

## **DS Smith Packaging Denmark A/S**

Åstrupvej 30  
8500 Grenaa  
CVR No. 21153702

### **Annual report 01.05.2020 - 30.04.2021**

The Annual General Meeting adopted the  
annual report on 27.09.2021

---

**Lene Meidahl Højen**

Chairman of the General Meeting

# Contents

Entity details	2
Statement by Management	3
Independent auditor's report	4
Management commentary	7
Income statement for 2020/21	16
Balance sheet at 30.04.2021	17
Statement of changes in equity for 2020/21	20
Cash flow statement for 2020/21	21
Notes	22
Accounting policies	28

# Entity details

## Entity

DS Smith Packaging Denmark A/S

Åstrupvej 30

8500 Grenaa

CVR No.: 21153702

Registered office: Norddjurs

Financial year: 01.05.2020 - 30.04.2021

## Board of Directors

Gustav Thorbjörn Sagerström, Chairman

Lene Meidahl Højen, Deputy Chairman

Helena Birgitta Redmo

Søren Kofoed Ibsen

Asger Bjerre Terkelsen

Frits Thorvald Hillebrecht

## Executive Board

Søren Kofoed Ibsen, CEO

## Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

City Tower, Værkmestergade 2

8000 Aarhus C

# Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of DS Smith Packaging Denmark A/S for the financial year 01.05.2020 - 30.04.2021.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.04.2021 and of the results of its operations and cash flows for the financial year 01.05.2020 - 30.04.2021.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Grenaa, 27.09.2021

## Executive Board

**Søren Kofoed Ibsen**  
CEO

## Board of Directors

**Gustav Thorbjörn Sagerström**  
Chairman

**Lene Meidahl Højen**  
Deputy Chairman

**Helena Birgitta Redmo**

**Søren Kofoed Ibsen**

**Asger Bjerre Terkelsen**

**Frits Thorvald Hillebrecht**

# Independent auditor's report

## To the shareholder of DS Smith Packaging Denmark A/S

### Opinion

We have audited the financial statements of DS Smith Packaging Denmark A/S for the financial year 01.05.2020 - 30.04.2021, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.04.2021 and of the results of its operations and cash flows for the financial year 01.05.2020 - 30.04.2021 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, 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.

### Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines 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, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has 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 and the additional requirements applicable in Denmark 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.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Aarhus, 27.09.2021

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Henrik Vedel**

State Authorised Public Accountant  
Identification No (MNE) mne10052

# Management commentary

## Financial highlights

	2020/21 DKK'000	2019/20 DKK'000	2018/19 DKK'000	2017/18 DKK'000	2016/17 DKK'000
<b>Key figures</b>					
Revenue	1,160,196	1,200,458	1,299,281	1,247,166	1,004,968
Gross profit/loss	257,195	259,653	228,428	251,160	215,713
Operating profit/loss	27,501	9,571	(62,206)	(26,396)	(24,117)
Net financials	(9,299)	(11,619)	(8,812)	(11,554)	(6,329)
Profit/loss for the year	13,309	(5,711)	(61,795)	(35,815)	(29,161)
Total assets	807,456	802,474	1,113,664	1,173,361	1,174,269
Investments in property, plant and equipment	55,682	33,593	25,968	45,900	30,692
Equity	202,755	189,635	195,399	257,071	292,785
Cash flows from (used in) operating activities	26,410	81,381	8,474	12,232	67,100
Cash flows from (used in) investing activities	(52,981)	(33,360)	(24,025)	(11,537)	(197,593)
Cash flows from (used in) financing activities	28,997	(47,970)	14,659	(2,095)	133,562
Average number of employees	659	669	686	667	578



**Ratios**

Gross margin (%)	22.17	21.63	17.58	20.14	21.46
EBIT margin (%)	2.37	0.80	(4.79)	(2.12)	(2.40)
Net margin (%)	1.15	(0.48)	(4.76)	(2.87)	(2.90)
Return on equity (%)	6.78	(2.97)	(27.31)	(13.03)	(9.49)
Equity ratio (%)	25.11	23.63	17.55	21.91	24.93

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

**Gross margin (%):**

Gross profit/loss \* 100  
Revenue

**EBIT margin (%):**

Operating profit/loss \* 100  
Revenue

**Net margin (%):**

Profit/loss for the year \* 100  
Revenue

**Return on equity (%):**

Profit/loss for the year \* 100  
Average equity

**Equity ratio (%):**

Equity \* 100  
Total assets

## Primary activities

DS Smith Packaging Denmark A/S is the leading provider of corrugated paper and display solutions on the Danish market.

Since 2012, DS Smith Denmark has been part of the DS Group, which is a leading player on the international packaging market with deliveries all over Europe and North America. The DS Smith Group continues to strengthen its market position through acquisitions in Europe and the US. The most recent years have therefore also been characterised by a large number of integration projects to secure a more uniform and optimised structure in the Group. At the same time, focus has been on different synergy and optimisation projects to utilise the advantages of the significantly larger platform.

With effect from 1 September 2016, DS Smith Denmark acquired the Deku-Pack Group. Deku-Pack produces and sells display solutions to the Danish market, but also has sales activities in Sweden and Norway. The acquisition was made to strengthen the Company's platform within display solutions, thus making DS Smith Denmark the largest and most important supplier on the Danish market within display solutions in corrugated paper as well as other materials. With effect from 1 May 2017, the Deku-Pack Group merged with DS Smith Denmark.

