

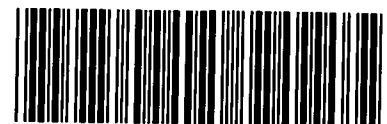
Registered number: 00382678

DS SMITH DISPLAY HOLDING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2023

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DS SMITH DISPLAY HOLDING LIMITED

COMPANY INFORMATION

Directors	W B Hicks S Rossi
Company secretary	Z W Stone
Registered number	00382678
Registered office	Level 3 1 Paddington Square London W2 1DL
Independent auditor	Ernst & Young LLP The Paragon Counterslip Bristol BS1 6BX

DS SMITH DISPLAY HOLDING LIMITED

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DS SMITH DISPLAY HOLDING LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2023

Introduction

The Directors present their strategic report for the year ended 30 April 2023.

Principal activities

The principal activity of the Company is to act as an investment holding company within the DS Smith Group ('the Group'). 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.

Business review and key performance indicators

The results for the financial year show a loss before taxation of £14,787,000 (2022: £9,758,000). No dividends were paid during the year (2022: £nil). The carrying value of investments at 30 April 2023 was £135,348,000 (2022: £135,348,000). The movement in loss before taxation is primarily due to fluctuations in the interest rate charged on amounts owed to group undertakings.

The Company is a wholly owned subsidiary of DS Smith Plc and operates as part of the Group. On this basis the Company's Directors believe that there are no further performance indicators for the Company which might be necessary for an understanding of the development, performance or position of the business. No non-financial KPIs are applicable as the Company is an investment holding company within the Group which does not have any employees, customers or suppliers.

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 2023.

Financial risk management objectives and policies

As the Company's main purpose is to act as an investment holding company, the financial risks that the Company is exposed to are limited.

Where applicable, the Company follows the DS Smith Group policy. The Company's financial risk management is centralised to capitalise on economies of scale and synergy effects and to minimise operational risks.

Interest rate risk

The Company has interest-bearing liabilities held with DS Smith Plc and arise from the operation of the Group's cash pooling arrangements in the UK. The DS Smith Group treasury function is responsible for identifying and managing interest rate exposure.

Credit risk

The Company's credit risk is primarily attributable to its receivables held on the statement of financial position, all of which are inter-group. Recoverability of these receivables is reviewed regularly against the statement of financial position of the counterparty. If required, credit risk is further mitigated through a letter of support from the ultimate parent undertaking.

DS SMITH DISPLAY HOLDING LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2023**

Financial risk management objectives and policies (continued)

Liquidity risk

The Company actively manages its liquidity risk by short-term debt finance with Group treasury, supported by external borrowings where appropriate, that is designed to ensure the Company has sufficient available funds for operations.

Principal risks and uncertainties

There continues to be global uncertainty within the macroeconomic environment as a result of the war in Ukraine, rising inflation and interest rates and the cost of living crisis. Raw material and other input costs also remain high although energy prices have started to decline. However, these are mitigated by effective supplier arrangements, long-term hedging arrangements and rising packaging prices. The Group has demonstrated resilience in the post-pandemic environment and customer demand remains strong, especially in the FMCG sector. The Group continues to carefully manage our cost base and is confident for the year ahead that sufficient methods are in place to mitigate these increased costs.

This report was approved by the board on 17 January 2024 and signed on its behalf.



W B Hicks
Director

DS SMITH DISPLAY HOLDING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2023

The Directors present their annual report and the financial statements for the year ended 30 April 2023.

Results and dividends

The loss for the year, after taxation, amounted to £10,735,000 (2022: £9,786,000).

The Company did not pay a dividend for the year ended 30 April 2023 (2022: £nil). There have been no dividends proposed after year end.

Directors

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

W B Hicks
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 qualifying third-party indemnity arrangements for the Directors and other Officers of the Company.

Political contributions

No political contributions were made during the year (2022: £nil).

