
DS SMITH HOLDINGS LIMITED

UNAUDITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2025

DS SMITH HOLDINGS LIMITED

COMPANY INFORMATION

Directors	S Rossi S W Hieatt V P A M Bonnot
Company secretary	J W Lloyd
Registered number	06739623
Registered office	Level 3, 1 Paddington Square London W2 1DL
Bankers	National Westminster Bank Plc Bishopsgate London ECM2 4AA

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STRATEGIC REPORT
FOR THE YEAR ENDED 30 APRIL 2025

Introduction

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

Principal activities

The principal activity of the Company is to act as an investment holding company within the legacy DS Smith Group ('the Group'). On 31 January 2025, the DS Smith Group combined with the US-listed International Paper Group. There has been no significant change in the Company's principal activity in the year under review. The Directors are not aware, at the date of this report, of any likely significant changes in the Company's activities in the forthcoming financial year.

Business review and key performance indicators

The results for the financial year show a profit before taxation of £738,675,000 (2024: £92,084,000). Dividends of £841,545,000 were paid during the year (2024: £209,873,000). The carrying value of investments at 30 April 2025 was £4,292,494,000 (2024: £4,268,638,000). The movement in profit before tax is mainly due to dividend income of £841,545,000 received during the year (2024: £192,468,000).

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

Section 172 (1) statement of the Companies Act 2006

The Directors aim to promote the success of the Company for the benefit of its shareholder and the Group as a whole, taking into account the long-term consequences of its decisions and looking at those decisions through a variety of lenses, an example being the annual impairment assessment on investments in subsidiaries in DS Smith Holdings Limited. This involves the Board and management considering in detail and discussing the interests of the Company's and Group's stakeholders including our customers, our people, our investors, our suppliers, local communities and non-governmental organisations; the importance of maintaining our reputation for high standards of business conduct through our high customer satisfaction results; and the environment. When making decisions during the year the Directors of the Group received relevant information to help them understand the interest and views of these key stakeholder groups and the potential impact these decisions could have on each group. Information included reports regarding financial and operational performance, risk, responsible business matters and the results of specific stakeholder engagement exercises. The Directors of the Company take into account the interests of the parent company and the ultimate parent company when making decisions through regular communications such as the Balance Sheet Committee.

As the Company is an investment holding company within the Group it does not have any direct employees, customers or suppliers. The Directors of this entity make decisions in respect of this Company with regard to its internal stakeholders. For more details on how the Group considers the interests of the Group's employees, the impact actions have on the communities in which the Group operate and the environment, maintaining high standards of business conduct and acting fairly at all times, refer to the Group's annual report which does not form part of this report. A copy of the Group's annual report can be obtained from the address in note 23.

Combination with International Paper

On 31 January 2025, the DS Smith 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.

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2025**

Future developments

The principal activity of the Company is to act as an investment holding company for the legacy DS Smith Group. 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.

Streamlined Energy and Carbon Reporting

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

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

Financial risk management objective and policies

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

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

Interest rate risk

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

Credit risk

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

Liquidity risk

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

Foreign currency risk

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

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2025**

Principal risks and uncertainties

There continues to be global uncertainty within the macroeconomic environment as a result of the war in Ukraine and the Middle East, increasing global tariffs and the cost of living crisis. For the group, raw material and other input costs also remain high although energy prices have started to decline. However, these are mitigated by effective supplier arrangements, long-term hedging arrangements and rising packaging prices. The Group continues to carefully manage our cost base and is confident for the year ahead that sufficient methods are in place to mitigate these increased costs.

This report was approved by the board on 8 April 2026 and signed on its behalf.

V P A M Bonnot
Director

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 APRIL 2025**

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

Results and dividends

The profit for the year, after taxation, amounted to £741,034,000 (2024: £117,055,000).

Dividends paid in the year ended 30 April 2025 were £841,545,000 (2024: £209,873,000). Dividends paid in the following financial year and up to the date of signing were £5,411,246,000.

