
DS SMITH LOGISTICS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2025

DS SMITH LOGISTICS LIMITED

COMPANY INFORMATION

Director	E M Ciechan
Company secretary	K B Oluyinka
Registered number	00621604
Registered office	Level 3 1 Paddington Square London United Kingdom W2 1DL
Independent auditor	Ernst & Young LLP The Paragon Counterslip Bristol BS1 6BX United Kingdom
Bankers	Citibank 33 Canada Square London E14 5LB United Kingdom
Solicitors	Slaughter and May One Bunhill Row London EC1Y 8YY United Kingdom

DS SMITH LOGISTICS LIMITED

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DS SMITH LOGISTICS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 APRIL 2025

Introduction

The Director presents their strategic report for the year ended 30 April 2025.

Principal activity

DS Smith Logistics Limited's (the 'Company') principal activity during the year continued to be haulage contracting. This service is provided to its parent company, certain other companies in the DS Smith Limited Group ('the Group') and external third parties.

Business review

The Company is a wholly-owned subsidiary of DS Smith Paper Limited and operates as part of the legacy DS Smith Limited Group. The Group combined with International Paper through an all-share combination on 31 January 2025 to create a new global leader in sustainable packaging solutions.

Revenue increased to £34,501,000 (2023/24: £32,802,000) due to price increases during the year. Nearly all revenue is to other Group companies and the main driver of sales is UK paper sales volumes (DS Smith Paper Limited to third party customers) and UK fibre sales volumes (DS Smith Recycling UK Limited to DS Smith Paper Limited).

The Company reported a loss before tax of £1,193,000 (2023/24: £1,031,000) due to unrecovered operating costs of £169,000 (2023/24: £335,000) and net finance costs of £1,024,000 (2023/24: £696,000). Net assets decreased from £3,462,000 in 2024 to £2,160,000 in 2025 due to total comprehensive loss of £1,302,000 (2024: £1,070,000).

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 Director 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 (Fast Moving Consumer Goods) multi-national companies.

Volatile commodity pricing for the Company's main input cost, CCM (Corrugated Case Material), 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 remained relatively stable over 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.

Credit risk is an issue faced by the Company. This risk is mitigated by the strict application of our credit policy, regular management review of accounts that are rated as higher risk and use of credit insurance.

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

DS SMITH LOGISTICS LIMITED

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

Financial key performance indicators

The gross profit margin decreased marginally from 3.54% in 2024 to 3.49% in 2025.

Financial risk management objectives and policies

The Director meets periodically to discuss financial and other risks such as price risk, credit risk, liquidity risk and cash flow risk. Key management mitigate these risks by regular monitoring throughout the year and consultations with the Group treasury team. Credit risk is deemed immaterial due to the majority of the trading occurring via intercompany, while price risk is mitigated by a fuel surcharge now charged to clients. No hedging instruments are entered into by the Company.

Liquidity and cash flow 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.

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.

Future developments

Following the combination between DS Smith and International Paper, we remain focused on the integration of the businesses. There continues to be global uncertainty within the macroeconomic environment as a result of the war in Ukraine and the Middle East. While raw material and other input costs have remained high in the year we expect these pressures to ease in the longer term.

S172(1) of the Companies Act 2006 - Engaging with Stakeholders

The Board (comprising the Finance Director (Paper and Recycling)) 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. The Company is also a participating employer in a UK defined benefit pension scheme of which its intermediate parent, DS Smith Limited, is the sponsoring employer.

Examples of how this has been achieved are provided below:

Employee engagement

The Company employed 158 people at 30 April 2025. 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 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.

DS SMITH LOGISTICS LIMITED

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

Employee engagement (continued)

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.

Promoting the welfare of our workforce, we introduced a global health and wellbeing week in the prior year, a bi-annual initiative designed to raise awareness and inspire individuals to achieve a harmonious work-life equilibrium. Topics covered included nutrition, mental health, and physical exercise.

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

The Company continues to supply predominantly internal customers, principally the Group's UK Paper Division and forms an integral part of the Group's UK supply chain.

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.

The business relationships with our suppliers, customers and other stakeholders, such as regulators and non-governmental organizations, are matters which the Group Chief Executive covers in his regular reports to the Group's Board. The Board appreciates the continuing work being done by the procurement function that strengthens existing relationships with suppliers so that supplies flow, even in times of shortage or supply chain stress.

