715,000 to £8,727,000. The Company's financial position remains broadly stable.

DS Smith Plc manages its operations on a divisional basis. On this basis the Company's directors believe that the disclosure of further performance indicators for the Company is not appropriate for an understanding of the development, performance or position of the business. Key performance indicators can be found in the accounts of DS Smith Plc.

PRINCIPAL RISKS AND UNCERTAINTIES

The volatility of the Company's main input cost, fuel, continues to be a risk, particularly given the price variations over the last year, since additional cost needs to be passed onto the customer in order to maintain margins. The Company has mechanisms in place to ensure a reasonable level of recovery from its customers. Additionally, the Company is very active in implementing productivity improvements and other cost reduction programmes to counter the financial impact of this risk.

The majority of sales are to companies in the DS Smith Group, and a significant proportion of the debtors are with these companies.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICY

The directors meet periodically to discuss financial and other risks such as price risk, credit risk, liquidity risk and cash flow risk. Key management mitigate these risks by regular monitoring throughout the year and consultations with the DS Smith Plc Treasury team. Credit risk is deemed immaterial due to the majority of the trading occurring via intercompany, while price risk is mitigated by a fuel surcharge now charged to clients. No hedging instruments are entered into by DS Smith Logistics Limited.

FUTURE DEVELOPMENTS

The directors aim to maintain the policies which have enabled the Company to offer a more comprehensive range of haulage services in recent years. In spite of the uncertain economic climate, the directors expect that the present overall level of activity will be sustained for the foreseeable future, with flexible fleet structure allowing for activity fluctuations.

Strategic Report (continued)

SUBSEQUENT EVENTS

In August 2014, following a review of the business, the Logistics Depot at Middlewich was closed and the employees related to this depot made redundant. The costs of this closure will be disclosed in the year to 30 April 2015.

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



.....
M P Jowett (Director) -

Date: 27 January 2015

**Report of the Directors
for the Year Ended 30 April 2014**

The directors present their report with the financial statements of the Company for the year ended 30 April 2014.

The information that fulfils the Companies Act requirements of the business review is included in the Strategic Report. This included a review of the development of the Company during the year, financial risk management policies, principal risks and uncertainties, future developments and subsequent events.

DIVIDENDS

No dividends will be distributed for the year ended 30 April 2014 (2013: £nil).

DIRECTORS

D Matthews was appointed as a director on 28th June 2013 and resigned as a Director on 16th January 2014 and S Dryden resigned as a director on 28th June 2013. C R Rosser resigned on 21 August 2014 and S Rossi resigned on 29 September 2014. A R T Marsh was appointed a director on 24 September 2014. P J Brown was appointed as a director on 29 September 2014.

REGISTERED OFFICE

On 20 November 2013 the registered office changed from Beech House, Whitebrook Park, 68 Lower Cookham Road, Maidenhead, SL6 8XY to 350 Euston Road, London NW1 3AX.

POLICY AND PRACTICE ON PAYMENT OF SUPPLIERS

Although the Company does not follow any formal code or standard on payment practice, it is the Company's policy to agree terms of business with suppliers either for each order or, in the case of regular suppliers, on a periodic basis. The Company pays the supplier accordingly, provided that all of the goods or services to which the invoice relates have been received or completed to our satisfaction.

The aggregate amount owed by the Company to trade creditors at the year end was equivalent to 61 days (2013 was 63 days) on purchases invoiced by suppliers during the year.

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the Company made charitable donations of £nil (2013:£nil).

No political donations were made by the Company during the year (2013: £nil).

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

During the year, the ultimate parent company maintained liability insurance for the directors and officers of the Company.

**Report of the Directors (continued)
for the Year Ended 30 April 2014**

ENVIRONMENT

The Company recognises the importance of its environmental responsibilities and monitors its impact on the environment. Initiatives designed to minimise the Company's impact on the environment include reducing and recycling waste and investment in equipment designed to improve energy efficiencies.

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 balance sheet on page 9.

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.

