

**Company Registration No. 00166396**

**LSC Communications UK Limited (Formerly  
R.R. Donnelley Limited)**

**Report and Financial Statements**

**31 December 2015**

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COMPANIES HOUSE

# **LSC Communications UK Limited**

## **Report and financial statements 2015**

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# **LSC Communications UK Limited**

## **Report and financial statements 2015**

### **Officers and professional advisers**

#### **Directors**

W. Brown  
M. Swat  
G. Czech

#### **SECRETARY**

T. Gordon

#### **Registered office**

Flaxby Moor  
Knaresborough  
North Yorkshire  
HG5 0XJ

#### **Auditor**

Deloitte LLP  
Chartered Accountants and Registered Auditor  
Leeds  
United Kingdom

#### **Bankers**

ING Bank NV  
60 London Wall  
London  
EC2M 5TQ

# **LSC Communications UK Limited**

## **Directors' report**

The directors present their annual report on the affairs of the company, together with the financial statements and auditor's report for the year ended 31 December 2015.

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption and consequently, a separate strategic report is not required to be presented.

### **Principal activities and business review**

The principal activity of the company is that of a non-trading 100% owned subsidiary of RRD Holdings BV

The company made a net profit of £753,000 (2014: £764,000) due to intercompany interest income.

### **Dividends**

An interim dividend of £154,324 per ordinary share was paid during the financial year (2014: £nil). The directors do not propose to pay a final dividend (2014: £nil).

### **Directors**

The directors who served during the year and up to the date of this report except as noted below are as follows:

M. Richardson (resigned 21 March 2016)

W. Brown

M. Swat (appointed 21 March 2016)

G. Czech (appointed 21 March 2016)

### **Principal risks and uncertainties**

The company is a non-trading company with intercompany receivables. The principal risks are therefore associated with the recoverability of those receivables. The directors manage this risk through regular monitoring of the liquidity of the group companies within the wider R.R. Donnelley & Sons group.

### **Future prospects**

The directors consider the results for the year to be in line with expectations and the prospects for the company to be satisfactory. The directors expect this company to commence trading as an agent in 2016 with the employment of one sales person and one customer services person to both service existing group sales contracts and seek new contracts.

### **Going concern**

The directors are satisfied that the company has adequate resources to continue in existence for the foreseeable future. In forming this opinion the directors have considered the principal risk and uncertainties facing the company. The company is not reliant on external financing and accordingly the directors have adopted the going concern basis in preparing the annual report and financial statements.

### **Statement as to disclosure of information to the auditor**

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

- so far each of the directors is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director to make himself/herself 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 s418 of the Companies Act 2006.

# LSC Communications UK Limited

## Directors' report (continued)

### Auditor

The directors will place a resolution before the Annual General Meeting to reappoint Deloitte LLP as auditors for the ensuing year.

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

A handwritten signature in black ink, appearing to read 'Walter Brown', written in a cursive style.

Director  
Walter Brown

23/6/16

## **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 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 judgments 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 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 LSC Communications UK Limited**

We have audited the financial statements of LSC Communications UK Limited (formerly R.R. Donnelley Limited) for the year ended 31 December 2015 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 31 December 2015 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.

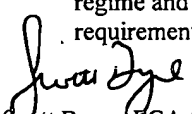
### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Directors' Report or from the requirement to prepare a Strategic Report

  
Scott Bayne FCA (Senior Statutory Auditor)

for and on behalf of Deloitte LLP, Chartered Accountants and Statutory Auditor  
Leeds, United Kingdom

30 June 2016

## **LSC Communications UK Limited**

### **Profit and loss account Year ended 31 December 2015**

	<b>Note</b>	<b>2015 £'000</b>	<b>2014 £'000</b>
Interest receivable	2	944	973
<b>Profit on ordinary activities before taxation</b>		<u>944</u>	<u>973</u>
Tax on profit on ordinary activities	3	(191)	(209)
<b>Retained profit for the year</b>	10	<u>753</u>	<u>764</u>

All of the results of the company arose from continuing activities.

The accompanying notes are an integral part of this profit and loss account.

# LSC Communications UK Limited

## Balance Sheet 31 December 2015

	Note	2015 £'000	2014 £'000
<b>Current assets</b>			
Debtors	6	1,153	16,584
<b>Creditors: amounts falling due within one year</b>	7	(401)	(1,153)
<b>Net assets</b>		<u>752</u>	<u>15,431</u>
<b>Capital and reserves</b>			
Called up share capital	8	-	5,158
Capital contribution	10	-	4,000
Profit and loss account	10	752	6,273
<b>Shareholders' funds</b>	11	<u>752</u>	<u>15,431</u>

The accompanying notes are an integral part of this balance sheet.

These financial statements of LSC Communications UK Limited (formerly RR Donnelley Limited), company number 00166396, were approved by the Board of Directors on ~~23~~ June 2016.