Over the past year 2020/21, DS Smith Denmark has focused on developing and optimising the capacity in the two corrugated paper production facilities following an increase in the demand from customers and the market as a result of increasing e-commerce during COVID-19 and more focus on sustainable solutions in the surrounding world. These investments are improving flow and production setup in production facilities, and at the same time strengthening the Company's prospective opportunities to serve customers with high-quality innovative and sustainable solutions. It is therefore also expected that this investment and optimisation will contribute positively to the operating results in the next few years.

The goal of continued value creation towards customers is especially to be created through targeted initiatives on optimisation of paper consumption and paper composition in the individual products, adjustment and optimisation of logistics and supply to customers as well as development and innovation in each customised solution so that the customer will experience improvements throughout the value chain, both in relation to economy and sustainability. These initiatives are supported by the DS Smith group programmes.

The market for corrugated paper across industries has been increasing in 2020/21 and is still affected by fierce competition from domestic as well as foreign producers. DS Smith Denmark's market share is unchanged in this period.

The prices of paper are significant to the company's earnings being the primary raw material.

There have been significant fluctuations in the paper price over the past financial year. In the first six months of the year, the price was falling, but again rising from December until April. This has had a spill-over effect on sales prices, which have followed the same trend in the financial year. Overall, fluctuations in the paper price have had a limited positive effect on results.

In the financial year 2020/21, COVID-19 did not have any significant negative impact on the financial performance. Thanks to the adaptability among employees, customers and other relations, DS Smith Denmark has seen a challenging financial year during a pandemic without the Company's operations having been significantly affected. The Company has not participated in public COVID-19 aid schemes during the period.

Seen in the light of the above factors that have affected the Company's operations and earnings during the financial year, including fierce competition on the market and the COVID-19 situation, the total pre-tax profit of

DKK 18.2m is considered satisfactory. The financial performance is higher than the original expectations for the financial year.

### **Capital resources**

Total investments in property, plant and equipment amounted to DKK 55.7m. Most of the investments have been used for production optimisation as well as new production equipment with a view to further strengthening the Company's competitiveness. During the year, the sale of fixed assets was very limited.

Thus, total cash flows from company activities have supported current operations and investments, and there are only to a limited extent changes in intercompany balances with group enterprises and banks.

### **Outlook**

Market conditions in Denmark are characterised by strong competition and significant price pressure. This is also expected for 2021/22.

Therefore, the Company's objective is still to maintain the current market shares and market positions with a total return meeting the Group's strategic requirements.

For 2021/22, the profit is expected to be lower than in 2020/21 due to the uncertainty of the development in the paper price. There will be continuous focus on growth of both top and bottom lines driven by increased value creation for our customers, a development of earnings on each customer as well as a current adjustment of the Company's cost structure.

Profit before tax for 2021/22 is expected to be in the interval of DKK 5-10m.

### **Basis of earnings**

#### **External environment**

The Company as well as the DS Smith Group have focus on and pay attention to the external environment. All environmental conditions are attempted to be improved on a continuous basis.

### **Particular risks**

#### **Operating risks**

Agreements with fellow subsidiaries and group enterprises are concluded on an "arm's length basis", and the Company's operating risk is considered to be normal and acceptable. This also applies for the primary raw material (paper).

In other situations, where the Company's ordinary operations depend on special deliveries, it is attempted to reduce or remove the operating risk by entering into delivery agreements which take into consideration the risks resulting from non-deliveries.

Otherwise, the Company's operations are not considered subject to special or material risk elements.

#### **Market risks**

The sometimes very considerable fluctuations in paper prices may entail a market risk which may affect earnings in the short term.

#### **Foreign exchange risks**

The majority of the Company's transactions are effected in DKK or EUR, and the Company's foreign exchange risks are considered to be minimal. The Company does not enter into foreign exchange positions for speculative purposes.

**Interest rate risks**

The net interest-bearing debt is mainly intra-group debt and the interest rate is adjusted on an ongoing basis. Moderate changes in the level of interest will thus only have a less significant and direct effect on results after interest. The Company does not enter into interest rate agreements to hedge against interest rate exposures.

**Credit risks**

The Company is not exposed to any major risks from a single customer or business partner. All major customers and other business partners are credit rated on a regular basis.

**Environmental performance**

Our business model is based on sustainability by providing fully recyclable packaging. We work actively to have a circular business model and focus on continuously optimising the Company's energy use as well as reducing CO<sub>2</sub> in our production.

In 2020/21, the Group has continued our partnership with the Ellen MacArthur Foundation at group level with the aim of focusing on the circular economy in the industry and creating the foundation to support our customers in developing innovative new approaches to packaging design, manufacturing and recycling, and to get the most out of our resources and raw materials. Specifically, this partnership has been a building block of the introduction of our new value proposition 'Circular Ready/Designe cirkulært'.

In practice, this means that we have trained all employees in our design department in 'the circular ready principles' with the aim to support our customers in changing to more circular packaging solutions – now and in future.

Moreover, during the past year, we have established a permanent partnership between the NGO organisation Vild med Vilje and DS Smith Denmark. The partnership deals with specific initiatives at DS Smith's locations to advance biodiversity now and in future. These measures will be initiated in the autumn of 2021.

In 2020/21, we have made further adjustments of the warehouse/logistics function at the Company's factories to ensure a more optimal supply to our customers, and a majority of the Company's products are transported directly from the factories to the customers. This means fewer kilometres driven, which has a positive impact on environment and an effect on economy. Our target for 2020/21 was 96% direct deliveries, which has been fulfilled.

