
DS SMITH INTERNATIONAL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2022

DS SMITH INTERNATIONAL LIMITED

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DS SMITH INTERNATIONAL LIMITED

Officers and professional advisers

Directors	W B Hicks S Rossi I D C Simm
Company Secretary	Z W Stone
Registered number	02636539
Registered office	350 Euston Road London United Kingdom NW1 3AX
Independent auditor	Deloitte LLP 1 New Street Square London United Kingdom EC4A 3HQ
Bankers	National Westminster Bank PLC Bishopsgate London United Kingdom EC2M 4AA

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

Introduction

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

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 profit before taxation of £70,546,000 (2021: £550,687,000). The Company paid an interim dividend of £Nil (2021: £228,367,000) during the year. The carrying value of investments at 30 April 2022 was £3,411,247,000 (2021: £3,411,247,000). The movement in profit before tax is due to an increase in foreign exchange on intercompany loans and also in the current year there was no dividend income, in comparison to the prior year.

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.

Section 172 (1) statement of the Companies Act 2006

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, an example being the annual impairment assessment on investments in subsidiaries in DS Smith International Ltd. 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 through our high customer satisfaction results; 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, risk, responsible business matters and the results of specific stakeholder engagement exercises. The Directors of the Company take into account the interests of the parent company and the ultimate parent company when making decisions through regular communications such as the Balance Sheet Committee.

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 18.

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.

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

Streamlined Energy and Carbon Reporting

The Company and Group will seek to minimise adverse impacts on the environment from its activities, whilst continuing to address health, safety and economic issues. The Company has complied with all applicable legislation and regulations.

The Company is included in the Group reporting of the ultimate parent company which has provided its consolidated CO2 emissions and energy consumption on page 33 of the Strategic report in the Group's 2022 annual report.

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.

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.

Foreign currency risk

The Company has transactions in foreign currencies which are then translated into the presentation currency, the GBP, for the purposes of the financial statements. The Group treasury function enters into arrangements such as foreign exchange contracts in order to manage the risk arising upon currency translation.

DS SMITH INTERNATIONAL LIMITED

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

Principal risks and uncertainties

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.

This report was approved by the board on 24 November 2022 and signed on its behalf.

W B Hicks**Director**

24 November 2022

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

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

Results

The result for the year, after taxation, amounted to £60,558,000 (2021: £531,156,000).

The Company did not pay a dividend for the year ended 30 April 2022 (2021: £228,367,000). 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
I D Simm

Directors' and officers' indemnity

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 directors of companies within the Group, including the Directors of the Company.

Political contributions

No political contributions were made during the year (2021: £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 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 13. At 30 April 2022 the Company reported net current liabilities of £3,339,637,000 (2021: £3,247,964,000) and net assets of £2,983,604,000 (2021: £2,923,046,000).

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.

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

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.

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. Sufficient disclosures have been made under "Section 172 (1) Statement of the Companies Act 2006" in Strategic Report above.

Post balance sheet events

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

Auditors

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.

This report was approved by the board on 24 November 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 Annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with 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 and other information included in Directors' Reports may differ from legislation in other jurisdictions.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DS SMITH INTERNATIONAL LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of DS Smith International 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 profit 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;
- statement of changes in equity; and
- the related notes 1 to 19.

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.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DS SMITH INTERNATIONAL LIMITED

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.

Auditors' 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 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 and 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DS SMITH INTERNATIONAL 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, 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the 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 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.

DS SMITH INTERNATIONAL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DS SMITH INTERNATIONAL LIMITED

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.

Stephen Turner, FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
24 November 2022

DS SMITH INTERNATIONAL LIMITED

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

	Note	2022 £000	2021 <i>Restated*</i> £000
Investment Income	2	-	561,370
Other operating income / (expenses)	3	72,832	(475)
Impairment of investment	5	-	(4,213)
Operating profit		72,832	556,682
Finance income	6	44,294	38,879
Finance costs	7	(46,580)	(44,874)
Profit before tax		70,546	550,687
Tax on profit	8	(9,988)	(19,531)
Profit for the financial year		60,558	531,156

There were no recognised gains and losses for 2022 or 2021 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2022 (2021:£000NIL).

The notes on pages 15 to 29 form part of these financial statements.