DS SMITH LOGISTICS LIMITED

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

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

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 neighbor, 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 favorable 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 – decarbonization of heat, reuse and recycling, and extended producer responsibility. We take a leadership role with non-governmental organizations, such as the Science Based Targets initiative and the 4evergreen alliance.

Streamlined Energy and Carbon Reporting

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.

Climate-related Financial Disclosures (CFD)

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

This report was approved by the board on 2 February 2026 and signed on its behalf.

E Ciechan

E M Ciechan
Director

DS SMITH LOGISTICS LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 30 APRIL 2025

The Director presents their report and the financial statements for the year ended 30 April 2025.

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

- Future developments
- Engagement with employees
- Engagement with suppliers, customers and others
- Energy and carbon reporting

Dividends

The Directors have not proposed or paid a dividend for the year ended 30 April 2025 (2024: £nil). No dividends have been declared or paid post year end and up to the date of authorising the financial statements.

Directors

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

W B Hicks (resigned 30 September 2025)
E M Ciechan

Directors' and Officers' indemnity

During the year and up to the date of approval of these financial statements, the intermediate parent company maintained liability insurance for the Directors and other Officers of the Company. The intermediate parent company has also entered into qualifying third-party indemnity arrangements for the benefit of the Directors of the Company.

Political contributions

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

Research and development activities

There was no research and development expenditure in 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 Director has 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 Director has 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 within the strategic report. The financial position of the Company is as shown in the statement of financial position on page 14. At the 30 April 2025 the Company reported net current liabilities of £9,154,000 (2024: £5,810,000).

DS SMITH LOGISTICS LIMITED

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

Going concern (continued)

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 Director is 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 Director considered it is appropriate to rely upon this support in making their going concern assessment for these financial statements. The Director is 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.

Disclosure of information to auditor

The Director at the time when this Director's Report is approved has confirmed that:

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

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Post balance sheet events

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.

Auditor

In accordance with Section 489 of the Companies Act 2006 and following the combination with International Paper Company 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 on 2 February 2026 and signed on its behalf.

E Ciechan

E M Ciechan
Director

DS SMITH LOGISTICS LIMITED

**DIRECTOR'S RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 APRIL 2025**

The Director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Director to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 "Reduced Disclosure Framework". Under company law the Director 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 Director is 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 Director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DS SMITH LOGISTICS LIMITED

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

Report on the audit of the financial statements

Opinion

We have audited the financial statements of DS Smith Logistics Limited 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 25, 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 loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

Other information

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

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

DS SMITH LOGISTICS LIMITED

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

Other information (continued)

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.

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 7, 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.

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

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.
- We understood how the company is complying with those frameworks by making enquiries of management and those charged with governance to understand how the company maintains and communicates its policies and procedures in these areas. We also understood the controls put in place by management to reduce the opportunities for fraudulent transactions.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur through internal team conversations and inquiry of management and those charged with governance to understand where they considered there was susceptibility to fraud. We also considered performance targets and the potential incentives or opportunities to manage earnings. We considered the programmes and controls that the Company has established to address the risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programs and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free from material fraud.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved review of board minutes and correspondence with relevant authorities, where applicable, and inquiries of 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.

DS SMITH LOGISTICS LIMITED

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

Use of our report

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

Ernst & Young LLP

Sarah Pocock (Senior statutory auditor)

for and on behalf of

Ernst & Young LLP

The Paragon
Counterslip
Bristol
BS1 6BX
United Kingdom
2 February 2026

DS SMITH LOGISTICS LIMITED

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

	Note	2025 £000	<i>2024 £000</i>
Revenue	4	34,501	32,802
Cost of sales		(33,298)	(31,641)
Gross profit		1,203	1,161
Administrative expenses		(1,372)	(1,496)
Operating loss	5	(169)	(335)
Interest receivable	9	64	34
Interest payable and similar expenses	10	(1,088)	(730)
Loss before tax		(1,193)	(1,031)
Income tax charge	11	(58)	(79)
Loss for the financial year		(1,251)	(1,110)

The notes on pages 17 to 37 form part of these financial statements.