Directors

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

W B Hicks (resigned 30 September 2025)
S Rossi
I D C Simm (resigned 17 March 2025)
S W Hieatt (appointed 17 March 2025)
V P A M Bonnot (appointed 16 July 2025)

Directors' and officers' indemnity

During the year and up to the date of approval of these financial statements, the intermediate parent company maintained qualifying third-party indemnity arrangements for the Directors and other Officers of the Company.

Political contributions

No political contributions were made during the year (2024: £nil).

Going concern

The financial statements have been prepared using the going concern basis of accounting. In making their assessment on the appropriateness of using the going concern basis, the Directors have considered any material uncertainties relating to events or conditions that may cast significant doubt upon the continuing use of the going concern basis of accounting in future periods. The Directors have considered a period of 12 months from the date the financial statements are authorised for issue.

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out above. The financial position of the Company is as shown in the statement of financial position on page 9. At 30 April 2025, the Company reported net assets of £2,630,928,000 (2024: £2,707,583,000).

The financial statements have been prepared using the going concern basis of accounting. 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.

Matters covered in the strategic report

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

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

DS SMITH HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2025

Post balance sheet events

On 22 May 2025, DS Smith Limited transferred loan receivables of £920m to the Company in exchange for two ordinary shares. On the same date, these loan receivables were transferred to DS Smith Holdings, Inc. in exchange for one share in DS Smith Holdings, Inc..

On 15 July 2025, the Company formed a new company, DS Smith Basalt Limited, for a subscription value of £1,586m.

On 29 July 2025, the Company sold its investment in DS Smith Holdings, Inc. to International Paper UK Holdings Limited resulting in a gain on disposal of £302m.

On 30 October 2025, the Company received a dividend of £1,238m from DS Smith International Limited settled by intercompany receivables. On the same date, the Company paid a dividend of £1,238m to DS Smith Limited, settled by the intercompany receivables received from DS Smith International Limited.

On 10 December 2025, the Company issued two shares to DS Smith Limited for total consideration of £88m in exchange for intercompany receivables. These were then contributed to DS Smith International Limited, DS Smith Poznan Limited, DSSH No 1 Limited and Miljoint Limited each in exchange for 2 shares, in total being £88m.

On 12 December 2025, the Company undertook a capital reduction, reducing its Share capital to £1 and its Share premium to £nil.

On 17 December 2025, the Company received a dividend of £22m from DS Smith Perch Limited settled by intercompany receivables. On the same date, the Company paid a dividend to DS Smith Limited of £22m settled by the intercompany receivables received from DS Smith Perch Limited.

On 18 December 2025, the Company received a dividend of £3,439m from DS Smith International Limited settled by intercompany receivables. On the same date, the Company paid a dividend of £3,439m to DS Smith Limited settled by the intercompany receivables received from DS Smith International Limited.

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.

On 25 March 2026, the Company received an intercompany dividend from its subsidiary undertaking, DS Smith Basalt Limited. This was settled by an intercompany receivable from International Paper UK Holdings Limited. The Company distributed this intercompany receivable as consideration for a dividend paid to its parent company, DS Smith Limited. Subsequently the Company recorded an impairment of its investment in DS Smith Basalt Limited.

Audit Exemption

DS Smith Holdings Limited, as a guaranteed subsidiary of DS Smith Limited, has met the criteria set out in sections 479A-479C of the Companies Act 2006 and is claiming exemption from the audit of its individual accounts afforded by those sections for the year ending 30 April 2025. The Members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006. The Directors acknowledge their responsibilities for complying with the requirement of the Act with respect to accounting records and the preparation of accounts.

DS SMITH HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2025**

This report was approved by the board on 8 April 2026 and signed on its behalf.

V P A M Bonnot
Director

**DIRECTORS' RESPONSIBILITIES 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 the 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 the financial statements, the Directors are required to:

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

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

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

DS SMITH HOLDINGS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2025**

	Note	2025 £000	<i>2024 £000</i>
Income from investments	4	841,545	192,468
Other income	5	4,123	1,039
Operating profit before interest and tax		845,668	193,507
Finance income	8	4	29,429
Finance costs	9	(106,997)	(130,852)
Profit before tax		738,675	92,084
Tax	10	2,359	24,971
Profit and total comprehensive income for the financial year		741,034	117,055

There were no recognised gains and losses for 2025 or 2024 other than those included in the statement of comprehensive income.