*Please refer to Note 8 for further detail

DS SMITH INTERNATIONAL LIMITED
REGISTERED NUMBER: 02636539

STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2022

	Note	2022 £000	2021 Restated* £000
Non- current assets			
Investments	10	3,411,247	3,411,247
Debtors	11	2,911,994	2,759,763
		6,323,241	6,171,010
Current assets			
Cash and Cash Equivalents	12	3,907	3
		3,907	3
Creditors: amounts falling due within one year	13	(3,343,544)	(3,247,967)
Net current liabilities		(3,339,637)	(3,247,964)
Total assets less current liabilities		2,983,604	2,923,046
Net assets		2,983,604	2,923,046
Capital and reserves			
Called up share capital	14	623,775	623,775
Share premium account	15	1,617,617	1,617,617
Profit and loss account		742,212	681,654
		2,983,604	2,923,046

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 November 2022.

W B Hicks
 Director

The notes on pages 15 to 29 form part of these financial statements.

*Please refer to Note 8 for further detail

DS SMITH INTERNATIONAL 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 30 April 2020	623,775	1,552,121	378,865	2,554,761
Comprehensive income for the year				
Profit for the year	-	-	531,156	531,156
Total comprehensive income for the year	-	-	531,156	531,156
Dividends: Equity capital (Note 9)	-	-	(228,367)	(228,367)
Shares issued during the year (Note 15)	-	65,496	-	65,496
Total transactions with owners	-	65,496	(228,367)	(162,871)
At 30 April 2021	623,775	1,617,617	681,654	2,923,046
Comprehensive income for the year				
Profit for the year	-	-	60,558	60,558
Total comprehensive income for the year	-	-	60,558	60,558
Total transactions with owners	-	-	-	-
At 30 April 2022	623,775	1,617,617	742,212	2,983,604

The notes on pages 15 to 29 form part of these financial statements.

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

1. Principal accounting policies

1.1 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.

FRS 101 sets out an optional reduced disclosure framework which addresses the financial reporting requirements and disclosure exemptions for the individual financial statements of subsidiaries and ultimate parent that otherwise apply the recognition, measurement and disclosure requirements of UK-adopted IFRS Standards.

DS Smith International 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. The address of the Company's registered office is shown on the Company information page. The nature of the Company's operations and its principal activities are set out in the Directors' report on page 1.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- statement of cash flows and related notes;
- a comparative period reconciliation for share capital;
- disclosures in respect of transactions with wholly owned subsidiaries;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs; and
- disclosures in respect of key management personnel.

As the Group financial statements include the equivalent disclosures, the Company has also taken advantage of the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instruments. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. The following new standards, amendments or interpretations have been adopted by the Company as of 1 May 2021:

- 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.

1.2 Consolidated financial statements

The Company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 401 of the Companies Act 2006 because it is a wholly owned subsidiary of DS Smith Plc which prepares consolidated financial statements which are publicly available at the address in note 18.

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

1. Principal accounting policies (continued)

1.3 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.4 Finance income

Interest income is recognised in profit and loss using the effective interest method.

1.5 Finance costs

Finance costs are charged to the profit and loss over the term of 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 of the associated capital instrument.

1.6 Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the foreign exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated using the rate of exchange ruling at that date.

1.7 Dividends

Dividends received from investments in subsidiaries during the year are recognised in the income statement. Dividends paid to Parent Company during the year are recognised in Dividends on equity shares.

1.8 Investments in subsidiaries

Investments in subsidiary undertakings are valued at cost less provisions for impairment.

1.9 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

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

1. Principal accounting policies (continued)

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The Company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

1.10 Financial liabilities

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Financial liabilities within the scope of IAS 39 are initially classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs. Subsequently, the measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of repurchasing in the near term. Derivatives, including separately embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss.

Interest bearing loans and borrowings

Obligations for loans and borrowings are recognised when the Group becomes party to the related contracts and are measured initially at the fair value of consideration received less directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in finance revenue and finance cost.

Derecognition of financial liabilities

A liability is derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such as an exchange or

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

1. Principal accounting policies (continued)

modification, this is treated as a derecognition of the original liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss.

1.11 Taxation

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

1.12 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 13. At 30 April 2022 the Company reported net current liabilities of £3,339,637,000 (2021: £3,247,964,000) and net assets of £2,983,604,000 (2021: £2,923,046,000).

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.

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

1. Principal accounting policies (continued)

1.13 Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the accounting policies, 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.

*Key Sources of estimation Uncertainty
Investment 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 or value-in-use is utilised to calculate the present value of the investment to confirm whether any impairment is required.