DS SMITH LOGISTICS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2025

	Note	2025 £000	2024 £000
Loss for the financial year		(1,251)	(1,110)
Other comprehensive (loss)/income:			
Items that will not be reclassified to profit or loss:			
Actuarial (loss)/gain on employee benefits	22	(68)	53
Tax relating to actuarial (loss)/gain on employee benefits		17	(13)
Other comprehensive (loss)/income		(51)	40
Total comprehensive loss for the year		(1,302)	(1,070)

The notes on pages 17 to 37 form part of these financial statements.

DS SMITH LOGISTICS LIMITED
REGISTERED NUMBER: 00621604

STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2025

	Note	2025 £000	2024 £000
Non-current assets			
Property, plant and equipment	12	7,769	9,949
Trade and other receivables	14	14,876	14,429
Employee benefits	22	1,485	978
		<u>24,130</u>	<u>25,356</u>
Current assets			
Inventories	13	207	175
Trade and other receivables	14	6,310	10,050
Cash at bank and in hand	15	-	263
		<u>6,517</u>	<u>10,488</u>
Current liabilities			
Trade and other payables	16	(15,625)	(16,298)
Bank overdrafts	15	(46)	-
		<u>(15,671)</u>	<u>(16,298)</u>
Net current liabilities		(9,154)	(5,810)
Total assets less current liabilities		14,976	19,546
Non-current liabilities			
Trade and other payables	17	(12,634)	(15,943)
Deferred tax liability	19	(182)	(141)
		<u>(12,816)</u>	<u>(16,084)</u>
Net assets		2,160	3,462
Capital and reserves			
Called-up share capital	20	24	24
Share premium		26	26
Profit and loss account		2,110	3,412
		<u>2,160</u>	<u>3,462</u>

DS SMITH LOGISTICS LIMITED
REGISTERED NUMBER: 00621604

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 2 February 2026.

E Ciechan

E M Ciechan
Director

The notes on pages 17 to 37 form part of these financial statements.

DS SMITH LOGISTICS LIMITED

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

	Called-up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 May 2023	24	26	4,482	4,532
Comprehensive loss for the year				
Loss for the year	-	-	(1,110)	(1,110)
Other comprehensive income for the year	-	-	40	40
Total comprehensive loss for the year	-	-	(1,070)	(1,070)
At 1 May 2024	24	26	3,412	3,462
Comprehensive loss for the year				
Loss for the year	-	-	(1,251)	(1,251)
Other comprehensive loss for the year	-	-	(51)	(51)
Total comprehensive loss for the year	-	-	(1,302)	(1,302)
At 30 April 2025	24	26	2,110	2,160

The notes on pages 17 to 37 form part of these financial statements.

DS SMITH LOGISTICS LIMITED

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

1. General information

DS Smith Logistics Limited (the 'Company') is a private limited company incorporated in the United Kingdom and registered in England and Wales whose shares are not publicly traded. The registered office is located at 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 on page 1.

These financial statements are presented in pounds sterling which is the currency of the primary economic environment in which the Company operates. Monetary amounts in these financial statements are rounded to the nearest £1,000.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

This information is included in the consolidated financial statements of DS Smith Limited, Level 3, 1 Paddington Square, London W2 1DL, United Kingdom as at 30th of April 2025 and these financial statements may be obtained from Companies House.

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

2. Accounting policies (continued)

2.3 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 Director has 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 Director has 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 within the strategic report. The financial position of the Company is as shown in the statement of financial position on page 14. At the 30 April 2025 the Company reported net current liabilities of £9,154,000 (2024: £5,810,000).

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 Director is 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 Director considered it is appropriate to rely upon this support in making their going concern assessment for these financial statements. The Director is satisfied that the Company has adequate resources to meet its operational needs for a period of at least 12 months from the day of approval of accounts and accordingly they continue to adopt the going concern basis in preparing the financial statements.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

DS SMITH LOGISTICS LIMITED

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

2. Accounting policies (continued)

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

The Company has contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company adjusts the transaction prices of these contracts for the time value of money.

Sale of goods

Revenue from the sale of goods is recognised on the satisfaction of performance obligations, such as the transfer of a promised good, identified in the contract between the Company and the customer.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

2.6 Leases

The Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use (ROU) asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as part of the trade and other payables line in the balance sheet.