The notes on pages 12 to 27 form part of these financial statements.

DS SMITH HOLDINGS LIMITED
REGISTERED NUMBER: 06739623

STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2025

	Note	2025 £000	2024 £000
Non-current assets			
Investments	12	4,292,494	4,268,638
Debtors: amounts falling due after more than one year	13	36,316	36,316
Deferred tax	16	2,333	-
		<u>4,331,143</u>	<u>4,304,954</u>
Current assets			
Debtors: amounts falling due within one year	13	26	22,106
Cash and cash equivalents	15	5	324
		<u>31</u>	<u>22,430</u>
Current liabilities			
Creditors: amounts falling due within one year	14	(1,700,149)	(1,612,745)
Net current liabilities		<u>(1,700,118)</u>	<u>(1,590,315)</u>
Total assets less current liabilities		<u>2,631,025</u>	<u>2,714,639</u>
Provisions for liabilities			
Provisions	17	(97)	(7,056)
		<u>(97)</u>	<u>(7,056)</u>
Net assets		<u><u>2,630,928</u></u>	<u><u>2,707,583</u></u>
Capital and reserves			
Called up share capital	18	448,858	448,858
Share premium account		-	2,317,921
Retained earnings		2,182,070	(59,196)
		<u>2,630,928</u>	<u>2,707,583</u>

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 APRIL 2025

DS Smith Holdings Limited, as a guaranteed subsidiary of DS Smith Limited, has met the criteria set out in sections 479A-479C of the Companies Act 2006 and is claiming exemption from the audit of its individual accounts afforded by those sections for the year ending 30 April 2024. The Members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of DS Smith Holdings Limited (registered number 06739623).

The financial statements of DS Smith Holdings Limited (registered number 06739623) were approved and authorised for issue by the board and were signed on its behalf on 8 April 2026.

V P A M Bonnot
Director

The notes on pages 12 to 27 form part of these financial statements.

DS SMITH HOLDINGS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2025**

	Called up share capital £000	Share premium account £000	Retained earnings £000	Total equity £000
At 30 April 2023	448,858	2,214,919	33,622	2,697,399
Comprehensive expense for the year				
Profit for the year	-	-	117,055	117,055
Total comprehensive expense for the year	-	-	117,055	117,055
Dividends: Equity capital (Note 11)	-	-	(209,873)	(209,873)
Shares issued during the year (note 19)	-	103,002	-	103,002
At 30 April 2024 and at 1 May 2024	448,858	2,317,921	(59,196)	2,707,583
Comprehensive income for the year				
Profit for the year	-	-	741,034	741,034
Total comprehensive income for the year	-	-	741,034	741,034
Dividends: Equity capital (note 11)	-	-	(841,545)	(841,545)
Shares issued during the year (note 19)	-	23,856	-	23,856
Transfer to/from profit and loss account	-	(2,341,777)	2,341,777	-
At 30 April 2025	448,858	-	2,182,070	2,630,928

The notes on pages 12 to 27 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2025**

1. General information

DS Smith Holdings Limited (the "Company") is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is Level 3, 1 Paddington Square, London, United Kingdom, W2 1DL. The nature of the Company's operations and its principal activities are set out in the strategic report.

These financial statements are presented in pounds sterling which is the currency of the primary economic environment in which the Company operates.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

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 intermediate parent that otherwise apply the recognition, measurement and disclosure requirements of UK-adopted IFRS Standards.

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

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

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

- IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instruments.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

2.2 Exemption from preparing consolidated financial statements

The Company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 401 of the Companies Act 2006 because it is a wholly owned subsidiary of DS Smith Limited which prepares consolidated financial statements which are publicly available at the address in note 22.

2.3 Foreign currency translation

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2025

2. Accounting policies (continued)

2.4 Finance income

Finance income is recognised on an accruals basis in the income statement.

2.5 Finance costs

Finance costs are recognised on an accruals basis in the income statement.