After taking into consideration the profitability and financial position of the Company, the directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has access to adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

DISABLED EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group and the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

**Report of the Directors (continued)
for the Year Ended 30 April 2014**

EMPLOYEE CONSULTATION

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group and the Company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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.

AUDITORS

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor are unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

Elective resolutions to dispense with holding annual general meetings, the laying of accounts before the Company in general meeting and the appointment of auditors annually are currently in force. The auditors Deloitte LLP will therefore be deemed to have been reappointed at the end of the period of 28 days beginning with the day on which copies of this report and accounts are sent to members unless a resolution is passed to the effect that their appointment be brought to an end.

ON BEHALF OF THE BOARD:



.....
M P Jowett (Director)

Date: 27 January 2015

Report of the Independent Auditor to the Shareholder of DS Smith Logistics Limited

We have audited the financial statements of DS Smith Logistics Limited for the year ended 30 April 2014 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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 Statement of Directors' Responsibilities set out on page six, 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 throughout 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 2014 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 the information given in the Report of the Directors and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.



Sukhbinder Kooner Senior Statutory Auditor
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
2 New Street Square
London
United Kingdom

Date: . 27 January 2015

**Profit and Loss Account
for the Year Ended 30 April 2014**

	Notes	2014 £'000	2013 £'000
TURNOVER	2	36,246	35,662
Cost of sales		<u>(33,233)</u>	<u>(32,948)</u>
GROSS PROFIT		3,013	2,714
Administrative expenses		<u>(2,924)</u>	<u>(2,689)</u>
OPERATING PROFIT	5	89	25
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION		89	25
Finance (expense) / income (net)	6	<u>(32)</u>	<u>93</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		57	118
Tax on profit on ordinary activities	7	<u>(45)</u>	<u>(15)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>12</u>	<u>103</u>

CONTINUING OPERATIONS

None of the Company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The Company has no recognised gains or losses other than the profits for the current year or previous year. Accordingly, no separate statement of total recognised gains and losses is presented.

DS Smith Logistics Limited (Registered number: 00621604)

Balance Sheet
30 April 2014

	Notes	2014 £'000	2013 £'000
FIXED ASSETS			
Tangible assets	8	245	391
CURRENT ASSETS			
Stocks	9	221	173
Debtors: amounts falling due within one year	10	14,706	16,741
Debtors: amounts falling due after more than one year	10	774	774
Cash in hand		<u>1</u>	<u>1</u>
		15,702	17,689
CREDITORS			
Amounts falling due within one year	11	<u>(6,870)</u>	<u>(9,031)</u>
NET CURRENT ASSETS		<u>8,832</u>	<u>8,658</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		9,077	9,049
Provisions for liabilities	12	(350)	(334)
NET ASSETS		<u>8,727</u>	<u>8,715</u>
CAPITAL AND RESERVES			
Called up share capital	14	24	24
Share premium	15	26	26
Profit and loss account	15	<u>8,677</u>	<u>8,665</u>
SHAREHOLDERS' FUNDS	17	<u>8,727</u>	<u>8,715</u>

The financial statements of DS Smith Logistics Limited, registered number 00621604, were approved by the Board of Directors on 27 January 2015 and were signed on its behalf by:



M P Jowett - Director

**Notes to the Financial Statements
for the Year Ended 30 April 2014**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

Significant accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the current and preceding year.

Accounting convention

The financial statements have been prepared under the historical cost convention, and in accordance with applicable United Kingdom accounting standards.

Going concern

The Company's financial and liquidity position are described in the Directors' report. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the accounts have been prepared on the going concern basis.

Financial Reporting Standard (FRS) 1 'Cash flow statements' (revised 1996)

Exemption has been taken from preparing a cash flow statement on the grounds that the parent company includes this wholly owned subsidiary in its published financial statements.

Pensions

The Company is a participating employer in the DS Smith Group Pension Scheme (the 'Scheme'), a defined benefit scheme. The Company makes contributions to the Scheme as agreed with DS Smith Plc (the ultimate parent undertaking which accounts for the Scheme in its financial statements), and, as permitted by FRS 17, 'Retirement Benefits', accounts for the Scheme as a defined contribution scheme and recognises as pension cost the contributions payable in each financial period. On 30 April 2011, the scheme closed to future accrual.

Fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and any provision for impairment. Such costs include costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Short-leasehold properties	Over the lease term (straight-line)
Plant and machinery	5% to 25% per annum (straight-line)

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 profit and loss account as appropriate.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost includes any expenditure incurred in bringing the stock to its present location and condition. Net realisable value is based on estimated selling price, less further costs expected to be incurred to completion and disposal. Stocks are valued on a first-in first-out principle.

Foreign currencies

Transactions in foreign currencies are translated into sterling at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into sterling at the foreign exchange rate ruling at that date. All exchange differences are included in the profit and loss account.

1. ACCOUNTING POLICIES - continued

Taxation

Current UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rate and laws that have been enacted or substantively enacted by the balance sheet date. In accordance with Group policy, the Company surrenders current year tax losses to other members of the DS Smith Group, and receives payment for those tax losses at the rate of tax prevailing in the year.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Turnover

Turnover comprises the fair value for the sale of goods and services, net of value-added tax, rebates and discounts. Revenue from the sale of goods is recognised in the profit and loss account when the significant risks and rewards of ownership have been transferred to the buyer.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

Related party disclosure

The Company is exempt under the terms of Financial Reporting Standard 8 "Related Party Disclosures" from disclosing related party transactions with entities that are wholly owned members of DS Smith Group or investees of the group qualifying as related parties.

2. TURNOVER

The turnover and profit before taxation originates in the United Kingdom and are attributable to the one principal activity of the Company. All sales are within the UK.

**Notes to the Financial Statements - continued
for the Year Ended 30 April 2014**

3. STAFF COSTS

	2014	2013
	£'000	£'000
Wages and salaries	6,789	7,018
Social security costs	694	725
Other pension costs	194	148
	<u>7,677</u>	<u>7,891</u>

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

	2014	2013
Administration	10	10
Distribution	203	224
	<u>213</u>	<u>234</u>

4. DIRECTORS' EMOLUMENTS

For the year to 30 April 2014, all directors of the Company are also directors of other companies within the DS Smith group of companies and their emoluments are paid in respect of services to those companies. No directors received remuneration in either the current or previous year in respect of their services as directors of the Company (year ended 30 April 2013: £nil). Similarly, none of the directors are included in the Company's pension schemes, nor did the Company make any contribution, on their behalf, to any other pension scheme in either year.

5. OPERATING PROFIT

The operating profit is stated after charging:

	2014	2013
	£'000	£'000
Hire of plant and machinery	3,042	2,869
Other operating leases	89	85
Depreciation - owned assets	194	163
Fees payable to the auditor for the audit of the Company's annual accounts	<u>5</u>	<u>8</u>

6. FINANCE CHARGES (NET)

	2014	2013
	£'000	£'000
Bank interest receivable	-	11
Interest receivable from Group undertakings	-	82
Bank interest payable	<u>(32)</u>	<u>-</u>
	<u>(32)</u>	<u>93</u>

Notes to the Financial Statements - continued
for the Year Ended 30 April 2014

7. TAXATION

(a) Analysis of tax charge in the year

	2014 £'000	2013 £'000
Current taxation		
UK corporation tax at 22.83% (2013: 23.92 %) – group relief	20	33
Adjustments in respect of prior years	33	(11)
Total current tax (credit)/charge	53	22
Deferred taxation		
Origination and reversal of timing differences	(5)	(5)
Effect of change in tax rate	16	4
Adjustments in respect of prior years	(19)	(6)
Total deferred (credit)/charge	(8)	(7)
Tax charge on profit on ordinary activities	<u>45</u>	<u>15</u>
Effective tax rate	<u>78.9%</u>	<u>12.7%</u>

The current tax charge for the year is higher (2013: lower) than that calculated by applying the standard rate of corporation tax in the UK 22.83% (2013: 23.92%) to profit before tax. The differences are explained below.

