

Company Registration No. 00053913

DS Smith Corrugated Packaging Limited

**Annual report and financial statements
for the year ended 30 April 2025**

DS Smith Corrugated Packaging Limited
Annual report and financial statements for the year ended 30 April 2025

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DS Smith Corrugated Packaging Limited

Annual report and financial statements for the year ended 30 April 2025

Company information

Directors

T P Slater
S Rossi
A D Wright

Company Secretary

K B Oluyinka

Registered Number

00053913

Registered Office

Level 3
1 Paddington Square
London
W2 1DL

Independent Auditor

Ernst & Young LLP
The Paragon
Counterslip
Bristol
United Kingdom
BS1 6BX

Bankers

National Westminster Bank Plc
1 Princes Street
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DS Smith Corrugated Packaging Limited

Strategic report for the year ended 30 April 2025

The Directors present their Strategic report for the year ended 30 April 2025.

Business review and principal activities

DS Smith Corrugated Packaging Limited (the 'Company') is principally engaged in the production of fibre-based packaging converted Corrugated Case Material ('CCM') into corrugated board and boxes. The Company operates as part of the legacy DS Smith Group's ('the Group') UK Packaging Division. The Group combined with International Paper on 31st January 2025 to create a new global leader in sustainable packaging solutions.

The key sectors serviced by the Company are the fast-moving consumer goods sector ('FMCG'), e-commerce, consumer durables, and industrial sectors. The Directors are not aware of any likely major changes in the Company's activities in the next year. The business operations are located throughout the UK. The company is a subsidiary of DS Smith Display Holdings Limited.

The results for the year show a profit before tax of £6,644,000 (2023/24: £12,920,000). Net assets increased in the year by £7,257,000 to £147,309,000 (2024: £140,052,000). The performance of the Company is considered satisfactory despite high paper input costs during the year; these will be recovered in future periods inline with the Company's contractual arrangements with its customers. Consumer demand has remained weak as a result of continued macroeconomic pressures in the Company's primary market in the United Kingdom. Despite this, the Company has provided high quality service to retain its customers. Inflationary cost pressures experienced in the market have been mitigated through customer price increases and significant risk management, alongside a forward-looking procurement approach and long-standing, strong supplier relationships. The Company has an active programme of productivity improvements and cost optimisation initiatives to counter the financial impact of these pressures. Capital investments have also been made to improve productivity and print quality and increase the Company's capability to more efficiently provide shelf-ready packaging. Given the recent economic uncertainty, the Directors are satisfied with the underlying performance of the business during the year.

The Group manages its operations on a divisional basis. On this basis the Company's Directors believe that the disclosure of performance indicators for the Company, with the exception of those disclosed in the key performance indicators paragraph below, are not necessary for an understanding of the development, performance or position of the business. Further key performance indicators can be found in the DS Smith Limited Group's annual report.

Directors' statement of compliance with regard to Section 172(1) of the Companies Act 2006

The Board (comprising the Divisional CEO of Packaging, Finance Director (Packaging) and Finance Director (UK Packaging) aims to promote the success of the Company for the benefit of its shareholder, taking into account the long-term consequences of its decisions and looking at those decisions through a variety of lenses. This involves the Board and management considering in detail and discussing the interests of the Company's and Group's stakeholders; the importance of maintaining our reputation for high standards of business conduct; and the impact of the Company's operations on the community and environment. Examples of how this is put into practice are given below and in the statement of corporate governance arrangements.

Our key stakeholders include our customers, our people, our investors, our suppliers, the communities in which we operate and non-governmental organisations. Examples of how this has been achieved are provided below:

Employee engagement

The average number of employees employed by the company during the year was 231. We are working to realise the potential of our people, which focuses on creating a safe, diverse and inclusive workforce, as a fundamental foundation for a successful company. Our people want to work for a Purpose-led

DS Smith Corrugated Packaging Limited

Strategic report for the year ended 30 April 2025 (continued)

Employee engagement (continued)

organisation that resonates, and that they are proud to be a part of. They contribute to a supportive culture, in which they feel safe, recognised, and rewarded. We are committed to ensuring that our workplace is safe, diverse and inclusive. By giving everyone a voice, we promote a meritocracy with development opportunities for all, and recognition of achievement regardless of gender, ethnicity, age or religion. We encourage feedback through our Employee Works Councils and employee pulse surveys and celebrate successes with our Smithies awards.

Our Company's health and safety goal is to achieve zero harm for all individuals impacted by our operations, including our employees, contractors and visitors. To realise this objective we have established Vision Zero, a strategy emphasising leadership, engagement, safe work environments, processes and a shift towards developing a safety-oriented culture, behaviours and mindset. Throughout 2024/25, our primary focus has been the continuous implementation of Vision Zero. Collaborating closely with our leadership team, we have strived to ensure broad employee involvement in safety discussions and to systematically mitigate operational risks. We continue to make significant progress; the overall number of employee accidents and accident frequency rate have remained low, being 2.78 (2024: 2.61). In 2025/26 we will continue striving towards our Vision Zero ambition and ensure our health and safety culture is adopted across our site network.

Being known as an inclusive organisation will help us to grow our talent pool. We will continue to welcome people from different backgrounds and consistently attract some of the best people from our local communities and beyond. To accelerate progress, our immediate focus is on investing in leaders, supporting them with an inclusive leadership education programme. This will provide the cultural awareness and understanding needed to role-model inclusive behaviours and recruit and manage diverse teams.

Active networks include LGBTQ & Allies, Culture & Ethnic Diversity, Gender Diversity and Disability & Allies. These networks foster a sense of belonging by creating a safe and supportive space for employees who share a common sense of identity. The networks offer a platform for members to openly discuss their experiences and perspectives, which in turn can lead to positively building wellness through greater empathy and understanding. Active networks also promote greater awareness through various means including building an annual calendar to support key dates and celebrations within their respective communities.