2.6 Valuation of investments

The carrying values of the investments in subsidiaries are reviewed on a regular basis to assess whether any impairment in value is required. Impairment testing is performed annually for investment in subsidiaries by comparing the carrying amount of each investment with the relevant subsidiary's consolidated balance sheet. Where the net assets are lower than the investment value, a discounted cash flow or value-in-use is utilised to calculate the present value of the investment to confirm whether any impairment is required.

2.7 Financial instruments

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2025

2. Accounting policies (continued)

2.8 Financial liabilities

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

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

The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs

Subsequently, the measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

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

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

Interest bearing loans and borrowings

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

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

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

Derecognition of financial liabilities

A liability is derecognised when the contract that gives rise to it is settled, sold, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such as an exchange or modification, this is treated as a derecognition of the original liability, such that the difference in the respective carrying amounts together with any costs or fees incurred are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2025

2. Accounting policies (continued)

2.9 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.10 Taxation

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

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

The Pillar Two Income tax rules applied 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.

2.11 Going concern

The financial statements have been prepared using the going concern basis of accounting. In making their assessment on the appropriateness of using the going concern basis, the Directors have considered any material uncertainties relating to events or conditions that may cast significant doubt upon the continuing use of the going concern basis of accounting in future periods. The Directors have considered a period of 12 months from the date the financial statements are authorised for issue.

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out above. The financial position of the Company is as shown in the statement of financial position on page 9. At 30 April 2025, the Company reported net assets of £2,630,928,000 (2024: £2,707,583,000).

The financial statements have been prepared using the going concern basis of accounting. 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2025**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In the opinion of the Directors, there are no critical judgements, apart from those involving estimations (which are dealt with separately below), that have been made in the process of applying accounting policies.

Key source of estimation uncertainty

The carrying values of the investments in subsidiaries are reviewed on a regular basis to assess whether any impairment in value is required. Impairment testing is performed annually for investment in subsidiaries by comparing the carrying amount of each investment with the relevant subsidiary's consolidated balance sheet. Where the net assets are lower than the investment value, a discounted cash flow or value-in-use is utilised to calculate the present value of the investment to confirm whether any impairment is required. Refer to note 13 for impairment of investments in subsidiary undertakings.

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

4. Income from investments

Dividends of £841,545,000 were received from DS Smith International Limited during the year (2024: £192,468,000).

5. Other income

The other income is stated after crediting

	2025	2024
	£000	£000
Foreign exchange gains	123	1,039
	123	1,039
	123	1,039

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2025**

6. Auditors' remuneration

The Auditor's remuneration of £nil (2024: £nil) for the statutory audit of the Company's financial statements for the current and previous year has been borne and not recharged by another Group undertaking. No fees in relation to non-audit services were paid to the Company's auditor in the current or preceding year.

7. Directors' remuneration

All the Directors are remunerated by other group undertakings. It is considered that the level of their qualifying services to the company is negligible compared to their main roles. There are no management charges from these group undertakings for their services. Consequently they determine that given the level of the services required, that the proportion of their salary relating to their services provided to this company is insignificant. Therefore a £nil apportionment is made (2024: £nil).

8. Finance income

	2025	<i>2024</i>
	£000	<i>£000</i>
Interest receivable on loans to group undertakings	-	29,414
Other interest receivable	4	15
	4	<i>29,429</i>
	4	<i>29,429</i>

9. Finance costs

	2025	<i>2024</i>
	£000	<i>£000</i>
Interest payable on loans from group undertakings	106,997	<i>130,852</i>
	106,997	<i>130,852</i>
	106,997	<i>130,852</i>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2025

10. Tax

	2025 £000	2024 £000
Corporation tax		
Current tax on profits for the year	-	(24,971)
Adjustments in respect of prior years	(26)	-
Total current tax credit	<u>(26)</u>	<u>(24,971)</u>
Deferred tax		
Origination and reversal of timing differences	(2,333)	-
Total deferred tax credit	<u>(2,333)</u>	<u>-</u>
Total tax credit	<u>(2,359)</u>	<u>(24,971)</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2024: *lower than*) the standard rate of corporation tax in the UK of 25.0% (2024: 25.0%). The differences are explained below:

	2025 £000	2024 £000
Profit on ordinary activities before tax	<u>738,675</u>	<u>92,084</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25.0% (2024: 25.0%)	184,669	23,021
Effects of:		
Permanent differences	(211,286)	(47,992)
Group relief claimed not paid for	24,284	-
Adjustments in respect of prior years	(26)	-
Total tax credit for the year	<u>(2,359)</u>	<u>(24,971)</u>

Factors that may affect future tax charges

In future years, the tax charge will be affected by subsequently enacted changes in tax rate.