Our focus in the coming year is to continue to optimise direct deliveries and to limit our emissions and environmental impact. We will do this by using HVO diesel or other environmentally friendly fuels, among other things. Moreover, we will focus on optimising our deliveries so we increase the filling ratio on the transport to our customers.

In addition, as high a degree of recycling as possible is ensured in the Company's products with a predominant part of all paper raw materials coming from recycled paper. At the same time, all paper waste from the production processes is collected after which it is redistributed to the DS Smith Group's recycling centers in Europe where it is recycled and processed into new paper.

The DS Smith Group has committed itself to meet the Science Based Target\* by 2030 and will reduce the CO<sub>2</sub> emission per tonne of total production by at least 40%\*\* . The Group is ahead of the previous targets set for the reduction of CO<sub>2</sub> and achieved an overall reduction of 23% in emissions per tonne of total production by the end of 2020\*\*\*.

To support the Group's sustainability strategy and its CO<sub>2</sub> reduction targets, DS Smith Denmark has set up a local project group called Sustainability Champions, which works with local projects and initiatives for sustainability and CO<sub>2</sub> reduction at our locations.

\* Science Based Target, SBTi, is a partnership between CDP, FNs Global Compact, World Resources Institute (WRI) and World Wide Fund for Nature (WWF).

\*\* Compared to the 2019 level

\*\*\* Compared to the 2015 level

In 2019, we became ISO 50001 energy-certified, which initiates activities and behaviors that contribute to optimal utilisation of energy and to achieving our target reduction of CO<sub>2</sub> emissions. The strategy also fulfills significant customers' wishes that we can document actions to reduce our CO<sub>2</sub> emissions. In collaboration with external specialists, project groups have been established, which work purposefully on CO<sub>2</sub>-reducing activities as stated above. Energy-consuming equipment must be optimised both technically and in terms of application. Electricity supply from renewable energy will be able to contribute to a significant reduction in CO<sub>2</sub> emissions. In some cases, it is not possible to create a CO<sub>2</sub> reduction, but here the goal is CO<sub>2</sub>-neutral energy sources such as the use of biogas.

It is planned to achieve ISO 14000 environmental certification in 2022. Besides the wish to optimise the utilisation of energy, which is ISO 50001's primary goal, there will be a focus on optimal utilisation and reduction of water, materials, chemistry and emissions in general.

### Statutory report on corporate social responsibility

DS Smith aims to develop the business in a responsible and sustainable way, which is a testament of our approach to corporate responsibility.

We pay special attention to:

- Health and safety
- Our employees
- Environment, sustainability and circular economy

DS Smith Denmark complies with the DS Smith Plc Group's policies and initiatives relating to CSR and sustainability. Both areas are explained on the Group's website under the heading: 'Sustainability', which shows the Group's sustainability strategy 'For Now and for Next': <http://www.dssmith.com/company/sustainability/>. The sustainability strategy was launched in September 2020.

The DS Smith Plc Group has provided a total overview of targets and all targets met in the Sustainability Report – the most recent edition from 2021: <https://www.dssmith.com/sustainability/reporting-hub/sustainabilityreport>

For a more detailed description of our business model, see above sections on primary activities and development in activities and finances.

### Health and safety

#### Policy

At DS Smith, health and safety is an integral and key part of our business activities. We strive to ensure that no employees are harmed on the job. At group level, a target for health and safety has been set in accordance with DS Smith's concept 'Vision zero'. On this background, the number of occupational accidents is continuously monitored to assess the status of the strategic goal of zero accidents. Moreover, near misses are monitored for the purpose of preventing situations that give rise to actual accidents. In the safety area, the Company is continuously working on improvements, and therefore all employees are required to make monthly safety

observations as it must be safe to go to work at DS Smith Denmark.

In 2020/21, there was one occupational accident, which caused absence.

Therefore, there has been increased focus on supporting the safety in DS Smith through deeper implementation of the safety tools 'Take 5' and 'LOTOTO' and technical solutions to secure employees when they are working with maintenance of machinery. Moreover, e-learning has been implemented for all employees in our production areas, which is to ensure that basic training and knowledge are maintained. 'Take 5', 'LOTOTO' and e-learning support employee involvement and knowledge sharing in the safety area.

### **Our employees – employee development**

In the financial year 2020/21, we were still faced with challenges caused by COVID-19, which has resulted in a continued large focus on internal communication and our managers' opportunity to work with their employees in completely new ways. We have introduced this concept under the name 'New Ways of Working', which has included external courses in 'Building Resilience training' and webinars on ergonomics at the home office for around 200 colleagues and managers in Denmark.

We have also focused on management through continuous training of our managers. At the training, managers have been given the necessary tools for use in their everyday lives, where we, among other things, adhere to our "Management Standards", which all managers in DS Smith comply with in everyday life. We believe that "Management Standards" is a great driving force to strengthen our managers' competences in order to ensure a common strategic direction for the benefit of the Company and employees' motivation and well-being. As a supplement to our great focus on presence and health, we have facilitated external workshops for all managers with focus on 'the difficult conversation'.

Finally, 2020/21 has been specifically characterised by our focus on diversity and inclusion.

We have facilitated workshops for all managers and trade union representatives, and a new policy for equal opportunities and anti-discrimination for all employees in Denmark has been introduced through the Group's e-learning platform. In this way, we have created a forum where we can openly and honestly discuss diversity and inclusion in order to move towards a greater focus on diversity in our recruitment and on inclusion in everyday life on parameters such as mental and physical disabilities, ethnicity, religious belief and sexuality. In the coming financial year, we will set goals for our continuous development in the area.