Fostering of business relations with suppliers, customers and others

Customers

Our customers are predominantly large, global fast moving consumer goods (FMCG) brands that typically sell goods in supermarkets and via e-commerce channels. We produce corrugated recyclable packaging for these brands and sell paper and recycling materials to third parties. Customers are concerned about sustainability, particularly the circularity, including recyclability, and the carbon footprint of their packaging. They are interested in supply chain transparency, legal and regulatory compliance, and competitive pricing, in addition to product quality and meeting their sustainability goals. We aim to delight our customers, from understanding their needs to providing innovative solutions through long-term strategic partnerships.

We continue to bring new solutions to market, increasing recyclability, and reducing the carbon footprint using our Circular Design Metrics.

Packaging customers include the world's biggest brands and multinational companies. We serve customers predominantly producing FMCG and other consumer goods, together with industrial sectors including automotive and construction.

Our priority is to provide quality, sustainable packaging solutions that address the challenges of a fast changing world. We continue to invest in our innovation strategy to ensure each new product we create starts with in-depth research and insight before our expert designers create solutions, using our Circular Design Principles, that meet local requirements but also have the ability to scale across the countries where we operate.

DS Smith Corrugated Packaging Limited

Strategic report for the year ended 30 April 2025 (continued)

Suppliers

Our suppliers range from large, strategic suppliers, with whom we have deep long-term collaborative relationships, to small suppliers of specialist goods and services for specific requirements. Our diverse supplier population increases our resilience, helping to ensure security of supply. Suppliers are concerned about legal compliance, competitive pricing and sustainability. They are interested in how they can support our sustainability agenda, as well as progressing their own.

We collaborate closely with our suppliers, partnering on a range of initiatives from circularity to carbon. This includes helping suppliers to calculate their carbon footprint, set a science-based target and reduce emissions. We develop mutually cooperative, beneficial relationships that create value for all.

Impact of the Company's operations on the community and environment

Leading in sustainability and care for the environment is core to our Purpose and is one of our four strategic goals. We support the Group in engaging in detailed consultations with government and NGOs on the topics of decarbonisation of heat, reuse and recycling, and extended producer responsibility. We also participate in industry organisations in the UK to combine our influence. We engage with and invest in the communities in which we operate, for example, through our Community Programme strategic themes of biodiversity, education and design.

In 2024/25, we continued to make progress towards our Now & Next Sustainability Strategy, and our Circularity, Carbon, People & Communities and Nature targets. The Company actively plays its role in contributing to the progress on the Group's Now and Next Sustainability Strategy, such as the target to continue to strengthen our human rights due diligence, with Sedex (Supplier Ethical Data Exchange) Self Assessment Questionnaire (SAQ) rolled out to 100% of our manufacturing sites.

The Group remains committed and focused on reducing its Scope 1,2 and 3 Green House Gas emissions by 46 per cent by 2030, compared to 2019 and to reach Net Zero GHG emissions by 2050. In 2023/24, the Group published our inaugural Net Zero Transition Plan, which communicates the targets, actions and resources that we are deploying to enable the transformation to 'Net Zero' greenhouse gas (GHG) emissions. The Company monitors its impact on the environment and is working to identify opportunities to contribute to achieving these ambitious Group targets.

Our community engagement aims to produce prosperity, particularly to promote sustainable development and ensure our activities create positive local impacts. Our communities want to reside amongst a good neighbour, leveraging our activities in a way that produces environmental, economic and social value that benefits the communities in which we operate. We engage with our communities on a range of local issues, including in our Community Programme on three main strategic themes: biodiversity, design and education. The DS Smith Charitable Foundation supports environment, education and humanitarian causes, amongst others.

Our government and NGO engagement is both direct and indirect, through trade associations. We aim to influence change to create a favourable landscape for our Company and stakeholders. Governments and NGOs want to engage in collaborative partnerships with the private sector, leveraging resources and building capacity to address systemic issues, particularly those impacting our industry. We engage in consultations relating to our policy priorities – decarbonisation of heat, reuse and recycling, and extended producer responsibility. We take a leadership role with non-governmental organisations, such as the Science Based Targets initiative and the 4evergreen alliance.

DS Smith Corrugated Packaging Limited

Strategic report for the year ended 30 April 2025 (continued)

Streamlined Energy and Carbon Reporting

The Company is included in the Group reporting of the intermediate parent company, DS Smith Limited which has provided its consolidated CO2 emissions and energy consumption on page 17 of the Strategic report in the Group's 2025 Annual Report.

Task Force on Climate-related Financial Disclosures (TCFD)

The Company is included in the Group reporting of the intermediate parent company, DS Smith Limited which has provided its Climate-related Financial Disclosures (TCFD) report on pages 8-19 of the Strategic report in the Group's 2025 Annual Report.

Future developments

The Company's principal activity during the year was the manufacture of fibre-based packaging.

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 2025. On 22 May 2025, the business announced that it had conducted a strategic review of the business in which it identified opportunities to reduce complexity, increase agility and streamline the company's footprint, in line with its investment plans. As a result of the review, closure of the Newcastle site was announced. The current year is going well so far, with progress from 2025 continuing into the new financial year. Our business model is resilient, built on our consistent fast moving consumer goods (FMCG) and e-commerce customer base. We also remain focused on pricing, operational efficiency and tight cost control. Although economic conditions are uncertain, our innovation-led offering and the scale of our business means that we are confident about further growth and sustainable returns in the years ahead.

Combination with International Paper

On 31 January 2025, the Group combined with the US-listed International Paper Group to create a new global leader in sustainable packaging solutions. Under this combination, the combined EMEA business will be operated under the DS Smith brand, with the rest of the world – primarily North America – operating under the International Paper name. Following the combination, the Company remains focused on the integration of the businesses.