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

2. Accounting policies (continued)

2.6 Leases (continued)

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented within the property, plant and equipment line in the balance sheet. The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'impairment of tangible and intangible assets' policy. Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the cost of sales line item.

DS SMITH LOGISTICS LIMITED

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

2. Accounting policies (continued)

2.6 Leases (continued)

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

2.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Borrowing Costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.9 Pensions

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.

Defined benefit schemes

The Company is an employer participating in a UK funded, defined benefit scheme, the DS Smith Group Pension scheme (the 'Scheme') of which the intermediate parent, DS Smith Limited, is the sponsoring employer.

The DS Smith Group ('the Group') has in place a stated policy for allocating the net defined benefit cost relating to the Scheme to participating Group entities. Accordingly, both the Company's statement of financial position and income statement reflect the Company's share of the net defined benefit surplus/liability and net defined benefit cost in respect of the Scheme, allocated based on the subsidiaries' share of the headcount in the Scheme. Actuarial gains and losses are recognised immediately in the statement of comprehensive income. The Group maintains a Schedule of Contributions as detailed in Note 22.

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

2. Accounting policies (continued)

2.10 Current and deferred taxation

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

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

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 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 Property, plant and equipment

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

DS SMITH LOGISTICS LIMITED

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

2. Accounting policies (continued)

2.11 Property, plant and equipment (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold property	- 10-50 years
Plant and machinery	- 2-25 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Right-of-use motor vehicles are depreciated on a straight-line basis over the lease terms, or the useful life, whichever is shorter.

2.12 Inventory

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.13 Trade and other receivables

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.14 Cash and cash equivalents

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

2.15 Trade and other payables

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

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

DS SMITH LOGISTICS LIMITED

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 applying the Company's accounting policies, which are described above, the Director is required to make judgements that have a significant impact on the amounts recognised and to make 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 the current and future periods.

Critical accounting judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the Director has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Defined benefit pension obligations

The cost of pension benefits is determined using actuarial valuations. This involves making assumptions about future changes in salaries, pension increases, mortality rates and discount rates. Due to the long-term nature of these plans, considerable management judgement is necessary and estimates are subject to uncertainty. Further details about the assumptions used are given in note 22.

Key sources of estimation uncertainty

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

4. Revenue

All revenue is from the Company's principal activity and originated from the UK in both the current and preceding year.

5. Operating loss

The operating loss is stated after charging:

	2025	2024
	£000	£000
Cost of inventory	4,763	4,437
Depreciation of tangible fixed assets (note 12)	17	25
Depreciation of right-of-use assets (note 12)	2,462	1,647
Foreign exchange losses	54	31
	<u> </u>	<u> </u>

DS SMITH LOGISTICS LIMITED

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

6. Auditor's remuneration

	2025	<i>2024</i>
	£000	<i>£000</i>
Fees payable to the Company's auditor for the audit of the Company's financial statements	24	<i>23</i>

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

7. Employees

Staff costs were as follows:

	2025	<i>2024</i>
	£000	<i>£000</i>
Wages and salaries	6,972	<i>6,471</i>
Social security costs	773	<i>683</i>
Cost of defined contribution scheme (note 22)	604	<i>566</i>
	8,349	<i>7,720</i>

The average monthly number of employees, including the Director, during the year was as follows:

	2025	<i>2024</i>
	No.	<i>No.</i>
Selling and distribution	155	<i>151</i>
Management and administration	3	<i>3</i>
	158	<i>154</i>

8. 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).

