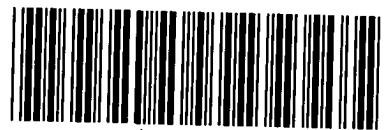


**DS SMITH DISPLAY HOLDING LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2021**

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**DS SMITH DISPLAY HOLDING LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	W B Hicks P J Brown S Rossi
<b>Company secretary</b>	Z W Stone
<b>Registered number</b>	00382678
<b>Registered office</b>	350 Euston Road London United Kingdom NW1 3AX

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**DS SMITH DISPLAY HOLDING LIMITED**

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**DS SMITH DISPLAY HOLDING LIMITED**

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**STRATEGIC REPORT  
FOR THE YEAR ENDED 30 APRIL 2021**

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## **Introduction**

The Directors present their strategic report for the year ended 30 April 2021.

## **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 £8,709,000 (2020: £8,431,000 loss) due to interest on amounts owing to Group undertakings, which has slightly increased in the year from 2020. No dividends were paid during the year (2020: £nil).

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

The Company is a wholly-owned subsidiary of DS Smith Packaging Holding BV and operates as part of the Group. The Group manages its operations on a Group basis. For this reason, the Company's Directors believe that further discussion of risks and uncertainties, key performance indicators and future plans on a Company-only basis are not appropriate for an understanding of the development, performance or position of the business. The performance of the Group, which includes this Company, including key performance indicators can be found in the Group's annual report, which can be obtained from the address provided in note 14.

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## DS SMITH DISPLAY HOLDING LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2021

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#### Principal risks and uncertainties

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.

##### *Brexit*

As the company's transactions are solely within the UK, Brexit is not expected to have any material impact on the company's financial position.

#### Covid-19

The Covid-19 pandemic has resulted in the significant slowdown of economies across the world, resulting in job losses and business failures and a global recession, including in the UK. In response to the pandemic the Group has undertaken measures to reinforce the Group's financial position and ongoing performance through conserving cash and managing costs. Capital expenditure will be reduced and all non-essential expenditure deferred.

The Company's risk is low, as it does not trade. There is a risk that the Company's related parties' business performance may be adversely impacted by the Covid-19 pandemic resulting in an impairment of investments in subsidiary undertakings or amounts due from Group undertakings. However, the risk is minimal, as the Group has continued to trade through the pandemic, has focused on maintaining an uninterrupted supply to its customers, the majority of whom are FMCG companies which are essential in the food supply chain. As such, the Group's sites have generally been classified as essential operations and all sites have remained operational throughout the pandemic to date. New ways of working have been implemented to reflect the latest guidance on safe operations and changes in demand.

The Group's Directors have considered the impact of Covid-19 on the current and forecast position and performance of the Group – refer to pages 50-51 in the Group's 2021 annual report, which can be obtained from the address in note 14.

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## DS SMITH DISPLAY HOLDING LIMITED

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### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2021

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

The Directors have regard to the matters set out in Section 172(1) of the Companies Act 2006 when performing their duties under Section 172 to promote the success of the Company. When making decisions, the Directors pay due regard to: the likely consequences of decisions in the long-term and the interests of stakeholders. The Company operates as part of the Group. The Group's stakeholders include its employees, customers, the communities in which it operates and its impact on the environment. During the year the Directors of the Group received relevant information to help them understand the interest and views of these key stakeholder groups when making decisions and the potential impact 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, it does not have any direct employees, customers or suppliers. The Directors of the Company make decisions in respect of this Company with regard to its stakeholders, which are internal. For more details on how the Group has regard to 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 14 January 2022 and signed on its behalf.



**W B Hicks**  
Director

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## DS SMITH DISPLAY HOLDING LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2021

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The Directors present their report and the financial statements for the year ended 30 April 2021.

#### Results and dividends

The loss for the year, after taxation, amounted to £8,709,000 (2020 - loss £8,431,000).

The Directors have not proposed or paid a dividend for the year ended 30 April 2021 (2020: £nil).

#### Directors

The Directors who served during the year and up to the date of signing were:

W B Hicks  
P J Brown  
S Rossi

#### Directors' and officers' liability insurance

During the year and up to the date of approval of these financial statements, the ultimate parent company maintained liability insurance for the Directors and other Officers of the Company. The ultimate parent company has also entered into qualifying third-party indemnity arrangements for the benefit of the Directors of the Company.