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. The Company has no Pillar Two charge for this year. 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 HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2025**

11. Dividends

	2025	<i>2024</i>
	£000	<i>£000</i>
Dividends paid	841,545	<i>209,873</i>
	841,545	<i>209,873</i>
	841,545	<i>209,873</i>

12. Investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 May 2024	5,943,833
Additions	23,856
At 30 April 2025	5,967,689
Impairment	
At 1 May 2024	1,675,195
At 30 April 2025	1,675,195
Net book value	
At 30 April 2025	4,292,494
<i>At 30 April 2024</i>	<i>4,268,638</i>

The carrying value of each investment in subsidiary was compared with the relevant subsidiary's consolidated balance sheet. Where the net assets were lower than the investment value, a discounted cash flow was used to calculate the present value of the investment to confirm whether any impairment was required. The pre-tax discount rate used by the Company in its discounted cash flow calculation was 9.3% derived from the Group's WACC rate with a country specific risk premium. The discounted cash flow calculation used the latest forecast EBITDA, working capital and capital expenditure for the period ended 31 December 2025, with a growth rate and terminal growth rate of 2% being the relevant inflation rate for the country in which that entity operates. This resulted in total impairment charges of £nil in the year ended 30 April 2025 (2024: £nil).

DS SMITH HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2025**

12. Investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Abbey Corrugated Limited	England and Wales	Dormant	Ordinary	100%
Ashton Corrugated (Southern) Limited	England and Wales	Dormant	Ordinary	100%
Avonbank Paper Disposal Limited	England and Wales	Dormant	Ordinary	100%
Biber Paper Converting Limited	England and Wales	Dormant	Ordinary	100%
Calara Holding Limited	England and Wales	Dormant	Ordinary	100%
Conew Limited	England and Wales	Dormant	Ordinary	100%
Conew Limited	England and Wales	Dormant	Preference	100%
Corrugated Products Limited	England and Wales	Dormant	Ordinary	100%
D.W. Plastics (UK) Limited	England and Wales	Financing	Ordinary	100%
David S. Smith Nominees Limited	England and Wales	Dormant	Ordinary	100%
DS Smith (UK) Limited	England and Wales	Holding Company	Ordinary	100%
DS Smith Business Services Limited	England and Wales	Shared Service Centre	Ordinary	100%
DS Smith Dormant Five Limited	England and Wales	Dormant	Ordinary	100%
DS Smith Dormant Five Limited	England and Wales	Dormant	Preference	100%
DS Smith Euro Finance Limited	England and Wales	Financing	Ordinary	100%
DS Smith Europe Limited	England and Wales	Dormant	Ordinary	100%
DS Smith Haddox Limited	England and Wales	Dormant	Ordinary	100%
DS Smith Holdings, Inc.*	USA	Holding Company	Ordinary	100%
DS Smith International Limited	England and Wales	Holding Company	Ordinary	100%
DS Smith Paper Limited	England and Wales	Paper Packaging	Ordinary	100%
DS Smith Paper Limited	England and Wales	Paper Packaging	Preference	100%
DS Smith Pension Trustees Limited	England and Wales	Dormant	Ordinary	100%
St. Regis International Limited	England and Wales	Dormant	Ordinary	100%
St. Regis Paper Company Limited	England and Wales	Dormant	Ordinary	100%
DS Smith Perch Limited	England and Wales	Financing	Ordinary	100%
The Less Packaging Company Limited	England and Wales	Packaging (no longer trading)	Ordinary	100%
DS Smith Roma Limited	England and Wales	Dormant	Ordinary	100%
DS Smith Supplementary Life Cover Scheme Limited	England and Wales	Dormant	Ordinary	100%
Miljoint Limited	England and Wales	Dormant	Ordinary	100%
DSS Eastern Europe Limited	England and Wales	Dormant	Ordinary	100%