(b) Tax reconciliation

	2014 £'000	2013 £'000
Profit on ordinary activities before taxation	<u>57</u>	<u>118</u>
Tax at 22.83% (2013: 23.92%)	13	28
Effects of:		
Depreciation in excess of capital allowances	7	5
Prior year adjustment	33	(11)
Current tax charge for the year	<u>53</u>	<u>22</u>

(c) Factors that may affect future tax charges

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.

Finance Act 2013 includes a reduction in the standard rate of tax from 23% to 21% effective from 1 April 2014 and a further reduction in the rate of corporation tax to 20%, effective from 1 April 2015, which were substantively enacted at the balance sheet date. There have been no further indications of potential future changes to the rate of corporation tax of 20%.

The Company's deferred tax balances are therefore calculated using the corporation tax rate of 20%.

Notes to the Financial Statements - continued
for the Year Ended 30 April 2014

8. TANGIBLE FIXED ASSETS

	Short leasehold £'000	Plant and machinery £'000	Totals £'000
COST			
At 1 May 2013	34	2,564	2,598
Additions	-	48	48
Disposals	-	(555)	(555)
At 30 April 2014	<u>34</u>	<u>2,057</u>	<u>2,091</u>
DEPRECIATION			
At 1 May 2013	34	2,173	2,207
Charge for year	-	194	194
Disposals	-	(555)	(555)
At 30 April 2014	<u>34</u>	<u>1,812</u>	<u>1,846</u>
NET BOOK VALUE			
At 30 April 2014	<u>-</u>	<u>245</u>	<u>245</u>
At 30 April 2013	<u>-</u>	<u>391</u>	<u>391</u>

9. STOCKS

	2014 £'000	2013 £'000
Raw materials and consumables	<u>221</u>	<u>173</u>

There is no material difference between the balance sheet value of stocks and their replacement cost.

10. DEBTORS

	2014 £'000	2013 £'000
Amounts falling due within one year:		
Trade debtors	125	122
Amounts owed by Group undertakings	13,648	15,154
Other debtors	-	1
VAT	313	813
Deferred tax asset	79	71
Amounts owed by Group undertakings – group relief	26	-
Prepayments and accrued income	<u>515</u>	<u>580</u>
	<u>14,706</u>	<u>16,741</u>
Amounts falling due after more than one year:		
Amounts owed by Group undertaking	<u>774</u>	<u>774</u>
	<u>774</u>	<u>774</u>
Aggregate amounts	<u>15,452</u>	<u>17,515</u>

Notes to the Financial Statements - continued
for the Year Ended 30 April 2014

10. **DEBTORS - continued**

Deferred tax asset

	2014	2013
	£'000	£'000
Deferred tax opening balance	71	64
Deferred tax movement in year	8	7
	<u>79</u>	<u>71</u>

Nature of deferred tax asset

	2014	2013
	£000	£000
Depreciation in excess of capital allowances	79	71

11. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2014	2013
	£'000	£'000
Bank loans and overdrafts (see note 13)	44	2,539
Trade creditors	5,583	5,817
Amounts owed to group undertakings	106	144
Corporation tax	-	37
Social security and other taxes	193	440
Accruals and deferred income	<u>944</u>	<u>54</u>
	<u>6,870</u>	<u>9,031</u>

12. **PROVISIONS FOR LIABILITIES**

	2014	2013
	£'000	£'000
Other Provisions	<u>350</u>	<u>334</u>
Decommissioning provisions		
		Total
		£'000
Balance as at 1 May 213		334
Charged to profit and loss account		194
Utilised during the year		(178)
		<u>350</u>

13. **LOANS**

An analysis of the maturity of loans is given below:

	2014	2013
	£'000	£'000
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>44</u>	<u>2,539</u>

Notes to the Financial Statements - continued
for the Year Ended 30 April 2014

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2014	2013
Number:	Class:		£'000	£'000
12,121	Ordinary	£1	12	12
12,121	5% Non Cumulative Preference	£1	<u>12</u>	<u>12</u>
			<u>24</u>	<u>24</u>