#### Political contributions

No political contributions were made during the year (2020: £nil).

#### Principal risks and uncertainties

Financial risks policies can be found on the strategic report on page 2.

#### Future developments

The Covid-19 pandemic remains a challenge and the Directors will continue to monitor all aspects of the business, from people, operations and the consequential financial implications and take appropriate actions in response. The Group has already taken actions to conserve cash and manage costs and will continue to do so. Given how well the people and operations have performed during the peak of the pandemic, the Directors are confident in the Group's ability to continue to perform well in the future. The principal activity of the Company is to act as an investment holding company for the Group 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 2021. The Directors do not see that the Covid-19 pandemic will have a direct impact on the position and performance of the entity and whilst recognising that there may be some indirect impact in the future as a consequence of the impact on the wider Group.

#### Going concern

At 30 April 2021 the Company had net liabilities of £53,711,000 (2020: net liabilities of £45,002,000). The Company benefits from the ongoing support of its ultimate parent company, DS Smith Plc, and this has been evidenced through a written undertaking from the parent company to provide financial support if required from a period of at least 12 months from the date of signing of the financial statements. The Directors have formed a judgement at the time of approving these financial statements, that there is a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

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**DS SMITH DISPLAY HOLDING LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 APRIL 2021**

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**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**

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 487 of the Companies Act 2006.

This report was approved by the board on 14 January 2022 and signed on its behalf.



W B Hicks  
Director

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**DS SMITH DISPLAY HOLDING LIMITED**

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**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 30 APRIL 2021**

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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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

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## DS SMITH DISPLAY HOLDING LIMITED

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

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#### 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 2021 and of its result 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:

- statement of comprehensive income;
- the statement of financial position;
- statement of changes in equity; and
- 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".

##### 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.

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

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## **DS SMITH DISPLAY HOLDING LIMITED**

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

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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 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](http://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 and internal audit 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, 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 including relevant internal specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

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## **DS SMITH DISPLAY HOLDING LIMITED**

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

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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, internal audit and 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 and reviewing internal audit reports.

#### **Report on other legal and regulatory requirements**

##### **Opinion 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and Directors' report has been prepared in accordance with applicable legal requirements.

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

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*

David Hedditch (Senior statutory auditor)

for and on behalf of

**Deloitte LLP**

Cardiff  
United Kingdom  
14 January 2022

**DS SMITH DISPLAY HOLDING LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 APRIL 2021**

	Note	2021 £000	2020 £000
Interest payable and similar expenses	6	(10,385)	(10,024)
<b>Loss before tax</b>		<u>(10,385)</u>	<u>(10,024)</u>
Tax on loss	7	1,676	1,593
<b>Loss for the financial year</b>		<u><u>(8,709)</u></u>	<u><u>(8,431)</u></u>
 <b>Total comprehensive expense for the year</b>		 <u><u>(8,709)</u></u>	 <u><u>(8,431)</u></u>

There were no recognised gains and losses for 2021 or 2020 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 2021**

	Note	2021 £000	*As restated 2020 £000
<b>Non-current assets</b>			
Investments	8	135,348	135,348
Debtors More Than One Year	9	34,256	32,759
		<u>169,604</u>	<u>168,107</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	9	1,110	932
		<u>1,110</u>	<u>932</u>
Creditors: amounts falling due within one year	10	(224,425)	(214,041)
<b>Net current liabilities</b>		<u>(223,315)</u>	<u>(213,109)</u>
<b>Total assets less current liabilities</b>		<u>(53,711)</u>	<u>(45,002)</u>
<b>Net liabilities</b>		<u>(53,711)</u>	<u>(45,002)</u>
<b>Capital and reserves</b>			
Called up share capital	11	42,313	42,313
Share premium account		124,393	124,393
Profit and loss account		(220,417)	(211,708)
		<u>(53,711)</u>	<u>(45,002)</u>

\*The 30 April 2020 comparative has been restated as explained in note 9 and 10.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 14 January 2022.



