
DS SMITH DISPLAY HOLDING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2022

DS SMITH DISPLAY HOLDING LIMITED

COMPANY INFORMATION

Directors	W B Hicks S Rossi
Company secretary	Z W Stone
Registered number	00382678
Registered office	350 Euston Road London United Kingdom NW1 3AX
Independent auditor	Deloitte LLP 5 Callaghan Square Cardiff United Kingdom CF10 5BT

DS SMITH DISPLAY HOLDING LIMITED

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**STRATEGIC REPORT
FOR THE YEAR ENDED 30 APRIL 2022**

Introduction

The Directors present their strategic report for the year ended 30 April 2022.

Business review

The principal activity of the Company is to act as an investment holding company within the DS Smith Group ('the Group') for a subsidiary which is engaged in the manufacture and sale of paper and packaging and the provision of packaging services. There has been no significant change in the Company's principal activity in the year under review. The Directors are not aware, at the date of this report, of any likely significant changes in the Company's activities in the forthcoming financial year.

The results for the financial year show a loss after taxation of £9,786,000 (2021: £8,709,000 loss) and net liabilities of £63,497,000 (2021: £53,711,000). The loss after tax and movement on net liabilities is primarily due to interest charged on amounts owed to group undertakings as detailed in note 10. No dividends were paid during the year (2021: £nil).

Given the nature of the Company's activities, the Directors are satisfied with the underlying performance of the business during the year.

Financial risk management policy

The Company's operations expose it to a variety of financial risks that include liquidity risk and interest rate risk. Where applicable, the Company follows the Group policy. 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 Group Treasury function, supported by external borrowings where appropriate, designed to ensure the Company has sufficient available funds for operations.

Interest rate risk

The Company is exposed to volatility in the applicable interest rate (i.e. Libor). The interest rates are set at market rates by the third party and managed by central treasury functions within DS Smith Plc.

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2022**

Directors' statement of compliance with duty to promote the success of the Company

The Directors aim to promote the success of the Company for the benefit of its shareholder and the Group as a whole, taking into account the long-term consequences of its decisions and looking at those decisions through a variety of lenses. This involves the Board and management considering in detail and discussing the interests of the Company's and Group's stakeholders including our customers, our people, our investors, our suppliers, local communities and non-governmental organisations; the importance of maintaining our reputation for high standards of business conduct; and the environment. When making decisions during the year the Directors of the Group received relevant information to help them understand the interest and views of these key stakeholder groups and the potential impact these decisions could have on each group. Information included reports regarding financial and operational performance, non-financial key performance indicators, (including accident frequency rate, CO2 equivalent emissions and on-time and in-full deliveries), risk, responsible business matters and the results of specific stakeholder engagement exercises.

As the Company is an investment holding company within the Group it does not have any direct employees, customers or suppliers. The Directors of this entity make decisions in respect of this Company with regard to its internal stakeholders. For more details on how the Group considers the interests of the Group's employees, the impact actions have on the communities in which the Group operate and the environment, maintaining high standards of business conduct and acting fairly at all times, refer to 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 in note 14.

This report was approved by the board on 4 October 2022 and signed on its behalf.

W B Hicks
Director

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 APRIL 2022**

The Directors present their annual report and financial statements for the year ended 30 April 2022.

Results and dividends

The loss for the year, after taxation, amounted to £9,786,000 (2021 - loss £8,709,000).

The Directors have not proposed or paid a dividend for the year ended 30 April 2022 (2021: £nil).

Directors

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

W B Hicks
S Rossi
P J Brown (resigned 30 April 2022)

Directors' and officers' liability insurance

During the year and up to the date of approval of these financial statements, the ultimate parent company maintained qualifying third-party indemnity arrangements for the benefit of certain directors of companies within the Group, including the Directors of the Company.

Political contributions

No political contributions were made during the year (2021: £nil).

Principal risks and uncertainties

Financial risks policies can be found on the strategic report on page 1.

Future developments

The principal activity of the Company is to act as a Group investment holding that is principally party to intra-group transactions. The Directors expect that this will remain the case in the future and that the general level of activity for the Company will remain consistent with 2022.