15. RESERVES

	Profit and Loss Account £'000	Share premium £'000	Totals £'000
At 1 May 2013	8,665	26	8,691
Profit for the year	<u>12</u>	<u>-</u>	<u>12</u>
At 30 April 2014	<u>8,677</u>	<u>26</u>	<u>8,703</u>

16. CONTINGENT LIABILITIES

The Company is a participant in the DS Smith Group's uncommitted overdraft facility with a net limit of £15m. The participants in the facility cross-guaranteed the overdrawn balances under the facility.

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	2014 £'000	2013 £'000
Profit for the financial year	<u>12</u>	<u>103</u>
Net addition to shareholder's funds	12	103
Opening shareholder's funds	<u>8,715</u>	<u>8,612</u>
Closing shareholder's funds	<u>8,727</u>	<u>8,715</u>

18. COMMITMENTS

At the year end the Company had annual commitments under non-cancellable operating leases as set out below:

	Land & Buildings		Other	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Operating leases which expire:				
within one year	28	84	152	285
within two to five years	258	230	1,971	1,325
In over five years	<u>-</u>	<u>-</u>	<u>33</u>	<u>22</u>
	<u>286</u>	<u>314</u>	<u>2,156</u>	<u>1,835</u>

**Notes to the Financial Statements - continued
for the Year Ended 30 April 2014**

19. PENSION ARRANGEMENTS

The Company is a participating employer in the DS Smith Group Pension Scheme (the 'Scheme'), a defined benefit scheme. The Company makes contributions to the Scheme as agreed with DS Smith Plc (the ultimate parent undertaking which accounts for the Scheme in its financial statements), and, as permitted by FRS 17, 'Retirement Benefits', accounts for the Scheme as a defined contribution scheme and recognises as pension cost the contributions payable in each financial period. The consolidated financial statements for the year to 30 April 2014 for DS Smith Plc included information about the funding position of the Scheme as a whole as at 30 April 2014.

As at 30 April 2014, the deficit in the scheme was £151.0m (2013: £214.0m).

	2014 %	2013 %
Discount rate for scheme liabilities	4.4%	3.9%
Inflation	2.3%	2.2%
Pre-retirement pension increases	2.3%	2.2%
Future pension increases for pre 30 April 2005 service	2.3%	2.2%
Future pension increases for post 30 April 2005 service	2.1%	2.0%

Future mortality is the most significant demographic assumption.

The current life expectancies (in years) are:

	2014 Male	2014 Female	2013 Male	2013 Female
Life expectancy at age 65				
Pensioner currently age 65	21.4	23.8	22.2	23.4
Member currently aged 45	23.2	25.7	22.6	24.9

The consolidated financial statements for the year to 30 April 2014 for DS Smith Plc include information about the funding position of the Group scheme as at 30 April 2014.

From 30 April 2011, the Scheme was closed to future accrual and all members, offered participation in a defined contribution scheme.

The Group made agreed annual contributions to the Group scheme of £15m in 2013/14 (2012/13: £18m).

The Company's pension cost charge for the year amounted to £194,000 (2013: £148,000). The amount payable at 30 April 2013 was nil (30 April 2013: £23,000).

20. SUBSEQUENT EVENTS

In August 2014, following a review of the business the Logistics Depot at Middlewich was closed and the employees related to this depot made redundant. The costs of this closure will be disclosed in the year to 30 April 2015.

21. DISCLOSURE OF CONTROLLING PARTIES

The immediate parent undertaking is DS Smith Paper Limited, a company incorporated in Great Britain and registered in England and Wales.

The ultimate holding company is DS Smith Plc, which is incorporated in Great Britain and registered in England and Wales.

DS Smith Plc represents both the largest and smallest group of undertakings for which group financial statements are prepared and of which the Company is a member.

Copies of the Group financial statements are available from the Company Secretary, DS Smith Plc, 350 Euston Road, London NW1 3AX.