### **Ethical business conduct, incl. human rights and anti-corruption and bribery Policy**

Like the rest of the Group, DS Smith Denmark is committed to respecting and supporting existing human rights. This applies to internal affairs as well as employees, and towards external cooperative partners and the local areas where DS Smith Denmark has activities. We want to conduct an ethical business, which is expressed in the Group's Code of Conduct. The Code of Conduct sets out, among other things that neither DS Smith nor any employees may make or receive illegal or improper payments or bribes. We refrain from engaging in any form of corrupt business conduct.

For further details on DS Smith's policies in this area, please refer to the Group's website under "Code-of-Conduct" and "Our People": <http://www.dssmith.com/people/culture/code-of-conduct>  
<http://www.dssmith.com/company/sustainability/our-people>

**Actions and achievements**

To ensure knowledge and compliance with the Code of Conduct, new administrative employees must complete electronic training in compliance with the Code of Conduct.

Ethical business conduct is also a requirement for all our suppliers, which is described in the Group's Global Supplier Standards. <https://www.dssmith.com/company/sustainability/our-business/supplier-standards>

It is the Company's assessment that in the past financial year there have been no violations of the applicable guidelines relating to human rights, corruption and bribery. In the coming year, we will continue to focus on monitoring current guidelines throughout the company.

**Data ethics including private policy****Policy**

Like the rest of the Group, DS Smith Denmark is committed to respecting and supporting ethical and responsible use of data. This applies to internal matters and data about employees as well as to external business partners and customers.

**Actions and achievements**

For business partners and customers, only data used to be able to deliver, invoice and contact in connection with purchases is collected.

For further information on data processing and private policy, see:

<https://www.dssmith.com/da/packaging/om-os-/om-ds-smith/privatpolitik>

When it comes to employees, there has been particular focus on GDPR in the past year in relation to archiving and disposing of employee-related data. Enforcement of this is ensured through internal audits from the Group in departments with a particularly high extent of data processing. Moreover, all managers and union representatives in DS Smith Denmark have participated in a GDPR webinar on how sensitive personal information is handled in everyday life and how we ensure that we comply with the rules, and quarterly samples are taken with a view to storage of sensitive personal data without objective reason.

**Main risks and handling**

A materiality and risk analysis has been prepared at group level, showing the areas where the Group can have the greatest impact on the surrounding community. The main areas were considered to be; health and safety, fiber sourcing, supplier standards and the environmental impact of packaging in relation to recycling. We handle the risk of negative impact through our policies and actions described above.

**Statutory report on the underrepresented gender**

In continuation of the great focus on and implementation of a policy for diversity and inclusion over the past year, the Company has a goal that both genders are represented on the Company's Board of Directors and Management. It is also part of the Company's recruitment policy that gender is not taken into account when recruiting new staff both internally and externally but that positions are always filled on the basis of competencies and that specific parameters are set in connection with recruitments. The stated parameters are e.g. mental and physical disabilities, ethnicity, religious beliefs and sexuality.

The Board of Directors consists of six members of whom four are appointed at the Company's general meeting. Two of these members are women, and so there is an equal gender distribution.

The Company's management team consists of two women and one man. As the management team consists of three members, it is not possible to obtain a more equal gender distribution.

Based on the equal gender distribution at management level, the aim is to maintain this balance and support the policy of diversity and inclusion.

**Events after the balance sheet date**

No significant subsequent events occurred after balance sheet date.



# Income statement for 2020/21

	Notes	2020/21 DKK'000	2019/20 DKK '000
Revenue	2	1,160,196	1,200,458
Production costs		(903,001)	(940,805)
<b>Gross profit/loss</b>		<b>257,195</b>	<b>259,653</b>
Distribution costs		(143,619)	(154,449)
Administrative expenses	3	(86,075)	(95,633)
<b>Operating profit/loss</b>		<b>27,501</b>	<b>9,571</b>
Income from investments in group enterprises		(34)	(106)
Other financial income	6	2	258
Other financial expenses	7	(9,267)	(11,771)
<b>Profit/loss before tax</b>		<b>18,202</b>	<b>(2,048)</b>
Tax on profit/loss for the year	8	(4,893)	(3,663)
<b>Profit/loss for the year</b>	9	<b>13,309</b>	<b>(5,711)</b>

# Balance sheet at 30.04.2021

## Assets

	Notes	2020/21 DKK'000	2019/20 DKK'000
Acquired licences		2,329	3,046
Goodwill		109,870	117,061
Development projects in progress	11	319	708
<b>Intangible assets</b>	10	<b>112,518</b>	<b>120,815</b>
Land and buildings		153,878	156,768
Plant and machinery		247,855	228,232
Other fixtures and fittings, tools and equipment		11,241	12,037
Leasehold improvements		14	116
Property, plant and equipment in progress		12,309	21,539
<b>Property, plant and equipment</b>	12	<b>425,297</b>	<b>418,692</b>
Investments in group enterprises		62,448	62,671
Deposits		2,321	2,528
<b>Financial assets</b>	13	<b>64,769</b>	<b>65,199</b>
<b>Fixed assets</b>		<b>602,584</b>	<b>604,706</b>

Raw materials and consumables		39,708	38,293
Work in progress		5,148	3,976
Manufactured goods and goods for resale		35,622	34,416
<b>Inventories</b>		<b>80,478</b>	<b>76,685</b>
<hr/>			
Trade receivables		98,256	74,208
Receivables from group enterprises		7,101	30,844
Other receivables		9,949	9,365
Tax receivable		222	161
Prepayments	14	3,855	3,920
<b>Receivables</b>		<b>119,383</b>	<b>118,498</b>
<hr/>			
<b>Cash</b>		<b>5,011</b>	<b>2,585</b>
<hr/>			
<b>Current assets</b>		<b>204,872</b>	<b>197,768</b>
<hr/>			
<b>Assets</b>		<b>807,456</b>	<b>802,474</b>
<hr/>			