Key performance indicators ('KPIs')

The Directors monitor the performance of the Company by reference to the following KPIs.

	2025	2024	Definition, method of calculation
Return on sales (RoS) (%)	8.5%	14.5%	RoS is the ratio of earnings before interest, taxation, adjusting items, and discontinued operations to sales expressed as a percentage.
Return on capital employed (ROCE) (%)	4.1%	8.5%	ROCE is the ratio of earnings before interest, taxation, adjusting items, and discontinued operations to net assets expressed as a percentage.
Orders on time and in full (OTIF) %	97%	97%	Total number of orders on time and in full to total orders in the period expressed as a percentage.
Gross profit (%)	25%	30%	Gross profit % is the ratio of revenue less cost of sales before adjusting items to sales expressed as a percentage.

The Company has been performing well in a competitive market environment.

The Company is proud of its continually high OTIF percentage. Return on Sales and Gross Profit have fallen year-on-year, however, this is in line with expectations for this stage in the cyclical paper cost market. The Company continues to focus on Return on Sales and profitability and the Directors are satisfied with these returns.

DS Smith Corrugated Packaging Limited

Strategic report for the year ended 30 April 2025 (continued)

Principal risks and uncertainties

Macroeconomic impacts are one of the key principal risks facing the Company. The ongoing war following Russia's invasion of Ukraine increasing global tariffs, and the conflict in the Middle East, continue to cause uncertainty at a geopolitical level and the thoughts of the Directors and employees of the Company remain with all those that are suffering as a result. Political and economic factors, such as rising interest rates and weakening major economies, impact the level of end-consumer spend and customer demand for the Company's packaging products. This risk is managed through the Company's secure supply chain and a customer offering focussed on innovative sustainable packaging solutions which remains compelling to our resilient customer base of FMCG multi-national companies.

Volatile commodity pricing for the Company's main input cost, CCM, can cause a short-term challenge to capture appropriate returns by aligning raw material costs to packaging sales revenues. All significant contracts have indexation mechanisms to mitigate this risk, albeit there can be a delay between the purchase of paper and the recovery through indexation.

Inflation rates have continued to rise during the course of the financial year. An agreement has been reached with the unions that represent our workforce to address labour inflation, and our Procurement team continue to work with suppliers to manage inflationary pressures in our other input costs.

Energy price risk

Due to its energy-intensive operations, the Company is exposed to risks relating to changes in the price of energy, particularly gas and electricity. A proportion of energy prices is hedged at Group level, but when the energy price is not hedged, price changes in the energy market have a direct impact on the Company's operating result.

Paper price risk

An element of the Company's operations convert paper into corrugated packaging. The Company is exposed to risks relating to changes in the price of paper, as additional cost needs to be passed onto the customer in order to maintain margins. The Company has an active programme in place to manage its supplies and costs of CCM (corrugated container material) paper. Additionally, the Company is very active in implementing productivity improvements and other cost reduction programmes to counter the financial impact of this risk and to protect the margin from inflationary increases, particularly ongoing labour cost and other significant input cost increases, for example energy.

Financial risk management objectives and policies

The Company's operations expose it to a variety of financial risks that include the effects of changes in energy price, paper price, credit risk, liquidity risk, interest rate risk and foreign exchange risk.

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

Credit risk

The risk that customers cannot meet their obligations constitutes a customer credit risk. The Company runs credit checks on customers where information about customers' financial position is obtained from various credit rating companies. Counterparty credit risk of financial institutions holding cash on deposit is considered by Group treasury prior to making deposits.

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.

DS Smith Corrugated Packaging Limited

Strategic report for the year ended 30 April 2025 (continued)

Financial risk management objectives and policies (continued)

Interest rate risk

The Company has interest-bearing liabilities held with fellow subsidiaries. The Group treasury function is responsible for identifying and managing interest rate exposure.

Foreign exchange risk

The Company is exposed to foreign currency exchange rate fluctuations between sterling and the euro and the US dollar.

Going concern

The financial statements have been prepared using the going concern basis of accounting. In making their assessment on the appropriateness of using the going concern basis, the Directors have considered any material uncertainties relating to events or conditions that may cast significant doubt upon the continuing use of the going concern basis of accounting in future periods. The Directors have considered a period of 12 months from the date the financial statements are expected to be 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 16. At 30 April 2025 the Company reported net current liabilities of £68,053,000 (2024: £69,207,000) and net assets of £147,309,000 (2024: £140,052,000).

The financial statements have been prepared using the going concern basis of accounting. The Company has been issued a support letter from its intermediate parent company, DS Smith Limited, confirming ongoing financial support in meeting liabilities as they fall due for a period of at least 12 months from the day of approval of accounts, subject to unforeseen circumstances. DS Smith Limited has undertaken its own assessment of going concern, which it has confirmed and this is disclosed on page 23 of the Group's 2024/25 Annual Report. The Directors are satisfied that no events took place after the release of the Group's 2024/25 Annual Report that give rise to any uncertainties relating to going concern, and accordingly the Directors considered it is appropriate to rely upon this support in making their going concern assessment for these financial statements. The Directors are satisfied that the Company has adequate resources to meet its operational needs for a period of at least 12 months from the day of approval of accounts and accordingly they continue to adopt the going concern basis in preparing the financial statements.

Approved by the Board of Directors and signed on behalf of the Board:

Adam Wright

A D Wright

02 February 2026

DS Smith Corrugated Packaging Limited

Directors' Report for the year ended 30 April 2025

The Directors present their annual report and the audited financial statements of the Company for the year ended 30 April 2025.