DS SMITH HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2025**

12. Investments (continued)**Subsidiary undertakings (continued)**

Name	Registered office	Principal activity	Class of shares	Holding
DSS Poznan Limited	England and Wales	Dormant	Ordinary	100%
DSSH No.1 Limited	England and Wales	Holding Company	Ordinary	100%
DS Smith Ukraine Limited	England and Wales	Holding Company	Ordinary	100%
Reed & Smith Limited	England and Wales	Dormant	Ordinary	100%
Treforest Mill plc	England and Wales	Dormant	Ordinary	100%
United Shopper Marketing Limited	England and Wales	Dormant	Ordinary	100%
Waddington & Duval Limited	England and Wales	Dormant	Ordinary	100%
Total Marketing Support Limited	England and Wales	Dormant	Ordinary	100%

The registered office address for each of the above subsidiaries, except as noted below, is Level 3, 1 Paddington Square, London, United Kingdom, W2 1DL.

* The registered office address is Corporation Trust Centre, 1209 Orange Street, Wilmington, Newcastle, DE19801, USA.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2025**

13. Debtors

	2025	<i>2024</i>
	£000	<i>£000</i>
Amounts falling due after more than one year		
Amounts owed by intermediate parent undertaking	36,316	<i>36,316</i>
	<u>36,316</u>	<u><i>36,316</i></u>
	<u>36,316</u>	<u><i>36,316</i></u>

Amounts owed by intermediate parent undertaking is comprised of a loan with interest charged on the loan as follows:

- £36,315,932 (Principal: £36,315,932; interest accrued: £nil) is non interest-bearing and repayable on demand to DS Smith Limited. There is no expectation that this amount will be repaid within 12 months.

	2025	<i>2024</i>
	£000	<i>£000</i>
Amounts falling due within one year		
Amounts owed by intermediate parent undertaking	26	<i>22,106</i>
	<u>26</u>	<u><i>22,106</i></u>
	<u>26</u>	<u><i>22,106</i></u>

Amounts owed by intermediate parent undertaking is comprised of a loan with interest charged on the loan as follows:

- £26,257 (Principal: £26,257; interest accrued: £nil) is non interest-bearing and repayable on demand to DS Smith Limited.

DS SMITH HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2025**

14. Creditors: amounts falling due within one year

	2025	<i>2024</i>
	£000	<i>£000</i>
Amounts owed to group undertakings	1,700,149	<i>1,612,745</i>
	<u>1,700,149</u>	<i><u>1,612,745</u></i>

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

Amounts owed to intermediate parent undertaking:

- Interest is charged on €37,747,078 (Principal: £32,152,537; interest accrued: £93,751) at 1 month EURIBOR plus 1.15%, repayable on 1st February 2027 to DS Smith Limited.
- Interest is charged on €17,925,799 (Principal: £15,268,994; interest accrued: £2,492) at 12 month EURIBOR plus 2.18%, repayable on 30th April 2026 to DS Smith Limited.
- Interest is charged on £1,297,339,555 (Principal: £1,297,339,555; interest accrued: £6,104,818) at 1 month SONIA plus 1.26%, repayable on 1st March 2027 to DS Smith Limited.

Amounts owed to other group undertakings:

- Interest is charged on £28,483,656 (Principal: £28,483,656; interest accrued: £130,786) at 3 month SONIA plus 0.87%, repayable on 30th June 2028 to DS Smith Italy Limited.
- Interest is charged on £39,322,168 (Principal: £39,322,168; interest accrued: £180,552) at 3 month SONIA plus 0.87%, repayable on 30th June 2028 to W Rowlandson and Company Limited.
- Interest is charged on £248,716,090 (Principal: £248,716,090; interest accrued: £17,389,359) at 12 month SONIA plus 4.46%, repayable on 29th July 2025 to DS Smith International Limited.