**Equity and liabilities**

	<b>Notes</b>	<b>2020/21 DKK'000</b>	<b>2019/20 DKK'000</b>
Contributed capital	15	250,000	250,000
Reserve for development expenditure		1,113	1,599
Retained earnings		(48,358)	(61,964)
<b>Equity</b>		<b>202,755</b>	<b>189,635</b>
Deferred tax	16	43,827	38,472
Other provisions	17	1,250	7,700
<b>Provisions</b>		<b>45,077</b>	<b>46,172</b>
Payables to group enterprises		267,698	268,182
Other payables		29,481	0
<b>Non-current liabilities other than provisions</b>	18	<b>297,179</b>	<b>268,182</b>
Trade payables		115,582	71,105
Payables to group enterprises		57,418	117,130
Other payables	19	89,445	110,250
<b>Current liabilities other than provisions</b>		<b>262,445</b>	<b>298,485</b>
<b>Liabilities other than provisions</b>		<b>559,624</b>	<b>566,667</b>
<b>Equity and liabilities</b>		<b>807,456</b>	<b>802,474</b>
Events after the balance sheet date	1		
Staff costs	4		
Amortisation, depreciation and impairment losses	5		
Unrecognised rental and lease commitments	22		
Related parties with controlling interest	23		
Non-arm's length related party transactions	24		
Group relations	25		

# Statement of changes in equity for 2020/21

	Contributed capital DKK'000	Reserve for development expenditure DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	250,000	1,599	(61,964)	189,635
Value adjustments	0	0	(189)	(189)
Transfer to reserves	0	(486)	486	0
Profit/loss for the year	0	0	13,309	13,309
<b>Equity end of year</b>	<b>250,000</b>	<b>1,113</b>	<b>(48,358)</b>	<b>202,755</b>

# Cash flow statement for 2020/21

	Notes	2020/21 DKK'000	2019/20 DKK'000
Operating profit/loss		27,501	9,571
Working capital changes	20	(40,657)	17,864
Other adjustments	21	48,430	65,959
<b>Cash flow from ordinary operating activities</b>		<b>35,274</b>	<b>93,394</b>
Financial income received		2	258
Financial expenses paid		(9,267)	(11,771)
Taxes refunded/(paid)		401	(500)
<b>Cash flows from operating activities</b>		<b>26,410</b>	<b>81,381</b>
Acquisition etc of intangible assets		(110)	(560)
Acquisition etc of property, plant and equipment		(55,682)	(33,593)
Sale of property, plant and equipment		2,604	0
Acquisition of fixed asset investments		(80)	(952)
Sale of fixed asset investments		287	1,745
<b>Cash flows from investing activities</b>		<b>(52,981)</b>	<b>(33,360)</b>
<b>Free cash flows generated from operations and investments before financing</b>		<b>(26,571)</b>	<b>48,021</b>
Incurrence of debt to group enterprises		(484)	(47,970)
Other adjustments		29,481	0
<b>Cash flows from financing activities</b>		<b>28,997</b>	<b>(47,970)</b>
<b>Increase/decrease in cash and cash equivalents</b>		<b>2,426</b>	<b>51</b>
Cash and cash equivalents beginning of year		2,585	2,534
<b>Cash and cash equivalents end of year</b>		<b>5,011</b>	<b>2,585</b>
Cash and cash equivalents at year-end are composed of:			
Cash		5,011	2,585
<b>Cash and cash equivalents end of year</b>		<b>5,011</b>	<b>2,585</b>

# Notes

## 1 Events after the balance sheet date

No significant events have occurred after the balance sheet date to this date. Please refer to the management commentary for management view on the COVID-19 effect on DS Smith.

## 2 Revenue

	2020/21 DKK'000	2019/20 DKK'000
Home market	997,187	1,025,283
Export	163,009	175,175
<b>Total revenue by geographical market</b>	<b>1,160,196</b>	<b>1,200,458</b>
Corrugated paper and related products	1,160,196	1,200,458
<b>Total revenue by activity</b>	<b>1,160,196</b>	<b>1,200,458</b>

## 3 Fees to the auditor appointed by the Annual General Meeting

	2020/21 DKK'000	2019/20 DKK'000
Statutory audit services	545	510
Other services	81	74
	<b>626</b>	<b>584</b>

## 4 Staff costs

	2020/21 DKK'000	2019/20 DKK'000
Wages and salaries	298,872	307,754
Pension costs	26,647	23,590
Other social security costs	9,457	9,969
	<b>334,976</b>	<b>341,313</b>

Average number of full-time employees	659	669
---------------------------------------	-----	-----

Management salaries has not been disclosed in accordance with section § 98b, para. 3 in the Danish Financial Statement Act.