Under s414C(11) of the Companies Act, the Directors may include in the strategic report such of the matters otherwise required by regulations made under s416(4) to be disclosed in the Directors' report as the Directors consider they are of strategic importance to the Company. The following disclosures required by s416(4) have been presented in the strategic report:

- Financial risk management objectives and policies;
- Future developments
- Engagement with employees
- Engagement with suppliers, customers and others
- Energy and carbon reporting

Results and dividends

The profit for the year, after taxation, amounted to £7,095,000 (2023/24: £8,298,000).

The Directors have not proposed or paid a dividend for the year ended 30 April 2025 (2024: £nil). There have been no dividends proposed after year end.

Directors

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

S Rossi

W B Hicks (resigned 30 September 2025)

T P Slater

A P Stern (resigned 27 June 2025)

A D Wright (appointed 19 June 2025)

Company Secretary

Z W Stone (resigned 21 March 2025)

K B Oluyinka (appointed 21 March 2025)

Directors' and officers' liability insurance

During the year, DS Smith Limited maintained liability insurance for the Directors and Officers of DS Smith Corrugated Packaging Limited and its parent company. Neither the insurance nor the indemnity provides cover where a Director acts fraudulently or dishonestly. The Company has not made qualifying third-party indemnity provisions for the benefit of the Group's Directors during the year.

Political contributions

No political contributions were made during the year (2023/24: £nil).

Post balance sheet events

On 22 May 2025, the business announced that it had conducted a strategic review of the business in which it identified opportunities to reduce complexity, increase agility and streamline the company's footprint, in line with its investment plans. As a result of the review, closure of the Newcastle site was announced.

On 29 January 2026, International Paper announced its intent to form two independent, public companies through the separation of its North America and EMEA businesses. The separation is expected to be completed in 12-15 months, subject to satisfaction of certain customary conditions.

DS Smith Corrugated Packaging Limited

Directors' Report for the year ended 30 April 2025 (continued)

Disclosure of information to auditor

Each person who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditor

In accordance with Section 489 of the Companies Act 2006 and following the combination with International Paper completed on 31 January 2025, the auditors, Deloitte LLP, will be proposed for appointment at the following Annual General Meeting. Accordingly Ernst & Young LLP (EY) 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 Ernst & Young LLP (EY) as external auditor which should be brought to the attention of the stakeholders of the Company.

This report was approved by the Board of Directors and signed on behalf of the Board:

Adam Wright

A D Wright

02 February 2026

DS Smith Corrugated Packaging Limited

Directors' responsibility statement for the year ended 30 April 2025

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 *Reduced Disclosure Framework*.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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

Independent auditor's report to the members of DS Smith Corrugated Packaging Limited

Opinion

We have audited the financial statements of DS Smith Corrugated Packaging Limited (the "Company" for the year ended 30 April 2025 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 24, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards [including [FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

give a true and fair view of the company's affairs as at 30 April 2025 and of its profit for the year then ended;

have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditor's report to the members of DS Smith Corrugated Packaging Limited

Opinions on other matters prescribed by the Companies Act 2006

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

the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 10, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 101 and Companies Act 2006) and compliance with the relevant direct and indirect tax regulations in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to its operations, including health and safety, employees, data protection and anti-bribery and corruption.

Independent auditor’s report to the members of DS Smith Corrugated Packaging Limited
Auditor’s responsibilities for the audit of the financial statements (continued)

- We understood how the Company is complying with those frameworks by making enquiries of management and those charged with governance to understand how the Company maintains and communicates its policies and procedures in these areas. We also understood the controls put in place by management to reduce the opportunities for fraudulent transactions.
- We assessed the susceptibility of the company’s financial statements to material misstatement, including how fraud might occur through internal team conversations and inquiry of management and those charged with governance to understand where they considered there was susceptibility to fraud. We also considered performance targets and the potential incentives or opportunities to manage earnings. We considered the programmes and controls that the Company has established to address the risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free from material fraud.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved review of board minutes and correspondence with relevant authorities, where applicable, and inquiries of Company and DS Smith Limited group management and those charged with governance, legal counsel, and internal audit. Based on procedures performed, we have not identified any actual or possible instances of non-compliance with laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the

Financial Reporting Council’s website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor’s report.

Use of our report

This report is made solely to the company’s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company’s members those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company’s members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Sarah Pocock (Senior statutory auditor)

for and on behalf of

Ernst & Young LLP

The Paragon

Counterslip

Bristol

BS1 6BX

02 February 2026

DS Smith Corrugated Packaging Limited
Income statement
For the year ended 30 April 2025

	Note	2025 £'000	2024 (as restated) £'000
Revenue	4	70,449	82,216
Cost of sales		(52,578)	(57,824)
Gross profit		17,871	24,392
Distribution costs		(4,158)	(4,449)
Administrative expenses		(7,745)	(7,966)
Gain/(Loss) on disposal of property, plant and equipment		38	(29)
Operating profit	5	6,006	11,948
Finance income	8	2,597	2,678
Finance costs	8	(1,959)	(1,706)
Net financing income		638	972
Profit before tax		6,644	12,920
Income tax credit/(charge)	9	451	(4,622)
Profit for the year		7,095	8,298

All the results are from continuing operations.

The notes on pages 18 to 29 form part of these financial statements.

DS Smith Corrugated Packaging Limited
Statement of comprehensive income
For the year ended 30 April 2025

	Note	2025 £'000	2024 £'000
Profit for the financial year		7,095	8,298
Other comprehensive income/(expense)			
Gain/(Loss) on designated cash flow hedges		63	(630)
Reclassification from cash flow hedge reserve to income statement		153	399
Deferred tax on designated cash flows	16	(54)	58
Other comprehensive income/(expense) for the year		162	(173)
Total comprehensive income for the year		7,257	8,125

The notes on pages 18 to 29 form part of these financial statements.