15. Cash and cash equivalents

	2025	<i>2024</i>
	£000	<i>£000</i>
Cash at bank and in hand	5	<i>324</i>
	<u>5</u>	<i><u>324</u></i>

DS SMITH HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2025**

16. Deferred taxation

	2025 £000
Credited to profit or loss	2,333
At end of year	2,333

The deferred tax asset is made up as follows:

	2025 £000	<i>2024 £000</i>
Depreciation in excess of capital allowances	2,333	-

17. Provisions

	Other provision £000
At 1 May 2024	7,056
Credited to profit or loss	(4,000)
Utilised in year	(2,959)
At 30 April 2025	97

The provision relates to the estimated liabilities arising from litigation and disputes, and due to the nature of the provision no further information has been disclosed.

18. Called up share capital

	2025 £000	<i>2024 £000</i>
Authorised		
456,932,794 (2024: 456,932,794) Ordinary Shares shares of £1 each	456,933	456,933
Allotted, called up and fully paid		
448,858,479 (2024: 448,858,477) Ordinary Shares shares of £1 each	448,858	448,858

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2025**

19. Share premium

	2025	<i>2024</i>
	£000	<i>£000</i>
Share premium	-	<i>(2,317,921)</i>
	-	<i>(2,317,921)</i>

On 27 November 2024, the Company issued two shares, fully paid up, to the ultimate parent company, DS Smith Limited, in exchange for £23,856,027 and therefore creating a share premium of £23,856,025.

On 19 March 2025, the Company undertook a capital reduction, reducing its share premium by £200,000,000.

On 30 April 2025, the Company undertook a capital reduction, reducing its share premium to nil.

20. Contingent liabilities

The Company is a participant in the DS Smith Group's uncommitted overdraft facility with a net limit of £5m. The facility was disbanded in August 2024.

21. Related party transactions

The Company has taken the exemption available under FRS 101 from disclosing related party transactions entered into between two or more members of the DS Smith Group, provided that the fellow group entities are wholly owned by the Group. See note 7 for details of Directors' remuneration.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2025

22. Post balance sheet events

On 22 May 2025, DS Smith Limited transferred loan receivables of £920m to the Company in exchange for two ordinary shares. On the same date, these loan receivables were transferred to DS Smith Holdings, Inc. in exchange for one share in DS Smith Holdings, Inc..

On 15 July 2025, the Company formed a new company, DS Smith Basalt Limited, for a subscription value of £1,586m.

On 29 July 2025, the Company sold its investment in DS Smith Holdings, Inc. to International Paper UK Holdings Limited resulting in a gain on disposal of £302m.

On 30 October 2025, the Company received a dividend of £1,238m from DS Smith International Limited settled by intercompany receivables. On the same date, the Company paid a dividend of £1,238m to DS Smith Limited, settled by the intercompany receivables received from DS Smith International Limited.

On 10 December 2025, the Company issued two shares to DS Smith Limited for total consideration of £88m in exchange for intercompany receivables. These were then contributed to DS Smith International Limited, DS Smith Poznan Limited, DSSH No 1 Limited and Miljoint Limited each in exchange for 2 shares, in total being £88m.

On 12 December 2025, the Company undertook a capital reduction, reducing its Share capital to £1 and its Share premium to £nil.

On 17 December 2025, the Company received a dividend of £22m from DS Smith Perch Limited settled by intercompany receivables. On the same date, the Company paid a dividend to DS Smith Limited of £22m settled by the intercompany receivables received from DS Smith Perch Limited.

On 18 December 2025, the Company received a dividend of £3,439m from DS Smith International Limited settled by intercompany receivables. On the same date, the Company paid a dividend of £3,439m to DS Smith Limited settled by the intercompany receivables received from DS Smith International Limited.

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.

On 25 March 2026, the Company received an intercompany dividend from its subsidiary undertaking, DS Smith Basalt Limited. This was settled by an intercompany receivable from International Paper UK Holdings Limited. The Company distributed this intercompany receivable as consideration for a dividend paid to its parent company, DS Smith Limited. Subsequently the Company recorded an impairment of its investment in DS Smith Basalt Limited.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2025

23. Controlling party

The immediate and intermediate parent company is DS Smith Limited, a company incorporated in the United Kingdom and registered in England and Wales.

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 were prepared at 30 April 2025 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, United Kingdom, W2 1DL which is the registered address.