There continues to be global uncertainty within the macroeconomic environment as a result of the Russian invasion of Ukraine and rising inflation, particularly following significant increases in energy costs. Raw material and other input costs also remain high. However, these are mitigated by effective supplier arrangements, long-term hedging arrangements and rising packaging prices. The Group has demonstrated resilience throughout the Covid-19 pandemic and customer demand remains strong, especially in the FMCG sector which represents over 80% of our volumes. In a challenging supply chain environment, our large scale, security of supply and high service levels have driven ongoing gains with our customers including large multinational companies. The Group remains focused on resilient end markets, including in the US and in regions where demand is buoyant and new sites have been opened. The Group continues to carefully manage our cost base and is confident for the year ahead, expecting a further substantial improvement in performance.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2022**

Going concern

The financial statements have been prepared using the going concern basis of accounting. In making their assessment on the appropriateness of using the going concern basis, the Directors have considered any material uncertainties relating to events or conditions that may cast significant doubt upon the continuing use of the going concern basis of accounting in future periods. The Directors have considered a period of at least 12 months from the date the financial statements are authorised for issue.

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 12. At 30 April 2022 the Company reported net current liabilities of £299,000 (2021: £223,315,000) and net liabilities of £63,497,000 (2021: £53,711,000).

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 Group and has received a legally binding letter of support from DS Smith Plc that it will, as required, continue to support the Company to repay its liabilities as they fall due for a period of no less than 12 months from the approval of these financial statements. 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.

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director 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 ought to have been taken as a Director in order to be 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.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditor

At the 2022 AGM of DS Smith Plc, the Company's ultimate parent company, held on 6 September 2022 Ernst & Young LLP (EY) were appointed as external auditor to the Group. Accordingly Deloitte LLP will not be seeking reappointment as auditor of the Company at the conclusion of their current term of office. There are no circumstances connected with the resignation of Deloitte LLP as external auditor which should be brought to the attention of the stakeholders of the Company.

DS SMITH DISPLAY HOLDING LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2022**

This report was approved by the board on 4 October 2022 and signed on its behalf.

W B Hicks
Director

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 APRIL 2022**

The Directors are responsible for preparing the Strategic Report, the Directors' 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), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DS SMITH DISPLAY HOLDING LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of DS Smith Display Holding Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30 April 2022 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 statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the related notes 1 to 14.

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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DS SMITH DISPLAY HOLDING LIMITED

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 this regard.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act, pensions legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DS SMITH DISPLAY HOLDING LIMITED

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

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.

DS SMITH DISPLAY HOLDING LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DS SMITH DISPLAY HOLDING LIMITED

David Hedditch (Senior statutory auditor)

For and on behalf of

Deloitte LLP

5 Callaghan Square

Cardiff

United Kingdom

CF10 5BT

4 October 2022

DS SMITH DISPLAY HOLDING LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2022**

	Note	2022 £000	<i>2021 £000</i>
Interest payable and similar expenses	6	(9,758)	<i>(10,385)</i>
Loss before taxation		(9,758)	<i>(10,385)</i>
Tax on loss	7	(28)	<i>1,676</i>
Loss for the financial year		(9,786)	<i>(8,709)</i>

There were no recognised gains and losses for 2022 or 2021 other than those included in the statement of comprehensive income. Profits/loss are derived from continuing activities and are attributed to the owner of the Company.

The notes on pages 14 to 22 form part of these financial statements.

DS SMITH DISPLAY HOLDING LIMITED
REGISTERED NUMBER: 00382678

STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2022

	Note	2022 £000	2021 £000
Non-current assets			
Investments in subsidiaries	8	135,348	135,348
Trade and other receivables: amounts falling due after more than one year	9	35,637	34,256
		<u>170,985</u>	<u>169,604</u>
Current assets			
Trade and other receivables: amounts falling due within one year	9	-	1,110
		<u>-</u>	<u>1,110</u>
Trade and other payables: amounts falling due within one year	10	(299)	(224,425)
		<u>(299)</u>	<u>(223,315)</u>
Net current liabilities		(299)	(223,315)
Total assets less current liabilities		170,686	(53,711)
Trade and other payables: amounts falling due after more than one year	10	(234,183)	-
		<u>(63,497)</u>	<u>(53,711)</u>
Net liabilities		(63,497)	(53,711)
Capital and reserves			
Called up share capital	11	42,313	42,313
Share premium account		124,393	124,393
Profit and loss account		(230,203)	(220,417)
		<u>(63,497)</u>	<u>(53,711)</u>

The financial statements of DS Smith Display Holding Limited (registered number: 003826) were approved and authorised for issue by the board and were signed on its behalf on 4 October 2022.