DS Smith Corrugated Packaging Limited
Statement of financial position
As at 30 April 2025

	Note	2025 £'000	2024 £'000
Assets			
Non-current assets			
Intangible assets	10	54	84
Property, plant and equipment	11	22,440	23,485
Right-of-use assets	12	758	1,416
Trade and other receivables	14	192,410	184,949
Deferred tax	16	95	155
Total non-current assets		215,757	210,089
Current assets			
Inventories	13	2,715	2,561
Trade and other receivables	14	8,425	11,154
Income Tax		190	-
Total current assets		11,330	13,715
Total assets		227,087	223,804
Liabilities			
Current liabilities			
Trade and other payables	15	(78,767)	(82,079)
Derivative financial instruments	17	(26)	(223)
Lease liabilities		(590)	(620)
Total current liabilities		(79,383)	(82,922)
Net current liabilities		(68,053)	(69,207)
Total assets less current liabilities		147,704	140,882
Non-current liabilities			
Other payables	15	(147)	(147)
Lease liabilities		(230)	(645)
Derivative financial instruments	17	(18)	(38)
Total non-current liabilities		(395)	(830)
Total liabilities		(79,778)	(83,752)
Net assets		147,309	140,052
Equity			
Called-up share capital	18	19,737	19,737
Share premium account		79,343	79,343
Revaluation reserve		44	44
Hedging reserves	17	(33)	(195)
Retained earnings		48,218	41,123
Shareholder's equity		147,309	140,052

The financial statements for DS Smith Corrugated Packaging Limited (registered number 00053913) were approved by the Board of Directors and authorised for issue on 02 February 2026.

Signed on behalf of the Board of Directors:

Adam Wright

A D Wright

The notes on pages 18 to 29 form part of these financial statements.

DS Smith Corrugated Packaging Limited
Statement of changes in equity
For the year ended 30 April 2025

	Called-up share capital £'000	Share premium £'000	Revaluation reserve £'000	Hedging reserves £'000	Retained earnings £'000	Total equity £'000
At 1 May 2023	19,737	79,343	44	(22)	32,825	131,927
Profit for the year	-	-	-	-	8,298	8,298
Loss on designated cash flow hedges	-	-	-	(630)	-	(630)
Deferred tax on designated cash flow hedges	-	-	-	58	-	58
Reclassification from cash flow hedge reserve to income statement	-	-	-	399	-	399
At 30 April 2024	19,737	79,343	44	(195)	41,123	140,052
Profit for the year	-	-	-	-	7,095	7,095
Gain on designated cash flow hedges	-	-	-	63	-	63
Deferred tax on designated cash flow hedges	-	-	-	(54)	-	(54)
Reclassification from cash flow hedge reserve to income statement	-	-	-	153	-	153
At 30 April 2025	19,737	79,343	44	(33)	48,218	147,309

The notes on pages 18 to 29 form part of these financial statements.

DS Smith Corrugated Packaging Limited

Notes to the financial statements for the year ended 30 April 2025

1. Principal accounting policies

Basis of preparation

DS Smith Corrugated Packaging Limited 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 Level 3, 1 Paddington Square, London, W2 1DL. The nature of the Company's operations and its principal activities are set out in the Strategic report.

The financial statements of the Company have been prepared on the going concern basis and in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101) and the UK 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 parents that otherwise apply the recognition, measurement and disclosure requirements of IFRS.

The financial statements are prepared under the historical cost convention.

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;
- disclosures in respect of transactions with other Group entities, including the ultimate parent company;
- comparative period reconciliations for tangible fixed assets and intangible assets;
- disclosures in respect of capital management;
- disclosures in respect of key management personnel;
- disclosures in respect of IFRS 16 *Leases*;
- disclosures in respect of new but not yet effective IFRSs;
- certain disclosures in respect of IAS 36 *Impairment of Assets*; and
- certain disclosures in respect of IFRS 15 *Revenue from Contracts with Customers*.

As the Group financial statements include the equivalent disclosures, the Company has also taken advantage of the exemption 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 2024:

- Amendments to IAS 1 – Classification of liabilities as current or non-current and non-current liabilities with covenants
- Amendments to IFRS 16 – Lease liability in a sale and leaseback
- Amendments to IAS 7 and IFRS 7 – Supplier finance arrangements

As a result of implementing the amendments to IAS 7 and IFRS 7, the Group has provided additional disclosures about its supplier finance arrangements. The Group has applied transitional relief available under IAS 7 and has not provided comparative information in the first year of adoption.

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.

DS Smith Corrugated Packaging Limited

Notes to the financial statements for the year ended 30 April 2025 (continued)

1. Principal accounting policies (continued)

Revenue

Revenue comprises the fair value of the sale of goods and services, net of value added tax and other sales taxes, rebates and discounts.

Revenue from the sale of goods is recognised at a point in time when:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- all significant performance obligations have been met;
- the Company retains neither continuing managerial involvement nor effective control over the goods sold;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the amount of revenue can be measured reliably.

This is typically when either the goods are loaded onto the collection vehicle if the buyer is collecting them, or when the goods are unloaded at the delivery address if the Company is responsible for delivery.

Foreign currencies

Transactions in foreign currencies are recorded using 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.

Intangible assets

Computer software that is integral to a related item of hardware is included within property, plant and equipment. All other computer software is treated as an intangible asset.

Other intangible assets that are acquired by the Company are carried at cost less accumulated amortisation and impairment.

Amortisation of intangible assets is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets are amortised from the date they are available for use.

The estimated useful lives are as follows:

Software	3-5 years
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Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses. Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives (or in the case of leased assets, the lease period, if shorter), of each item of property, plant and equipment, to leave the estimated residual values. Major components are accounted for separately. Land and assets under construction are not depreciated.