The calculations of value-in-use are inherently judgemental and require management to make a series of estimates and assumptions. These are: cash flow forecasts (including sales volumes, price and cost assumptions and capital expenditure underlying these forecasts), the determination of a long-term growth rate and the determination of an appropriate pre-tax adjusted discount rate.

Investments in subsidiary undertakings are valued at cost less provisions for impairment.

2. Investment income

	2022	<i>2021</i>
	£000	<i>£000</i>
Dividends received from subsidiary undertakings	-	<i>561,370</i>
	-	<i>561,370</i>
	-	<i>561,370</i>

During the year the Company received dividends from:

DS Smith (Luxembourg) S.a.r.l £Nil (2021: £306,039,479)
David S Smith (Ireland) Unlimited Company £Nil (2021: £255,329,889)

DS SMITH INTERNATIONAL LIMITED

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

3. Other operating income / (expenses)

	2022 £000	<i>2021</i> <i>£000</i>
Foreign exchange gains / (losses)	72,832	<i>(475)</i>

No fees in relation to non-audit services were paid to the Company's Auditor in the current or preceding year.

The Auditor's remuneration of £24,840 (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.

4. Directors' and employee emoluments

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 prior year.

The Company had no employees during the current and prior year.

5. Impairment of investment

	2022 £000	<i>2021</i> <i>£000</i>
Impairment	-	<i>(4,213)</i>
	-	<i>(4,213)</i>

In 2021, investment in David S. Smith (Ireland) Unlimited Company was written off during the year. The impairment in the investment arose on 30 November 2020, where steps were taken to strike off investments held by the Company.

6. Finance income

	2022 £000	<i>2021</i> <i>£000</i>
Interest on loans to Group undertakings	44,294	<i>38,853</i>
Bank interest	-	<i>26</i>
	44,294	<i>38,879</i>

DS SMITH INTERNATIONAL LIMITED

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

7. Finance Costs

	2022	<i>2021</i>
	£000	<i>£000</i>
Interest on loans from Group undertakings	46,580	<i>44,874</i>
	46,580	<i>44,874</i>

8. Tax on profit

	2022	<i>2021</i>
	£000	<i>Restated*</i> <i>£000</i>
Corporation tax		
Current tax charge on profits for the year	473	<i>(1,137)</i>
Adjustments in respect of previous periods	9,515	<i>20,668</i>
	9,988	<i>19,531</i>
Total current tax	9,988	<i>19,531</i>
Deferred tax		
Total deferred tax	-	<i>-</i>
Tax on profit	9,988	<i>19,531</i>

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

8. Tax on profit (continued)

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	<i>2021</i>
	£000	<i>Restated*</i>
		<i>£000</i>
Profit before tax	70,546	<i>550,687</i>
Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	13,404	<i>104,631</i>
Effects of:		
Non-taxable income	(13,838)	<i>(106,659)</i>
Group relief surrendered for nil consideration / (claimed not paid for)	435	<i>(13,248)</i>
Permanent differences	472	<i>891</i>
Adjustments in respect of prior years	9,515	<i>33,916</i>
Total tax charge for the year	9,988	<i>19,531</i>

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.

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. Accordingly, the deferred tax balances have been remeasured in the current year.

**Prior year restatement*

Following the EU Commission's decision in April 2019 which concluded that up until 31 December 2018, the UK Controlled Foreign Company legislation partially represented State Aid, the Company received a charging notice from HMRC under The Taxation (Post Transition Period) Bill in March 2021 for an additional tax charge of £33m inclusive of £3m of interest.

Following agreement with HMRC to offset £13m of the charge with attributes from fellow group undertakings via revised group relief claims, the final amount payable was £18m inclusive of £1m of interest. This £18m was paid by the ultimate parent company to HMRC in early FY22 on behalf of the Company. The tax charge, group relief, and tax payable should have been recognised in the prior year financial statements and hence the prior year comparatives have been restated accordingly.

DS SMITH INTERNATIONAL LIMITED

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

9. Dividends on equity shares

	2022	<i>2021</i>
	£000	<i>£000</i>
Interim dividend paid during the year £Nil per ordinary share (2021: £0.366 per ordinary share)	-	<i>228,367</i>
	-	<i>228,367</i>
	-	<i>228,367</i>

There has been no dividend payment during the year. Prior year, the proposed final dividend was subject to approval by shareholders passing a written resolution and was not included as a liability and so did not have any tax consequences for the Company.

10. Investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 May 2021	3,424,026
At 30 April 2022	3,424,026
Impairment	
At 1 May 2021	12,779
At 30 April 2022	12,779
Net book value	
At 30 April 2022	3,411,247
<i>At 30 April 2021</i>	<i>3,411,247</i>

DS SMITH INTERNATIONAL LIMITED

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

10. Investments (continued)

The were no movements in investments in subsidiaries during the year.

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
DS Smith Sudbrook Limited	350 Euston Road, London, NW1 3AX	Financing	Ordinary	100%
DS Smith (Holdings) B.V	350 Euston Road, London, NW1 3AX	Holding Company	Ordinary	100%
DS Smith (Luxembourg) S.a r.l.	8-10 Avenue de la Gare, L-1610 Luxembourg	Holding Company	Ordinary	100%
DS Smith Paper Limited	350 Euston Road, London, NW1 3AX	Paper Packaging	Preference	100%
David S. Smith (Netherlands) B.V	Coldenhovenseweg 130 6961 EH Eerbeek, Netherlands	Financing	Ordinary	1.525%

The shares that the company hold in the companies listed above are all directly owned.

11. Debtors

	2022	<i>2021</i>
	£000	<i>£000</i>
Due after more than one year		
Amounts owed by group undertakings	2,911,994	<i>2,759,763</i>
	<u>2,911,994</u>	<i><u>2,759,763</u></i>

DS SMITH INTERNATIONAL LIMITED

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

11. Debtors (continued)

Amounts owed by group undertakings is comprised of a number of loans with interest charged on the loans as follows:

Amounts owed by ultimate parent undertaking, DS Smith Plc:

- Interest is charged on £2,072,193,652 (Principal: £2,071,662,102; interest accrued: £2,798,617) at 1 month EURIBOR plus 0.0326%, repayable on 1st August 2023 from DS Smith Plc.
- Interest is charged on €367,455,055 (Principal: £308,324,187; interest accrued: £200,411) at 1 month EURIBOR plus 0%, repayable on 1st August 2023 from DS Smith Plc.

Amounts owed by other group undertakings:

- Interest is charged on €24,955,667 (Principal: £20,939,801; interest accrued: £Nil) at 12 Month EURIBOR plus 2.18%, repayable on 30th April 2027 from DS Smith Packaging Holding Spain SL.
- Interest is charged on €10,821,935 (Principal: £9,080,469; interest accrued: £Nil) at 12 Month EURIBOR plus 2.18%, repayable on 30th April 2027 from DS Smith Packaging International BV.
- Interest is charged on €2,031,143 (Principal: £1,704,291; interest accrued: £Nil) at 12 Month EURIBOR plus 3.65%, repayable on 29th April 2023 from DS Smith Packaging International BV.
- Interest is charged on £205,641,442 (Principal: £205,641,442; interest accrued: £6,459,814) at 12 Month EURIBOR plus 4%, repayable on 29th July 2022 from DS Smith Holdings Ltd.
- Interest is charged on £13,324,273 (Principal: £13,324,273; interest accrued: £417,194) at 12 Month EURIBOR plus 4%, repayable on 29th July 2022 from DS Smith Corrugated Packaging Ltd.
- Interest is charged on £227,074,773 (Principal: £227,074,773; interest accrued: £7,109,905) at 12 Month EURIBOR plus 4%, repayable on 29th July 2022 from DS Smith Packaging Limited.
- Interest is charged on €884,981 (Principal: £742,570; interest accrued: £Nil) at 12 Month EURIBOR plus 0%, repayable on 30th April 2027 from DS Smith Packaging International BV.
- Interest is charged on €41,839,701 (Principal: £35,106,856; interest accrued: £874,745) at 12 Month EURIBOR plus 3.25%, repayable on 28th July 2028 from DS Smith Packaging International BV.

The remaining loans which have no fixed repayment date and are therefore classified as repayable on demand. All amounts owed by Group undertakings are unsecured. Interest charged on these loans is 2.18%. 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.

12. Cash and cash equivalents

	2022	2021
	£000	£000
Cash at bank and in hand	3,907	3
	<u>3,907</u>	<u>3</u>

The Company has bank accounts denominated in both sterling and euro currency accounts with National Westminster Bank.