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 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 in the strategic report. The financial position of the Company is as shown in the statement of financial position on page 10. At 30 April 2023 the Company reported net current liabilities of £nil (2022: £299,000) and net liabilities of £74,232,000 (2022: £63,497,000).

The financial Statements have been prepared using the going concern basis of accounting. The Company has been issued a support letter from its ultimate parent company, DS Smith Plc, confirming ongoing financial support in meeting liabilities as they fall due for a period of at least 12 months from the day of approval of accounts. DS Smith Plc has undertaken its own assessment of going concern, which it has confirmed and this is disclosed on page 12 of the DS Smith Plc Half Year Report for the period ended 31st October 2023. The Directors are satisfied that no events took place after the release of the DS Smith Plc Half Year Results that give rise to any uncertainties relating to going concern, and accordingly the directors considered it is appropriate to rely upon this support in making their going concern assessment for these financial statements. The Directors are satisfied that the Company has adequate resources to meet its operational needs for a period of at least 12 months from the day of approval of accounts and accordingly they continue to adopt the going concern basis in preparing the financial statements.

DS SMITH DISPLAY HOLDING LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2023**

Matters covered in the strategic report

Disclosures required by s416(4) which have been elevated to the strategic report:

- Financial risk management objectives and policies
- Principal risks and uncertainties

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 s418 of the Companies Act 2006.

Auditor

Ernst & Young LLP (EY) were appointed as external auditor to the Company in 2023 and will be proposed for reappointment in accordance with Section 285 of the Companies Act 2006.

This report was approved by the board on 17 January 2024 and signed on its behalf.



W B Hicks
Director

DS SMITH DISPLAY HOLDING LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 APRIL 2023**

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;
- 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.

DS SMITH DISPLAY HOLDING LIMITED

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

We have audited the financial statements of DS Smith Display Holding Limited (the "Company") for the year ended 30 April 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 13, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 30 April 2023 and of its loss 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.

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 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 12 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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 this 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 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 the other information, we are required to report that fact.

DS SMITH DISPLAY HOLDING LIMITED

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

We have nothing to report in this regard.

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 directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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 material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which 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.*

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, 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.

Explanation as to what extent 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 irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

DS SMITH DISPLAY HOLDING LIMITED

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 101 and Companies Act 2006) and compliance with the relevant direct and indirect tax regulations in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to its operations, including health and safety, employees, data protection and anti-bribery and corruption.
- We understood how the Company is complying with those frameworks by making enquiries of management and those charged with governance to understand how the Company maintains and communicates its policies and procedures in these areas. We also understood the controls put in place by management to reduce the opportunities for fraudulent transactions.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur through internal team conversations and inquiry of management and those charged with governance to understand where they considered there was susceptibility to fraud. We also considered performance targets and the potential incentives or opportunities to manage earnings. We considered the programmes and controls that the Company has established to address the risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programs and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free from material fraud.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved review of board minutes and correspondence with relevant authorities, where applicable, and inquiries of company and DS Smith PLC group management and those charged with governance, legal counsel, and internal audit. Based on procedures performed, we have not identified any actual or possible instances of non-compliance with laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

Ernst & Young LLP

Sarah Pocock (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor
Bristol, UK

17 January 2024

DS SMITH DISPLAY HOLDING LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2023

	Note	2023 £000	2022 £000
Interest payable and similar expenses	6	(14,787)	(9,758)
Loss before tax		(14,787)	(9,758)
Tax on loss	7	4,052	(28)
Loss and total comprehensive loss for the financial year		(10,735)	(9,786)

There were no recognised gains and losses for 2023 or 2022 other than those included in the statement of comprehensive income.

The notes on pages 12 to 20 form part of these financial statements.