**WB 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 2021**

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
<b>At 1 May 2019</b>	<b>42,313</b>	<b>124,393</b>	<b>(203,277)</b>	<b>(36,571)</b>
<b>Comprehensive loss for the year</b>				
Loss for the year	-	-	(8,431)	(8,431)
<b>Total comprehensive expense for the year</b>	<b>-</b>	<b>-</b>	<b>(8,431)</b>	<b>(8,431)</b>
<b>At 30 April 2020</b>	<b>42,313</b>	<b>124,393</b>	<b>(211,708)</b>	<b>(45,002)</b>
<b>Comprehensive loss for the year</b>				
Loss for the year	-	-	(8,709)	(8,709)
<b>Total comprehensive expense for the year</b>	<b>-</b>	<b>-</b>	<b>(8,709)</b>	<b>(8,709)</b>
<b>At 30 April 2021</b>	<b>42,313</b>	<b>124,393</b>	<b>(220,417)</b>	<b>(53,711)</b>

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

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## DS SMITH DISPLAY HOLDING LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

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#### 1. General information

DS Smith Display Holding Limited ("the Company") is a private company, limited by shares and is incorporated and registered in England and Wales whose shares are not publicly traded. The registered office is located at 350 Euston Road, London, NW1 3AX. The principle 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 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 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.

##### 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 an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

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## DS SMITH DISPLAY HOLDING LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

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## 2. Accounting policies (continued)

### 2.4 Going concern

The financial position of the Company is as shown in the statement of financial position. Due to the Company being in a net liability position, a letter of support has been received from the ultimate parent company stating it intends to provide any financial support necessary to meet the Company's financial obligations as they fall due for a period of at least 12 months from the date these financial statements are signed.

The Company's ultimate parent company and controlling party is DS Smith Plc, whose financial statements include the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

The Group has access to considerable financial resources which would be available to the Company if necessary. As a consequence, the Directors believe the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The Directors have formed a judgement at the time of approving these financial statements, that there is a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they have continued to adopt the going concern basis in preparing these financial statements.

### 2.5 Impact of new international reporting standards, amendments and interpretations

The following new standards, amendments or interpretations have been adopted by the Company as of 1 May 2020:

- Amendments to IFRS 3 Business Combinations;
- Reform amendments to IAS 1 and IAS 8 Definition of Material; and
- Amendments to the Conceptual Framework for Financial Reporting.

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.

#### Interest Rate Benchmark Reform

Benchmark interest rates such as the London Inter-bank Offered Rates (LIBOR) and other inter-bank offered rates have been prioritised for reform and replacement with Risk Free Rates (RFR) by global regulators. Reform of LIBOR rates is expected to be largely completed by the end of 2021. To prepare for this reform, the Group established an IBOR Reform project towards the end of 2020 to determine the impact of a change in benchmark rates on the Group, with particular focus on treasury, tax, accounting, systems, commercial contracts and other agreements. The Company has no hedge accounting relationships that reference LIBOR and did not adopt the Phase 1 amendments to IFRS 9, IAS 39 and IFRS 7, which provided relief from hedge accounting requirements for hedge relationships affected by IBOR reform. The Group's borrowings are substantially fixed rate. The Group has a floating-rate revolving credit facility which references, amongst others, the GBP and USD LIBOR rates. The most significant impact from IBOR reform is expected to be with regard to this facility. It is intended that the Sterling Overnight Index Average rate (SONIA) will form the basis of a replacement for GBP LIBOR and the Secured Overnight Financing Rate (SOFR) will be the replacement for USD LIBOR for GBP and USD borrowings under the revolving credit facility. These RFR indices plus a credit adjustment spread are expected to be economically equivalent to the existing currency LIBOR rates. The drafting of an amendment

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## DS SMITH DISPLAY HOLDING LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

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## 2. Accounting policies (continued)

### 2.5 Impact of new international reporting standards, amendments and interpretations (continued)

agreement with the banking group, as a direct consequence of rate reform, is at an advanced stage. The Group will adopt Interest Rate Benchmark reform Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) in the next financial year. It is not anticipated that the adoption of these standards and interpretations will have a material effect on the Company's financial statements. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

### 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.

### 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 reporting date and any adjustment to tax payable in respect of previous

years. In accordance with Group policy, 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.

Deferred tax is provided for using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based

on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### 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.