Signed on behalf of the Board of Directors



Director  
Walter Brown

# LSC Communications UK Limited

## Notes to the financial statements Year ended 31 December 2015

### 1. Accounting policies

The principal accounting policies are set out below. These have been applied consistently throughout the year and the preceding year.

#### Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable UK law and accounting standards.

#### Going concern

The directors are satisfied that the company has adequate resources to continue in existence for the foreseeable future. In forming this opinion the directors have considered the principal risk and uncertainties facing the company. The company is not reliant on external financing and accordingly the directors have adopted the going concern basis in preparing the annual report and financial statements.

#### Cash flow statement

Under the provisions of FRS 1 (revised): Cash Flow Statements, the Company has not prepared a cash flow statement because its ultimate parent company, R. R. Donnelley & Sons Company, prepares consolidated accounts which include the cash flows of the Company.

#### Taxation

UK corporation tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

### 2. Interest receivable

	2015 £'000	2014 £'000
Interest receivable on intercompany loan	944	973

### 3. Tax on profit on ordinary activities

	2015 £'000	2014 £'000
The tax charge comprises:		
Current tax		
UK corporation tax	191	209

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2015 £'000	2014 £'000
Profit on ordinary activities before tax	944	973
Tax on profit on ordinary activities at standard UK corporation tax rate of 20.25% (2014: 21.5%)	191	209
Current tax for the year	191	209

### 4. Profit on ordinary activities before taxation

The auditor's remuneration of £2,000 and Companies House fees were borne by a fellow group undertaking in the current year and preceding year.

# LSC Communications UK Limited

## Notes to the financial statements Year ended 31 December 2015

### 5. Information regarding directors and employees

No emoluments were payable to the directors, who were the only employees of the company during the current and preceding financial year. Directors' remuneration was borne by another group company (2014: Same).

### 6. Debtors

	2015 £'000	2014 £'000
Amounts owed by group undertakings	1,153	16,584

### 7. Creditors: amounts falling due within one year

	2015 £'000	2014 £'000
Amounts owed to group undertakings	401	1,153
	401	1,153

The amounts owed to group undertakings are interest free and repayable on demand and include an amount of £401,000 (2014 – £423,000) which relates to an intercompany tax payable.

### 8. Called-up share capital

	2015 £	2014 £
Allotted, called-up and fully paid 100 ordinary shares of £1 each	100	5,157,851

During the year the capital contribution of £4,000,000 was converted to additional share capital by the allotment of 4 million £1 shares to RR Donnelley Holdings BV, fully paid up. The resulting share capital of 9,157,851 was subsequently reduced to 100 by the creation of a distributable reserve.

### 9. Dividends

	2015 £	2014 £
Dividend paid		
Current year dividend paid	15,432,402	-

### 10. Reserves

	Called-up share capital £	Capital contribution £	Profit and loss account £	Total £
At 1 January 2015	5,157,851	4,000,000	6,273,651	15,431,502
Profit for the year	-	-	753,236	753,236
Issue of share capital	4,000,000	(4,000,000)	-	-
Reduction of share capital	(9,157,751)	-	9,157,751	-
Dividends paid on equity shares	-	-	(15,432,402)	(15,432,402)
At 31 December 2015	100	-	752,236	752,336

# LSC Communications UK Limited

## Notes to the financial statements Year ended 31 December 2015

### 11. Reconciliation of movements in shareholders' funds

	2015 £'000	2014 £'000
Profit for the year	753	764
Dividends paid on equity shares	(15,432)	-
Net reduction to shareholders' funds	(14,679)	764
Opening shareholders' funds	15,431	14,667
Closing shareholders' funds	752	15,431

### 12. Related party disclosures

The company's ultimate parent company and controlling party is R.R. Donnelley & Sons Company which is incorporated in the State of Delaware, USA. The company's immediate parent company is R R Donnelley Holdings BV incorporated in the Netherlands. As a wholly owned subsidiary undertaking of R. R. Donnelley & Sons Company, the company has taken advantage of the exemption in FRS8 "Related party disclosures" not to disclose transactions with other wholly owned members of the group headed by R. R. Donnelley & Sons Company since that company produces financial statements which are available to the public and which include LSC Communications UK Limited (formerly R.R. Donnelley Limited). There are no other related party transactions requiring disclosure.

The largest group in which the results of the company are consolidated is that headed by R.R. Donnelley & Sons Company. The smallest group in which they are consolidated is that headed by R.R. Donnelley Holdings BV. The consolidated financial statements of R.R. Donnelley & Sons Company are available to the public and may be obtained from the following address:

R.R. Donnelley & Sons Company  
Corporate Communication Department  
35 West Wacker Drive  
Chicago  
Illinois 60601  
USA

### 13. Post balance sheet event

On 21 March 2016 it was decided to change the name of the company to LSC Communications UK Limited.