The estimated useful lives are as follows:

Freehold buildings	10-50 years
Plant and machinery, fixtures and fittings (including IT hardware)	2-25 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Any impairment in the value of property, plant and equipment is charged to the income statement as appropriate.

Assets under construction are not subject to depreciation until completion. The cost of a self-constructed asset is measured by directly attributable costs including direct materials, direct labour costs and unavoidable costs that are directly attributable to the construction activity. Once the asset under construction is ready for use or sale then it is reclassified into its appropriate asset category and depreciation shall commence.

DS Smith Corrugated Packaging Limited

Notes to the financial statements for the year ended 30 April 2025 (continued)

1. Principal accounting policies (continued)

Employee benefits

Defined contribution schemes

Contributions to defined contribution pension schemes are recognised as an employee benefit expense within personnel expenses in the income statement, as incurred.

Provisions

A provision is recognised in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, a reliable estimate can be made of the amount of the obligation and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are discounted to present value where the effect is material.

Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The cost of inventories is based on a weighted average cost or first-in first-out basis and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity. Provision is made for obsolete, slow-moving or defective items where appropriate.

Guarantees

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its Group, the Company considers these to be insurance arrangements and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

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

Deferred tax is provided for using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

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

The Pillar Two Income tax rules will apply to the DS Smith Group and subsidiaries for the financial year commencing on 1 May 2024. The Company has applied the exemption from recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes as required in the amendments to FRS 101 International Tax reform - Pillar two model rules effective 1 January 2023

DS Smith Corrugated Packaging Limited

Notes to the financial statements for the year ended 30 April 2025 (continued)

1. Principal accounting policies (continued)

Financial instruments

The company uses commodity derivative financial instruments transacted with its ultimate parent company to manage commodity risks associated with the Company's underlying business activities. The Company does not undertake any speculative activity with derivative financial instruments.

Derivative financial instruments are initially recognised at fair value and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

If the hedging instrument expires, is sold or terminated, the hedged transaction ceases to be highly probable or if its designation as a hedge is revoked, amounts previously recognised in equity remain in equity until the forecast transaction occurs and are transferred to the income statement.

The Company has elected to apply cash flow hedge accounting. The effective portion of the gain or loss on the hedging instruments is recognised directly in equity, while the ineffective portion is recognised in the income statement. Amounts taken to equity are transferred to the income statement in the same period during which the hedged transaction affects profit or loss, such as when a forecast purchase of energy occurs.

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price and, where applicable, are subsequently measured at amortised cost. Financial assets and liabilities are only offset in the statement of financial position when, and only when, there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Financial assets are derecognised when, and only when, a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Reserves

The share premium account represents the difference between the issue price and the nominal value of shares issued. The revaluation reserve has arisen on the revaluation of assets in prior years. Retained earnings comprises the cumulative net earnings of the Company, that have not been paid out as dividends.

Going concern

The financial statements have been prepared using the going concern basis of accounting. In making their assessment on the appropriateness of using the going concern basis, the Directors have considered any material uncertainties relating to events or conditions that may cast significant doubt upon the continuing use of the going concern basis of accounting in future periods. The Directors have considered a period of 12 months from the date the financial statements are expected to be 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 16. At 30 April 2025 the Company reported net current liabilities of £68,053,000 (2024: £69,207,000) and net assets of £147,309,000 (2024: £140,052,000).

The financial statements have been prepared using the going concern basis of accounting. The Company has been issued a support letter from its intermediate parent company, DS Smith Limited, confirming ongoing financial support in meeting liabilities as they fall due for a period of at least 12 months from the day of approval of accounts, subject to unforeseen circumstances. DS Smith Limited has undertaken its own assessment of going concern, which it has confirmed and this is disclosed on page 23 of the Group's 2024/25 Annual Report. The Directors are satisfied that no events took place after the release of the Group's 2024/25 Annual Report that give rise to any uncertainties relating to going concern, and accordingly the Directors considered it is appropriate to rely upon this support in

DS Smith Corrugated Packaging Limited

Notes to the financial statements for the year ended 30 April 2025 (continued)

making their going concern assessment for these financial statements. The Directors are satisfied that the Company has adequate

1. Principal accounting policies (continued)

Going concern continued

resources to meet its operational needs for a period of at least 12 months from the day of approval of accounts and accordingly they continue to adopt the going concern basis in preparing the financial statements.

Finance income and costs

Finance income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Finance income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Finance costs are charged to the profit and loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

2. Critical accounting judgements 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.

Critical accounting judgements

Impairment

Assumptions are made when reviewing assets for any impairment indicators. It is possible that if key assumptions were changes adversely, impairment would need to be recognised.

Key sources of estimation uncertainty

In the opinion of the Directors, there are no key sources of estimation uncertainty.

3. Prior year restatement

Finance costs of £1,318,000 related to interest on loans from Group undertakings were previously reported within finance income. Based on the nature of these expenses being interest charges on an intercompany payable loan and it has been determined that these should be reported in finance costs. This has had no impact on profit for the year, but the below lines in the income statement have been restated.

	Previously Reported £000	Restatement £000	Currently Reported £000
Year ended 30 April 2024			
Finance income	1,360	1,318	2,678
Finance costs	(388)	(1,318)	(1,706)
4. Revenue			
Revenue by geographical destination			
United Kingdom		67,950	79,642
Rest of Europe		2,499	2,574
		70,449	82,216

DS Smith Corrugated Packaging Limited

Notes to the financial statements for the year ended 30 April 2025 (continued)

All revenue recognised at a point in time is derived from the principal activities of the Company and relates solely to the production of goods.