## 5 Depreciation, amortisation and impairment losses

	2020/21 DKK'000	2019/20 DKK'000
Amortisation of intangible assets	8,407	17,568
Depreciation of property, plant and equipment	48,768	47,438
	<b>57,175</b>	<b>65,006</b>

**6 Other financial income**

	2020/21 DKK'000	2019/20 DKK'000
Other interest income	2	258
	<b>2</b>	<b>258</b>

**7 Other financial expenses**

	2020/21 DKK'000	2019/20 DKK'000
Financial expenses from group enterprises	7,412	9,618
Other interest expenses	1,855	2,153
	<b>9,267</b>	<b>11,771</b>

**8 Tax on profit/loss for the year**

	2020/21 DKK'000	2019/20 DKK'000
Current tax	0	462
Change in deferred tax	5,355	3,286
Adjustment concerning previous years	(462)	(85)
	<b>4,893</b>	<b>3,663</b>

**9 Proposed distribution of profit and loss**

	2020/21 DKK'000	2019/20 DKK'000
Retained earnings	13,309	(5,711)
	<b>13,309</b>	<b>(5,711)</b>

**10 Intangible assets**

	Acquired licences DKK'000	Goodwill DKK'000	Development projects in progress DKK'000
Cost beginning of year	76,713	638,778	708
Transfers	419	0	(419)
Additions	80	0	30
<b>Cost end of year</b>	<b>77,212</b>	<b>638,778</b>	<b>319</b>
Amortisation and impairment losses beginning of year	(73,667)	(521,717)	0
Amortisation for the year	(1,216)	(7,191)	0
<b>Amortisation and impairment losses end of year</b>	<b>(74,883)</b>	<b>(528,908)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>2,329</b>	<b>109,870</b>	<b>319</b>



## 11 Development projects

The capitalized development projects concern development to the company's existing IT platforms, including update system solutions for inventory and customer management. Management expects new IT systems to be taken in use in autumn 2021 and will make DS Smith Packaging Denmark A/S customer service even more smooth and efficient.

## 12 Property, plant and equipment

	Land and buildings DKK'000	Plant and machinery DKK'000	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000	Property, plant and equipment in progress DKK'000
Cost beginning of year	342,663	830,914	42,125	612	21,539
Transfers	1,086	17,344	1,483	0	(19,913)
Additions	7,154	36,930	915	0	10,683
Disposals	0	(16,338)	(633)	(221)	0
<b>Cost end of year</b>	<b>350,903</b>	<b>868,850</b>	<b>43,890</b>	<b>391</b>	<b>12,309</b>
Revaluations beginning of year	25,012	0	0	0	0
<b>Revaluations end of year</b>	<b>25,012</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Depreciation and impairment losses beginning of year	(210,907)	(602,682)	(30,088)	(496)	0
Depreciation for the year	(11,130)	(34,457)	(3,131)	(50)	0
Reversal regarding disposals	0	16,144	570	169	0
<b>Depreciation and impairment losses end of year</b>	<b>(222,037)</b>	<b>(620,995)</b>	<b>(32,649)</b>	<b>(377)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>153,878</b>	<b>247,855</b>	<b>11,241</b>	<b>14</b>	<b>12,309</b>

### 13 Financial assets

	Investments in group enterprises DKK'000	Deposits DKK'000
Cost beginning of year	80,045	2,528
Additions	0	80
Disposals	0	(287)
<b>Cost end of year</b>	<b>80,045</b>	<b>2,321</b>
Impairment losses beginning of year	(17,374)	0
Exchange rate adjustments	(189)	0
Share of profit/loss for the year	(34)	0
<b>Impairment losses end of year</b>	<b>(17,597)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>62,448</b>	<b>2,321</b>

Investments in subsidiaries	Registered in	Corporate form	Equity interest %	Equity DKK'000	Profit/loss DKK'000
DS Smith Recycling Ireland Limited	Dublin, Ireland	Ltd.	100	62,448	(34)

### 14 Prepayments

Prepayments consist of prepaid expenses concerning rent, insurance premiums and leasing etc..

### 15 Share capital

	Nominal value DKK'000
Contributed capital beginning of year	250,000
	<b>250,000</b>

### 16 Deferred tax

	2020/21 DKK'000	2019/20 DKK'000
Intangible assets	572	738
Property, plant and equipment	40,657	36,730
Inventories	3,142	3,040
Receivables	(462)	(554)
Other taxable temporary differences	(82)	(1,482)
<b>Deferred tax</b>	<b>43,827</b>	<b>38,472</b>

	2020/21 DKK'000	2019/20 DKK'000
<b>Changes during the year</b>		
Beginning of year	38,472	35,186
Recognised in the income statement	5,355	3,286
<b>End of year</b>	<b>43,827</b>	<b>38,472</b>

### 17 Other provisions

Provisions for redundancy and plant closure costs which amounts to 1,250 t.DKK.

### 18 Non-current liabilities other than provisions

	Due after more than 12 months 2020/21 DKK'000
Payables to group enterprises	267,698
Other payables	29,481
	<b>297,179</b>

### 19 Other payables

	2020/21 DKK'000	2019/20 DKK'000
VAT and duties	1,277	12,247
Wages and salaries, personal income taxes, social security costs, etc payable	83,305	94,299
Other costs payable	4,863	3,704
	<b>89,445</b>	<b>110,250</b>

### 20 Changes in working capital

	2020/21 DKK'000	2019/20 DKK'000
Increase/decrease in inventories	(3,793)	1,658
Increase/decrease in receivables	(824)	33,194
Increase/decrease in trade payables etc	(36,040)	(16,988)
	<b>(40,657)</b>	<b>17,864</b>

## 21 Other adjustments

Other adjustments in the cash flow statement are summarised as follows:

	2020/21 DKK '000	2019/20 DKK '000
Depreciation and write-downs on intangible and tangible assets	57.175	65.006
Profit on sale of fixtures and fittings	(2.295)	434
Adjustment in provisions for pension and restructuring for the year	(6.450)	519
	<b>48.430</b>	<b>65.959</b>

## 22 Unrecognised rental and lease commitments

	2020/21 DKK'000	2019/20 DKK'000
Liabilities under rental or lease agreements until maturity in total	40,851	46,444

The company's operating leasing obligations at the balance sheet date comprises property rental contracts, leasing contracts on rolling stock and other obligations.