DS SMITH DISPLAY HOLDING LIMITED
REGISTERED NUMBER: 00382678

STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2023

	Note	2023 £000	2022 £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	39,391	35,637
		<u>174,739</u>	<u>170,985</u>
Current liabilities			
Trade and other payables: amounts falling due within one year	10	-	(299)
Net current liabilities		<u>-</u>	<u>(299)</u>
Total assets less current liabilities		<u>174,739</u>	<u>170,686</u>
Creditors: amounts falling due after more than one year	10	(248,971)	(234,183)
		<u>(74,232)</u>	<u>(63,497)</u>
Net liabilities		<u><u>(74,232)</u></u>	<u><u>(63,497)</u></u>
Capital and reserves			
Called up share capital	11	42,313	42,313
Share premium account		124,393	124,393
Profit and loss account		(240,938)	(230,203)
		<u>(74,232)</u>	<u>(63,497)</u>

The financial statements of DS Smith Display Holding Limited (registered number: 00382678) were approved and authorised for issue by the board and were signed on its behalf on 17 January 2024.



W B Hicks
Director

The notes on pages 12 to 20 form part of these financial statements.

DS SMITH DISPLAY HOLDING LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2023**

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 May 2021	42,313	124,393	(220,417)	(53,711)
Comprehensive loss for the year				
Loss for the year	-	-	(9,786)	(9,786)
Total comprehensive loss for the year	-	-	(9,786)	(9,786)
At 30 April 2022	42,313	124,393	(230,203)	(63,497)
Comprehensive loss for the year				
Loss for the year	-	-	(10,735)	(10,735)
Total comprehensive loss for the year	-	-	(10,735)	(10,735)
At 30 April 2023	42,313	124,393	(240,938)	(74,232)

The notes on pages 12 to 20 form part of these financial statements.

DS SMITH DISPLAY HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

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 Level 3, 1 Paddington Square, London, United Kingdom, W2 1DL. 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 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
- 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.

This information is included in the consolidated financial statements of DS Smith Plc as at 30 April 2023 and these financial statements may be obtained from the address included in note 13.

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 a larger group by a parent undertaking established under the law of a state other than the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006.

DS SMITH DISPLAY HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

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 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 in the strategic report. The financial position of the Company is as shown in the statement of financial position on page 10. At 30 April 2023 the Company reported net current liabilities of £nil (2022: £299,000) and net liabilities of £74,232,000 (2022: £63,497,000).

The financial Statements have been prepared using the going concern basis of accounting. The Company has been issued a support letter from its ultimate parent company, DS Smith Plc, confirming ongoing financial support in meeting liabilities as they fall due for a period of at least 12 months from the day of approval of accounts. DS Smith Plc has undertaken its own assessment of going concern, which it has confirmed and this is disclosed on page 12 of the DS Smith Plc Half Year Report for the period ended 31st October 2023. The Directors are satisfied that no events took place after the release of the DS Smith Plc Half Year Results that give rise to any uncertainties relating to going concern, and accordingly the directors considered it is appropriate to rely upon this support in making their going concern assessment for these financial statements. The Directors are satisfied that the Company has adequate resources to meet its operational needs for a period of at least 12 months from the day of approval of accounts and accordingly they continue to adopt the going concern basis in preparing the financial statements.

2.5 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.

2.6 Current and deferred taxation

Income tax on the profit or loss for the year comprises current and deferred 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 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.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

DS SMITH DISPLAY HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

2. Accounting policies (continued)

2.8 Debtors

Receivables 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.

2.9 Creditors

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

2.10 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.

2.11 Share premium and profit and loss account

The share premium account represents the difference between the issue price and the nominal value of shares issued. The profit and loss account comprises the cumulative net earnings of the Company, that have not been paid out as dividends.

DS SMITH DISPLAY HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2023

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 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

	2023 £000	2022 £000
Fees payable to the Company's auditor for the audit of the Company's financial statements	6	5

The Auditor's remuneration of £5,723 (2022: £5,250) 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

All the Directors are remunerated by other group undertakings. It is considered that the level of their qualifying services to the company is negligible compared to their main roles. There are no management charges from these group undertakings for their services. Consequently they determine that given the level of the services required, that the proportion of their salary relating to their services provided to this company is insignificant. Therefore a £nil apportionment is made (2022: £nil).