W B Hicks
Director

The notes on pages 14 to 22 form part of these financial statements.

DS SMITH DISPLAY HOLDING LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2022**

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 May 2020	42,313	124,393	(211,708)	(45,002)
Comprehensive loss for the year				
Loss for the year	-	-	(8,709)	(8,709)
Total comprehensive expense for the year	-	-	(8,709)	(8,709)
At 30 April 2021	42,313	124,393	(220,417)	(53,711)
Comprehensive loss for the year				
Loss for the year	-	-	(9,786)	(9,786)
Total comprehensive expense for the year	-	-	(9,786)	(9,786)
At 30 April 2022	42,313	124,393	(230,203)	(63,497)

The notes on pages 14 to 22 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**

1. General information

DS Smith Display Holding Limited ("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 and whose shares are not publicly traded. The registered office is located at 350 Euston Road, London, NW1 3AX. The principal activity of the company can be found in the strategic report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The Company's functional currency is sterling (£) as this is the currency of the primary economic environment in which the company operates.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors; and
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

2.3 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of a non-EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022

2. Accounting policies (continued)

2.4 Going concern

The financial statements have been prepared using the going concern basis of accounting. In making their assessment on the appropriateness of using the going concern basis, the Directors have considered any material uncertainties relating to events or conditions that may cast significant doubt upon the continuing use of the going concern basis of accounting in future periods. The Directors have considered a period of at least 12 months from the date the financial statements are authorised for issue.

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 12. At 30 April 2022 the Company reported net current liabilities of £299,000 (2021: £223,315,000) and net liabilities of £63,497,000 (2021: £53,711,000).

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 Group and has received a legally binding letter of support from DS Smith Plc that it will, as required, continue to support the Company to repay its liabilities as they fall due for a period of no less than 12 months from the approval of these financial statements. 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.

2.5 Impact of new international reporting standards, amendments and interpretations

The following new accounting standards, amendments or interpretations have been adopted by the Company as of 1 May 2021:

- Interest Rate Benchmark Reform Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16); and
- Covid 19 Related Rent Concessions – amendments to IFRS 16

The adoption of the amendments has not had a material effect on the results for the year or the financial position at the year end. Where relevant, equivalent disclosures have been made in the Group accounts.

2.6 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022

2. Accounting policies (continued)

2.7 Current and deferred taxation

Income tax on the profit or loss for the year comprises 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 balance sheet date, and any adjustment to tax payable in respect of previous years.

For the year ended 30 April 2021 and prior years the Group policy is, for the tax charge during the year, the ultimate parent company DS Smith Plc pays the tax charged on behalf of the entity and the balance is stated as payable balance to Plc and in case of tax credit balance, 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.

For the year ended 30 April 2022 and onwards, DS Smith Group entities will no longer receive payment for current year tax losses surrendered or make payment for group relief claimed at the rate of tax prevailing in the year. However, where an entity has negative reserves and losses which will be surrendered to other members of the DS Smith Group, the claimant company will need to make payment for those tax losses at the rate of tax prevailing in the year.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022

2. Accounting policies (continued)

2.11 Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

Financial liabilities

At amortised cost

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

In the opinion of the Directors, there are no critical judgements, apart from those involving estimations (which are dealt with separately below), that have been made in the process of applying accounting policies.

Investments in subsidiaries

The carrying values of the investments in subsidiaries are reviewed on a regular basis to assess whether any impairment in value is required. Impairment testing is performed annually for investment in subsidiaries by comparing the carrying amount of each investment with the relevant subsidiary's consolidated balance sheet. Where the net assets are lower than the investment value, a discounted cash flow is utilised to calculate the present value of the investment to confirm whether any impairment is required.

DS SMITH DISPLAY HOLDING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**

4. Auditor's remuneration

	2022	<i>2021</i>
	£000	<i>£000</i>
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	5	<i>8</i>

The Auditor's remuneration of £5,250 (2021: £7,500) 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 or prior year.

5. Directors' remuneration

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 or preceding year.