## 23 Related parties with controlling interest

DS Smith Packaging International B. V. Eerbeek, Netherland owns all shares in the company and thus has a controlling interest influence on this.

## 24 Non-arm's length related party transactions

The annual report only discloses transactions with related parties that have not been completed on market terms. No such transactions were carried out during the financial year.

## 25 Group relations

Copies of the consolidated financial statements of DS Smith Plc may be ordered at the following address:  
DS Smith Plc, 7th Floor 350 Euston Road, Regent's Place, London, England.

# Accounting policies

## Reporting class

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied to these financial statements are consistent with those applied last year.

## Consolidated financial statements

Referring to section 112 of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

The Group Annual Report may be obtained at the following address:

DS Smith Plc  
7th Floor  
350 Euston Road  
Regent's Place  
London  
NW13AX  
England  
Tel: +44 20 7756 1800  
www.dssmith.com

## Recognition and measurement

All revenues are recognised in the income statement as earned based on the following criteria:

- delivery has been made before year end,
- a binding sales agreement has been made,
- the sales price has been determined, and
- payment has been received at the time of sale or may with reasonable certainty be expected to be received.

Based on the above, revenues are recognised in the income statement as earned, which includes recognition of value adjustments of financial assets and liabilities measured at fair value or amortised cost. Furthermore, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Certain financial assets and liabilities are measured at amortised cost, which involves the recognition of a constant effective interest rate over the maturity period. Amortised cost is calculated as original cost less any deductions and with addition/deduction of the cumulative amortisation of any difference between cost and the nominal amount. In this way, capital losses and gains are allocated over the maturity period. Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

### **Business combinations**

Newly acquired or newly established enterprises are recognised in the consolidated financial statements from the time of acquiring or establishing such enterprises. Divested or wound-up enterprises are recognised in the consolidated income statement up to the time of their divestment or winding-up.

Acquisitions of enterprises, mergers, demergers, addition of assets and share exchanges etc. where the participating enterprises are under the Parent's control are accounted for applying the uniting-of-interests method, where the uniting of interests is considered implemented at the time of the acquisition without restating comparative figures. According to the uniting-of-interests method, the acquired company's assets and liabilities are recognised at carrying amounts adjusted for any differences in accounting policies and accounting estimates. The difference between the consideration agreed and the carrying amount of the acquired enterprise is recognised in equity.

### **Foreign currency translation**

Transactions in foreign currency (e.g. purchases/-sales) are translated into local currency at monthly average rates of exchange or at forward rates. The monthly average rates of exchange are used for practical reasons, as these reflect approximately the rates of exchange at the transaction date.

The differences in exchange rates arising between the average monthly rate and the rate at the date of payment are stated in the income statement under production costs.

Receivables and creditors in foreign currency are translated into local currency at the exchange rates ruling at the balance sheet date or in some cases at forward rates. The difference between the rate of exchange at the balance sheet date (or the forward rate as the case may be) and the rate of exchange at the time when the debtor or the creditor was incurred is included in the income statement under production costs.

Tangible fixed assets purchased in foreign currency are translated into local currency at the rate of exchange at the date of transaction or at a forward rate, as the case may be.

Other realised and unrealised exchange rate adjustments are included in the income statement under production costs.

For the purpose of translating the financial statements of group enterprises, the income statements are translated at average exchange rates, while the balance sheet items are translated at the exchange rates as at the balance sheet date as the undertakings are considered independent foreign entities.

Exchange rate adjustments arising upon translation of the shareholders' equity of foreign undertakings at the beginning of the year and exchange rate adjustments arising as a result of the translation of the income statements of foreign undertakings at average exchange rates are taken directly to shareholders' equity.

## **Income statement**

### **Revenue**

Net sales comprise sales invoiced during the year less returned goods and discounts granted in connection with sales.

Segment information regarding revenue is presented in respect of business segments and geographical segments.

### **Production costs**

Production costs include costs incurred to achieve the net sales of the year. Cost of sales includes raw materials, consumables, direct labour and production overheads such as maintenance and depreciation of production plant and operations, as well as administration and factory management.

### **Distribution costs**

Distribution costs comprise costs incurred for sale and distribution of the Entity's products, including salaries for sales personnel, advertising and exhibition costs, depreciation, etc.

### **Administrative expenses**

Administrative expenses comprise the costs of the administrative staff and management, including offices, salaries and depreciation, etc.

### **Income from investments in group enterprises**

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intragroup profits or losses.

### **Other financial income**

Other financial income comprises dividends on interest income and allowances under the tax on account scheme.

### **Other financial expenses**

Other financial expenses comprise interest expenses and tax surcharge under the Danish Tax Prepayment Scheme etc.

### **Tax on profit/loss for the year**

Tax for the year, which consists of current tax for the year and the deferred tax for the year, is recognized in the income statement by the portion attributable to the profit for the year and recognized directly in equity by the portion attributable to entries directly in equity. Any share of the tax reported in the income statement arising from profit/loss on extraordinary activities for the year is attributed to such activities, whereas the remaining share is attributed to profit/loss on ordinary activities for the year.

## Balance sheet

### Goodwill

Goodwill is amortised straight line over its estimated useful life which is fixed based on the experience gained by Management for each business area.