NOTES TO THE FINANCIAL STATEMENTS  
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**2. Accounting policies (continued)**

**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.

**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.

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**DS SMITH DISPLAY HOLDING LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**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.

**4. Auditor's remuneration**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<b>8</b>	<b>7</b>

The Auditor's remuneration of £7,500 (2020: £6,500) 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.

**DS SMITH DISPLAY HOLDING LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**6. Interest payable**

	<b>2021 £000</b>	<b>2020 £000</b>
Loans from group undertakings	<b>10,385</b>	<b>10,024</b>
	<u><b>10,385</b></u>	<u><b>10,024</b></u>

**7. Taxation**

	<b>2021 £000</b>	<b>2020 £000</b>
<b>Corporation tax</b>		
Current tax on profits for the year	<b>(1,676)</b>	<b>(1,593)</b>
	<u><b>(1,676)</b></u>	<u><b>(1,593)</b></u>
<b>Total current tax</b>	<u><b>(1,676)</b></u>	<u><b>(1,593)</b></u>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	<b>2021 £000</b>	<b>2020 £000</b>
Loss on ordinary activities before tax	<b>(10,385)</b>	<b>(10,024)</b>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	<b>(1,973)</b>	<b>(1,905)</b>
<b>Effects of:</b>		
Permanent differences	<b>297</b>	<b>312</b>
<b>Total tax credit for the year</b>	<u><b>(1,676)</b></u>	<u><b>(1,593)</b></u>

**Factors that may affect future tax charges**

**DS SMITH DISPLAY HOLDING LIMITED**

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FOR THE YEAR ENDED 30 APRIL 2021**

**7. Taxation (continued)**

The Finance Act 2021 included a 6% increase in the main UK corporation tax rate to 25% from 1 April 2023, which was substantially enacted on 10 June 2021. As these changes had not been substantially enacted at the balance sheet date, the deferred tax balances as at 30 April 2021 continue to be measured at a rate of 19% (2020: 19%).

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.

**8. Fixed asset investments**

	Investments in subsidiary companies £000
<b>Cost or valuation</b>	
At 1 May 2020	135,348
At 30 April 2021	<u>135,348</u>

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. Debtors**

	2021 £000	As restated 2020 £000
<b>Due after more than one year</b>		
Amounts owed by group undertakings	34,256	32,759
	<u>34,256</u>	<u>32,759</u>

**DS SMITH DISPLAY HOLDING LIMITED**

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**9. Debtors (continued)**

	<b>2021</b>	<i>As restated</i>
	<b>£000</b>	<i>2020</i>
<b>Due within one year</b>		
Other debtors	<b>1,110</b>	932
	<b>1,110</b>	932

Amounts owed by group undertakings were previously presented as current assets as these amounts had no specified repayment terms attached and therefore it was assumed these balances were receivable on demand. However, there was no expectation that these amounts would be repaid within 12 months, being the entity's normal operating cycle, and therefore, did not meet the criteria to be classified as current assets. The impact on the 30 April 2020 statement of financial position is an increase to non-current assets of £32,759,000 and an equivalent decrease in current assets.

**10. Creditors: Amounts falling due within one year**

	<b>2021</b>	<i>As restated</i>
	<b>£000</b>	<i>2020</i>
Amounts owed to group undertakings	<b>224,425</b>	214,041
	<b>224,425</b>	214,041

Amounts owed to group undertakings were previously presented as current liabilities as the maturity of the loans was more than 12 months in the future. However, the amounts owed are subject to a clause stating they are repayable on demand. As such, there is no unconditional right to defer settlement for longer than 12 months and therefore did not meet the criteria to be classified as non-current liabilities. The impact on the 30 April 2020 statement of financial position is an increase in current liabilities by £214,041,000 and an equivalent decrease in non-current liabilities.

**11. Share capital**

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
<b>Authorised</b>		
50,210,000 (2020 - 50,210,000) Ordinary shares of £1.00 each	<b>50,210</b>	50,210
<b>Allotted, called up and fully paid</b>		
42,312,508 (2020 - 42,312,508) Ordinary shares of £1.00 each	<b>42,313</b>	42,313

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FOR THE YEAR ENDED 30 APRIL 2021**

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**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. There were no other related party transactions.

**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.

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.