6. Interest payable and similar expenses

	2022	<i>2021</i>
	£000	<i>£000</i>
Interest payable to group undertakings	9,758	<i>10,385</i>
	9,758	<i>10,385</i>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022

7. Tax on loss

	2022 £000	2021 £000
Corporation tax		
Current tax on profits for the year	-	(1,676)
Adjustments in respect of previous periods	28	-
	<u>28</u>	<u>(1,676)</u>
Total current tax	<u>28</u>	<u>(1,676)</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021: lower than) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 £000	2021 £000
Loss on ordinary activities before tax	<u>(9,758)</u>	<u>(10,385)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	(1,854)	(1,973)
Effects of:		
Adjustments to tax charge in respect of prior periods	28	-
Permanent differences	339	297
Group relief surrendered	1,515	-
Total tax charge/(credit) for the year	<u>28</u>	<u>(1,676)</u>

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 as well as subsequently enacted changes in tax rate.

The Finance Act 2021 included a 6% increase in the main UK corporation tax rate to 25% from 1 April 2023, which was substantively enacted on 10 June 2021. However the mini budget of 23 September 2022 reversed this increase.

DS SMITH DISPLAY HOLDING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**

8. Investments in subsidiaries

	Investments in subsidiary companies £000
Cost or valuation	
At 1 May 2021	135,348
At 30 April 2022	135,348

An impairment assessment has been performed and there is no impairment adjustment required during the year.

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
DS Smith Corrugated Packaging Limited	350 Euston Road, London, NW1 3AX	Ordinary	100%
DS Smith Corrugated Packaging Limited	350 Euston Road, London, NW1 3AX	Cumulative preference	100%

9. Trade and other receivables

	2022 £000	2021 £000
Amounts falling due after more than one year		
Amounts owed by group undertakings	35,637	34,256
	35,637	34,256
Amounts falling due within one year		
Amounts owed by group undertakings	-	1,110
	-	1,110

DS SMITH DISPLAY HOLDING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**

9. Trade and other receivables (continued)

No interest was charged on amounts owed by group undertakings which have no terms of repayment and are unsecured.

10. Trade and other payables

	2022	<i>2021</i>
	£000	<i>£000</i>
Amounts falling due within one year		
Amounts owed to group undertakings	299	<i>224,425</i>
	299	<i>224,425</i>
	299	<i>224,425</i>

	2022	<i>2021</i>
	£000	<i>£000</i>
Amounts falling due after more than one year		
Amounts owed to group undertakings	234,183	<i>-</i>
	234,183	<i>-</i>
	234,183	<i>-</i>

Interest is charged on the amount owed to group undertakings as follows:
 - GBP 298,209 which is non-interest bearing and has no terms of repayment.
 - GBP 234,183,631 at 12 months LIBOR plus 4%, which is repayable on 29 July 2025.
 All amounts owed to Group undertakings are unsecured.

Following the discontinuation of LIBOR as an interest rate benchmark, from the 1st January 2022 risk free rates will be applied to intercompany loans within the DS Smith Group that are impacted by the reform. To ensure the economics of the transactions are consistent before and after the transition a credit adjustment spread will be applied to the risk free rates.

11. Called up share capital

	2022	<i>2021</i>
	£000	<i>£000</i>
Authorised		
50,210,000 (<i>2021 - 50,210,000</i>) Ordinary shares of £1.00 each	50,210	<i>50,210</i>
	50,210	<i>50,210</i>
Allotted, called up and fully paid		
42,312,508 (<i>2021 - 42,312,508</i>) Ordinary shares of £1.00 each	42,313	<i>42,313</i>
	42,313	<i>42,313</i>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022**

12. Related party transactions

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 5 for details of Directors' remuneration.

13. Post balance sheet events

There are no subsequent events after the reporting date which require disclosure.

14. Controlling party

The Company's immediate parent company is DS Smith Packaging Holding BV, a company incorporated in the Netherlands, whose registered office is Coldenhovenseweg 130, 6961 EH Eerbeek, Netherlands.

The ultimate parent company and the ultimate controlling party is DS Smith Plc, a company incorporated in the United Kingdom.

DS Smith Plc represents both the largest and smallest group of undertakings for which Group financial statements are prepared and of which the Company is a member. Copies of the Group financial statements are available from the Company Secretary of DS Smith Plc at 350 Euston Road, London, NW1 3AX, which is the registered office address.