The amortisation period is usually five years, however, in certain cases it may be up to 20 years for strategically acquired enterprises with a strong market position and a long-term earnings profile if the longer amortisation period is considered to give a better reflection of the benefit from the relevant resources.

Goodwill is written down to the lower of recoverable amount and carrying amount.

### Intellectual property rights etc

Intellectual property rights etc. comprise acquired licences and development projects in progress.

Intangible assets are measured at cost less accumulated amortization and write-downs. Amortization is preceded according to the straight line method based on the estimated useful lives of the asset which are 3-10 years for acquired licences. The amortization period is determined on the basis of the management's experience within the company's business area. In the opinion of the management, it reflects the best estimate for the useful lives of the assets.

The amortization period is assessed on a continuous basis and write-down is recorded in the income statement.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

### Property, plant and equipment

Land and buildings are measured at cost with the addition of revaluations and less accumulated depreciation and impairment losses. Land is not depreciated.

Plant and machinery as well as fixtures, fittings and equipment are measured at cost less accumulated depreciation.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

Investments in progress are measured at defrayed expenses.

Cost comprises acquisition price and expenses directly related to the acquisition as well as expenses for set-up.

Depreciation based on cost with the addition of revaluations and reduced by any scrap value is calculated on a straight line basis over the expected useful lives of the assets which are:

Buildings	20-40 years
Plant and machinery	10-20 years
Other fixtures and fittings, tools and equipment	3-7 years
Leasehold improvements	4 years

Expected lifetimes and scrap values are reevaluated yearly.

Leasehold improvements are depreciated over the lifetime of the leasehold contract.



Property, plant and equipment are written down to the lower of recoverable amount and carrying amount. New acquisitions costing less than DKK 35,000 are fully expensed in the year of acquisition. Office equipment functioning as a whole is capitalised even if the purchase price of the individual parts is less than the amount stated above.

Equipment subject to financial leasing arrangements is treated as if acquired by the company.

### **Investments in group enterprises**

Investments in group enterprises are recognised and measured according to the equity method.

The item "Income from investments in group enterprises" in the income statement includes the share of up enterprise's result for the year less amortisation of goodwill.

The item "Investments in group enterprises" in the balance sheet includes the proportionate ownership share of the net asset value of the group enterprise's calculated according to the accounting policies of the parent company with deduction or addition of unrealised intercompany profits and losses and with addition or deduction of any remaining value of positive or negative goodwill.

Group enterprises with a negative net asset value are valued at DKK 0. If the parent company has a legal or actual liability to cover the negative equity of the company, a provision for this is set up.

Upon profit distribution, the total net revaluation of investments in group enterprises is allocated to a "reserve for net revaluation under the equity method" under shareholders' equity in the parent company.

When group enterprises are acquired, the difference between the cost and the net asset value of the subsidiary acquired is computed subsequent to adjustment of the individual assets and liabilities to fair value. Remaining positive differences are amortized on a straight line basis in the income statement over 20 years.

Goodwill is calculated as the difference between cost of the investments and fair value of the assets and liabilities acquired.

The amortisation period of 20 years for goodwill on consolidation is determined on the basis of the management's experience within the company's business area. In the opinion of the management, it reflects the best estimate of the useful lives of the assets.

Investments in group enterprises are written down to the lower of recoverable amount and carrying amount.

### **Inventories**

Inventories of raw materials, consumables and goods for resale are measured at the cost price according to the FIFO principle or net realisable value if the latter is lower than the cost price.

Finished goods and semi finished goods are measured at direct materials and labour costs involved as well as indirect production overheads such as maintenance and depreciation of production plant as well as operations, administration and management of the plants.

Provisions are made for slow moving and obsolete items.

**Receivables**

In the balance sheet receivables are measured at the lower of amortised cost and net realisable value, which usually corresponds to nominal value less provisions for bad debts. The provision is calculated on the basis of an assessment of the individual debtors.

**Tax payable or receivable**

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

**Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

**Cash**

Cash comprises cash in hand and bank deposits.

**Deferred tax**

Deferred tax is recognized on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognized in the balance sheet at their estimated realizable value, either as a set off against deferred tax liabilities or as net tax assets.

**Other provisions**

Provisions are recognized when - in consequence of an event that occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Pension commitments, which are not covered by insurance, are calculated and stated as the capitalised value of the actual pensions.

Other provisions are made to the extent that at the year end unsettled claims remain from customers or risk of claims concerning actual matters. Moreover, amounts are provided for restructuring decided which have not yet been completed.

**Operating leases**

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

**Other financial liabilities**

Other debt is recognised at cost at the time of contracting the debt. Subsequently, it is stated at amortised cost, which in respect of short and non-interest bearing liabilities and of variable, interest bearing liabilities usually corresponds to the nominal value.

**Cash flow statement**

The cash flow statement shows the Company's cash flows for the year broken down by operating, investing and financing activities, changes for the year in cash and cash equivalents as well as the Company's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities are calculated as the net profit/loss for the year adjusted for noncash operating items such as depreciation, amortization and impairment losses, provisions as well as changes in working capital, interest received and paid and corporation tax paid. Working capital comprises current assets less short term debt excluding items included in cash and cash equivalents.

Cash flows from investing activities comprise cash flows from acquisitions and disposals of intangible assets, property plant and equipment as well as fixed asset investments.

Cash flows from financing activities comprise cash flows from the raising and repayment of long term debt as well as payment of dividend to shareholders.

Cash and cash equivalents comprise "Cash at bank and in hand".

The cash flow statement cannot be solely derived from the published financial records.