5. Operating profit

Operating profit is stated after charging:

	Note	2025 £'000	2024 £'000
Auditor's remuneration – fees payable for the audit of the Company's financial statements		48	56
Depreciation of owned property, plant and equipment	11	1,359	1,222
Depreciation of right-of-use assets	12	631	709
Amortisation of intangible assets	10	33	35
Inventory recognised as an expense		33,178	39,815
Foreign exchange losses		9	4

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

6. Directors' emoluments

All the Directors are remunerated by other Group undertakings. It is considered that the level of their qualifying services to the company is negligible compared to their main roles. There are no management charges from these Group undertakings for their services. Consequently, they determine that given the level of the services required, that the proportion of their salary relating to their services provided to this company is insignificant. Therefore a £nil apportionment is made (2024: £nil). The Group operates a share-based payment scheme covering certain employees of the Company, however the amount recharged to the Company is negligible.

7. Employee information

	2025 £'000	2024 £'000
The aggregate payroll costs of these persons were as follows:		
Wages and salaries	9,159	8,853
Social security costs	1,063	969
Contributions to defined contribution pension plans (note 20)	977	863
Redundancy costs	12	156
	11,211	10,841

Redundancy costs relate to redundancies made in the ordinary course of business.

The average monthly number of staff (including Directors) employed by the Company during the financial year was:

	2025 Number	2024 Number
Average number of staff by activity during the year:		
Production	146	151
Selling and distribution	54	50
Management and administration	31	29
	231	230

DS Smith Corrugated Packaging Limited

Notes to the financial statements for the year ended 30 April 2025 (continued)

8. Finance income and costs

	2025	2024 (as
	£'000	restated)
		£'000
Interest on loans from Group undertakings	2,597	2,678
Finance income	2,597	2,678
Interest on loans from Group undertakings	(1,767)	(1,318)
Interest on right-of-use assets	(70)	(153)
Factoring interest payable	(122)	(235)
Finance costs	(1,959)	(1,706)

9. Income tax expense

	2025	2024
	£'000	£'000
Current tax charge		
UK corporation tax in respect of current year	-	(3,537)
Adjustment in respect of prior years	457	(347)
Total current tax credit/(charge)	457	(3,884)
Deferred tax credit/(charge)		
Origination and reversal of temporary differences	130	175
Adjustment in respect of prior years	(136)	(913)
Total deferred tax charge	(6)	(738)
Total income tax credit/(charge) in the income statement from continuing operations	451	(738)
Total income tax credit/(charge)	451	(4,622)

The deferred tax adjustment in respect of prior years of £136,000 (2024: £913,000) relates mainly to a decrease (2024: decrease) in temporary differences arising in respect of accelerated capital allowances at the time of issuing the financial statements in the prior year the amount of capital allowance was unknown and this only became determinable on submission of the tax return for that respective period.

The difference between the actual tax charge and the standard rate of corporation tax in the UK of 25% (2024: 25%) is as follows:

	2025	2024
	£'000	£'000
Profit before income tax	6,644	12,920
Income tax at the UK standard rate of corporation tax of 25% (2024: 25.00%)	(1,661)	(3,230)
Effects of:		
- Group relief claimed not paid for	2,011	-
- Permanent differences	(220)	(132)
- Adjustments in respect of prior years	321	(1,260)
Income tax credit/(charge)	451	(4,622)

The UK Government has enacted legislation in respect of Pillar Two introducing a global minimum effective tax rate of 15% and a domestic minimum top up tax. The rules applied to the Company for the financial year commencing on 1 May 2024. Additional disclosures on Pillar Two are included in the annual Group financial statements of DS Smith Limited, an intermediate parent of the Company.

DS Smith Corrugated Packaging Limited

Notes to the financial statements for the year ended 30 April 2025 (continued)

10. Intangible assets

	Software £'000	Total £'000
Cost		
At 1 May 2024	305	305
Reclassification	3	3
At 30 April 2025	308	308
Amortisation and impairment		
At 1 May 2024	(221)	(221)
Amortisation	(33)	(33)
At 30 April 2025	(254)	(254)
Net book value		
At 30 April 2025	54	54
At 30 April 2024	84	84

11. Property, plant and equipment

	Freehold land and buildings £'000	Plant and machinery £'000	Fixtures and fittings £'000	Under construction £'000	Total £'000
Cost					
At 1 May 2024	37,530	123,408	7,641	6,047	174,626
Additions	-	407	-	1,683	2,090
Transfers	-	(91)	(77)	(1,853)	(2,021)
Reclassification	4,044	531	658	(4,989)	244
At 30 April 2025	41,574	124,255	8,222	888	174,939
Accumulated depreciation					
At 1 May 2024	(31,561)	(114,200)	(5,380)	-	(151,141)
Charge for the year	(201)	(762)	(396)	-	(1,359)
Transfers	-	-	12	-	12
Reclassification	-	-	(11)	-	(11)
At 30 April 2025	(31,762)	(114,962)	(5,775)	-	(152,499)
Net book value					
At 30 April 2025	9,812	9,293	2,447	888	22,440
At 30 April 2024	5,969	9,208	2,261	6,047	23,485

The net book value of freehold land and buildings includes £5,739,000 (2024: £1,980,000) of depreciable assets.

DS Smith Corrugated Packaging Limited

Notes to the financial statements for the year ended 30 April 2025 (continued)

12. Right-of-use assets

	Freehold land and buildings £'000	Plant and machinery £'000	Fixtures and fittings £'000	Total £'000
Cost				
At 1 May 2024	2,471	600	247	3,318
Additions	-	221	-	221
Disposals	-	(346)	-	(346)
Reclassification	-	-	(247)	(247)
At 30 April 2025	2,471	475	-	2,946
Accumulated depreciation				
At 1 May 2024	(1,491)	(407)	(4)	(1,902)
Charge for the year	(455)	(169)	(7)	(631)
Reclassification	-	-	11	11
Disposals	-	334	-	334
At 30 April 2025	(1,946)	(241)	-	(2,188)
Net book value				
At 30 April 2025	525	233	-	758
At 30 April 2024	980	193	243	1,416

The Company leases several assets including buildings and plant. The average lease term is 4 years.