The Company had no employees during the current or preceding year.

DS SMITH DISPLAY HOLDING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023**

6. Interest payable and similar expenses

	2023	2022
	£000	£000
Interest payable to group undertakings	14,787	9,758
	<u>14,787</u>	<u>9,758</u>

7. Tax on loss

	2023	2022
	£000	£000
Corporation tax		
Current tax on profits for the year	(2,536)	-
Adjustments in respect of previous years	(1,516)	28
Total current tax	<u>(4,052)</u>	<u>28</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2022: *lower than*) the standard rate of corporation tax in the UK of 19.5% (2022: 19%). The differences are explained below:

	2023	2022
	£000	£000
Loss on ordinary activities before tax	(14,787)	(9,758)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.5% (2022: 19%)	(2,883)	(1,854)
Effects of:		
Adjustments to tax charge in respect of prior periods	(1,516)	28
Permanent differences	347	339
Group relief surrendered	-	1,515
Total tax (credit)/charge for the year	<u>(4,052)</u>	<u>28</u>

DS SMITH DISPLAY HOLDING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023**

7. Tax on loss (continued)

Factors that may affect future tax charges

In future years, the tax charge will be affected by 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 substantially enacted on 10 June 2021.

8. Investments in subsidiaries

	Investments in subsidiary companies £000
Cost or valuation	
At 1 May 2022	135,348
At 30 April 2023	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	Level 3, 1 Paddington Square, London, W2 1DL	Ordinary	100%
		Cumulative preference	100%

DS SMITH DISPLAY HOLDING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023

9. Trade and other receivables

	2023 £000	2022 £000
Amounts falling due after more than one year		
Amounts owed by group undertakings	39,391	35,637
	<u>39,391</u>	<u>35,637</u>

Included within the amounts owed by group undertakings is an amount owed by the ultimate parent company, DS Smith Plc of £3,753,000 (2022: £nil).

No interest was charged on amounts owed by Group undertakings, all of which have no fixed repayment date and are therefore classified as repayable on demand. All amounts owed by Group undertakings are unsecured.

There is no expectation that these amounts will be repaid within 12 months, being the Company's normal operating cycle, therefore they do not meet the criteria to be classified as current assets and are classified as non-current assets.

DS SMITH DISPLAY HOLDING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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10. Trade and other payables

	2023 £000	2022 £000
Amounts falling due within one year		
Amounts owed to group undertakings	-	299
	<u>-</u>	<u>299</u>
	2023 £000	2022 £000
Amounts falling due after more than one year		
Amounts owed to group undertakings	248,971	234,183
	<u>248,971</u>	<u>234,183</u>

Interest is charged on the amount owed to group undertakings as follows:

- £nil (2022: £298,209) which is non-interest bearing and has no terms of repayment.
- £248,970,590 (2022: £234,183,631) at 12 month SONIA plus credit adjustment spread of 0.4644%, plus margin of 4%, which is repayable on 29 July 2025. Prior to the interest rate reform on 1st January 2022, interest was applied at 12 months LIBOR plus 4%.

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 were applied to intercompany loans within the DS Smith Group that were impacted by the reform. To ensure the economics of the transactions are consistent before and after the transition a credit adjustment spread was applied to the risk free rates.

11. Called up share capital

	2023 £000	2022 £000
Authorised		
50,210,000 (2022: 50,210,000) Ordinary shares of £1.00 each	50,210	50,210
	<u>50,210</u>	<u>50,210</u>
Allotted, called up and fully paid		
42,312,508 (2022: 42,312,508) Ordinary shares of £1.00 each	42,313	42,313
	<u>42,313</u>	<u>42,313</u>

DS SMITH DISPLAY HOLDING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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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.

13. 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 Level 3, 1 Paddington Square, London, W2 1DL, which is the registered office address.