DS SMITH INTERNATIONAL LIMITED

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

13. Creditors: Amounts falling due within one year

	2022	<i>2021</i>
	£000	<i>Restated*</i>
		<i>£000</i>
Amounts owed to Group undertakings	3,334,029	<i>3,230,226</i>
Corporation tax	9,515	<i>17,741</i>
	<u>3,343,544</u>	<i><u>3,247,967</u></i>

DS SMITH INTERNATIONAL LIMITED

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

13. Creditors: Amounts falling due within one year (continued)

Amounts owed to group undertakings is comprised of a number of loans with interest charged on the loans as follows:

Amounts owed to ultimate parent undertaking, DS Smith Plc:

- Interest is charged on €33,444,862 (Principal: £28,062,915; interest accrued: £1,079) at 12 Month EURIBOR plus 2.18%, repayable on 7th April 2026 to DS Smith Plc.
- Interest is charged on €6,023,715 (Principal: £5,054,379; interest accrued: £421) at 12 Month EURIBOR plus 1.5%, repayable on 29th April 2025 to DS Smith Plc.
- Interest is charged on €196,521,284 (Principal: £164,897,079; interest accrued: £4,108,685) at 12 Month EURIBOR plus 3.25%, repayable on 28th July 2025 to DS Smith Plc.
- Interest is charged on €2,420,091,105 (Principal: £2,030,650,044; interest accrued: £2,606,000) at 1 Month EURIBOR plus 1.54%, repayable on 1st August 2023 to DS Smith Plc
- Interest is charged on £10,841,084 (Principal: £10,841,084; interest accrued: £Nil) with Non-Interest Bearing and repayable on demand to DS Smith Plc.
- Interest is charged on £365,512,926 (Principal: £365,512,926; interest accrued: £759,238) at 1 Month EURIBOR plus 1.7226%, repayable on 1st August 2023 to DS Smith Plc.
- In addition the above includes a tax liability balance of £4,442,000.

Amounts owed to other group undertakings:

- Interest is charged on €255,800,824 (Principal: £214,637,356; interest accrued: £397,973) at 3 Month EURIBOR plus 0.75%, repayable on 1st February 2027 to DS Smith France SAS.
- Interest is charged on £325,379,559 (Principal: £325,379,559; interest accrued: £1,329,119) at 2 Month EURIBOR plus 0.2633%, repayable on 1st May 2023 to DS Smith Sudbrook Limited.
- Interest is charged on €32,797,033 (Principal: £27,519,334; interest accrued: £107,019) at 12 Month EURIBOR plus 4%, repayable on 26th March 2024 to DS Smith Ireland Treasury DAC.
- Interest is charged on £10,994,000 (Principal: £10,994,000; interest accrued: £Nil) with Non-Interest Bearing and repayable on demand to DS Smith (UK) Limited.
- Interest is charged on £48,987,714 (Principal: £48,987,714; interest accrued: £Nil) with Non-Interest Bearing and repayable on demand to St Regis International Limited
- No interest is charged on £70,000,000 (Principal: £70,000,000; interest accrued: £Nil) and repayable on demand to DS Smith Paper Limited.

All remaining loans have no fixed repayment date and are therefore classified as repayable on demand. All amounts owed to Group undertakings are unsecured. Loans from UK dormant entities are non-interest bearing. 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.

*Please refer to Note 8 for further detail.

14. Called up share capital

	2022	<i>2021</i>
	£000	<i>£000</i>
Authorised		
673,432,794 (2021: 673,432,794) Ordinary shares of £1.00 each	673,433	<i>673,433</i>

DS SMITH INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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14. Called up share capital (continued)**Allotted, called up and fully paid**

623,774,641 (2021: 623,774,641) Ordinary shares of £1.00 each

623,775 **623,775**

15. Share premium account

	2022	<i>2021</i>
	£000	<i>£000</i>
Share premium	(1,617,617)	<i>(1,617,617)</i>
	(1,617,617)	<i>(1,617,617)</i>

There were no movements during the year in the share premium account. In 2021, DS Smith Holdings Limited subscribed for 2 shares in the Company in exchange for a loan receivable from DS Smith Zarnesti for RON 372,471,558 (£65,495,261), therefore creating a share premium of £65,495,261.

16. Contingent liabilities

The Company is a participant in the DS Smith Group's uncommitted overdraft facility with a net limit of £5m. The participants in the facility cross guarantee the overdrawn balances under the facility.

17. 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 4 for details of Directors' remuneration. There were no other related party transactions.

18. Ultimate parent undertaking and controlling party

The Company's immediate parent company is DS Smith Holdings Limited, a company incorporated in the United Kingdom.

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 DS Smith Plc, 350 Euston Road, London, NW1 3AX.

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

19. Subsequent events

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