	2025 £'000
Amounts recognised in profit and loss	
Depreciation expense on right-of-use assets	631
Interest expense on lease liabilities	70

13. Inventories

	2025 £'000	2024 £'000
Raw materials and consumables	1,602	1,041
Work in progress	121	95
Finished goods	992	1,425
	2,715	2,561

There is no material difference between the statement of financial position value of inventories and their replacement cost. Inventory provisions at 30 April 2025 were £379,000 (2024: £329,000). £123,000 was charged to the income statement during the year (2024: £78,000).

14. Trade and other receivables

	2025		2024	
	Non- current £'000	Current £'000	Non- current £'000	Current £'000
Trade receivables	-	6,696	-	9,548
Amounts owed by Group undertakings	192,410	858	184,949	833
Prepayments and accrued income	-	871	-	773
	192,410	8,425	184,949	11,154

Included within amounts owed by Group undertakings is £45,198,701 (2024: £46,087,948) which is repayable on 1st April 2027 from DS Smith Limited. Remaining Non-current balances are not expected to be settled within the next twelve months. All other assets owed by group undertakings are non-interest bearing, unsecured, and are expected to be settled within the next twelve months or related to trading balances. Prepayments and accrued income mostly relate to prepaid property and business rates.

DS Smith Corrugated Packaging Limited

Notes to the financial statements for the year ended 30 April 2025 (continued)

15. Trade and other payables

	2025		2024	
	Non-current £'000	Current £'000	Non-current £'000	Current £'000
Trade payables	-	5,655	-	7,759
Amounts owed to Group undertakings	-	70,523	-	70,490
Other taxes and social security	-	254	-	567
Preference shares	147	-	147	-
Other creditors	-	548	-	730
Accruals and deferred income	-	1,787	-	2,533
	147	78,767	147	82,079

Included within amounts owed to Group undertakings is £16,370,812 (2024: £14,609,929) which is repayable on demand.

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

7.5% Cumulative preference shares of £1 have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

Accruals and deferred income mostly relate to utility and transport costs across a number of sites.

16. Deferred tax

The following are the major deferred tax liabilities and assets recognised by the Company and movements during the current reporting period.

	£'000
At 1 May 2024	155
Charged to income statement	(6)
Charged to other comprehensive income	(54)
At 30 April 2025	95

The provision for deferred taxation is made up as follows:

	2025	2024
	£'000	£'000
Accelerated capital Allowances	(41)	90
Deferred Tax on designated cash flow hedges	11	65
Losses	125	-
	95	155

Deferred tax assets are recognised for all deductible temporary differences on the basis it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

DS Smith Corrugated Packaging Limited

Notes to the financial statements for the year ended 30 April 2025 (continued)

17. Derivative financial instruments

The Company transacts commodity hedge derivative financial instruments with its ultimate parent company to manage the risks associated with the Company's underlying business activities. Derivatives are carried at their fair value in the statement of financial position.

The assets and liabilities of the Company at 30 April in respect of derivative financial instruments are as follows:

	Assets		Liabilities	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Derivatives held to hedge future transactions:				
Energy – current	-	-	26	223
Energy – non-current	-	-	18	38
	-	-	44	261

For the derivative financial instruments carried at fair value, market prices are used to determine fair value. The Company uses forward energy index prices quoted on an exchange for valuing commodity contracts.

18. Called-up share capital

	2025 £'000	2024 £'000
Authorised, allotted, called-up and fully paid:		
19,737,772 (2024: 19,737,772) ordinary shares of £1 each	19,737	19,737

19. Contingent liabilities

In the prior year, the Company was 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. The facility was disbanded in August 2024.

Further information can be found in the Group's annual report which does not form part of this report.

20. Employee benefits

Defined contribution scheme

The Company participates in a UK defined contribution scheme, which is a trust-based arrangement offering members a range of investments. All assets are held independently from the Group.

The amount recognised as an expense for the defined contribution scheme in the year, relating to current period contributions, was £977,000 (2023/24: £863,000). The amount payable at 30 April 2025 was £nil (30 April 2024: £nil).

21. Related parties

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

22. Capital commitments and other commitments

The Company had no capital commitments for the year (2024: nil).

DS Smith Corrugated Packaging Limited

Notes to the financial statements for the year ended 30 April 2025 (continued)

23. Ultimate parent undertaking and controlling party

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

The ultimate parent company and the ultimate controlling party is International Paper Company, a Company incorporated in the United States.

International Paper Company is the largest Group in which the results of the Group and Company will be consolidated. The registered office for International Paper Company is 6400 Poplar Avenue, Memphis, Tennessee, 38197, United States.

Copies of the International Paper Company financial statements can be obtained from www.internationalpaper.com.

DS Smith Limited represents the smallest group of undertakings for which Group financial statements are prepared and of which the Company is a member. The registered office for DS Smith Limited is Level 3, 1 Paddington Square, London, W2 1DL.

Copies of the DS Smith Limited financial statements are available from the Secretary of DS Smith Limited at Level 3, 1 Paddington Square, London, W2 1DL.

The Company does not have any subsidiary undertakings.

24. Post balance sheet events

On 22 May 2025, the business announced that it had conducted a strategic review of the business in which it identified opportunities to reduce complexity, increase agility and streamline the company's footprint, in line with its investment plans. As a result of the review, closure of the Newcastle site was announced. In December 2025, the Newcastle site associated with the strategic review met the criteria to be classified as held of sale.

On 29 January 2026, International Paper announced its intent to form two independent, public companies through the separation of its North America and EMEA businesses. The separation is expected to be completed in 12-15 months, subject to satisfaction of certain customary conditions.