DS SMITH LOGISTICS LIMITED

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

9. Interest receivable

	2025	<i>2024</i>
	£000	<i>£000</i>
Other interest on net defined benefit liability (note 22)	64	<i>34</i>
	64	<i>34</i>

10. Interest payable and similar expenses

	2025	<i>2024</i>
	£000	<i>£000</i>
Bank interest payable	27	<i>318</i>
Interest paid to group undertakings	542	<i>141</i>
Interest on lease liabilities (note 18)	519	<i>271</i>
	1,088	<i>730</i>

11. Income tax charge

	2025	<i>2024</i>
	£000	<i>£000</i>
Total current tax	-	<i>-</i>
Deferred tax		
Origination and reversal of timing differences	117	<i>105</i>
Adjustment in respect of prior years	(59)	<i>(26)</i>
Total deferred tax	58	<i>79</i>
Taxation on profit on ordinary activities	58	<i>79</i>

DS SMITH LOGISTICS LIMITED

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

11. Income tax charge (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2024: *higher than*) the standard rate of corporation tax in the UK of 25% (2024: 25%). The differences are explained below:

	2025	<i>2024</i>
	£000	<i>£000</i>
Loss on ordinary activities before tax	(1,193)	<i>(1,031)</i>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2024 - 25%)	(298)	<i>(258)</i>
Effects of:		
Permanent differences	1	<i>2</i>
Adjustment in respect to prior years	(59)	<i>(26)</i>
Group relief	414	<i>361</i>
Total tax charge for the year	58	<i>79</i>

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. Additional disclosures on Pillar Two are included in the annual Group financial statements of DS Smith Limited, the intermediate parent of the Company.

DS SMITH LOGISTICS LIMITED

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

12. Property, plant and equipment

	Leasehold property £000	ROU - Motor vehicles £000	Plant and machinery £000	Total £000
Cost				
At 1 May 2024	50	14,673	1,887	16,610
Additions	-	67	232	299
Disposals	-	(4,036)	-	(4,036)
At 30 April 2025	<u>50</u>	<u>10,704</u>	<u>2,119</u>	<u>12,873</u>
Depreciation				
At 1 May 2024	44	4,819	1,798	6,661
Charge for the year on owned assets	2	-	15	17
Charge for the year on right-of-use assets	-	2,462	-	2,462
Disposals	-	(4,036)	-	(4,036)
At 30 April 2025	<u>46</u>	<u>3,245</u>	<u>1,813</u>	<u>5,104</u>
Net book value				
At 30 April 2025	<u>4</u>	<u>7,459</u>	<u>306</u>	<u>7,769</u>
At 30 April 2024	<u>6</u>	<u>9,854</u>	<u>89</u>	<u>9,949</u>

Disposals in the year relate to the completion of leases for trailers.

DS SMITH LOGISTICS LIMITED

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

12. Property, plant and equipment (continued)

The net book value of owned and leased assets included as "Property, plant and equipment" in the Statement of financial position is as follows:

	2025	<i>2024</i>
	£000	<i>£000</i>
Tangible fixed assets owned	310	<i>95</i>
Right-of-use tangible fixed assets	7,459	<i>9,854</i>
	<u>7,769</u>	<i><u>9,949</u></i>

Information about right-of-use assets is summarised below:

Net book value

	2025	<i>2024</i>
	£000	<i>£000</i>
Motor vehicles	<u>7,459</u>	<i><u>9,854</u></i>

Depreciation charge for the year ended

	2025	<i>2024</i>
	£000	<i>£000</i>
Motor vehicles	<u>2,462</u>	<i><u>1,647</u></i>

13. Inventories

	2025	<i>2024</i>
	£000	<i>£000</i>
Raw materials and consumables	<u>207</u>	<i><u>175</u></i>

There is no material difference between the statement of financial position value of inventories and their replacement cost. There were no inventory provisions at 30 April 2025 (2024: nil).

DS SMITH LOGISTICS LIMITED

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

14. Trade and other receivables

	2025	<i>2024</i>
	£000	<i>£000</i>
Due after more than one year		
Amounts owed by group undertakings	14,876	<i>14,429</i>
	14,876	<i>14,429</i>
	2025	<i>2024</i>
	£000	<i>£000</i>
Due within one year		
Trade debtors	35	<i>323</i>
Amounts owed by group undertakings	4,627	<i>8,751</i>
Other debtors	841	<i>737</i>
Prepayments and accrued income	807	<i>239</i>
	6,310	<i>10,050</i>

In 2025 and 2024 no interest was charged in the year on amounts owed by Group undertakings which are all unsecured. Amounts owed by Group undertakings are repayable on demand, however the intention is not to recall these in the immediate future therefore these balances have been categorised as non-current assets. All other amounts owed by group undertakings are non-interest bearing, unsecured, and are expected to be settled within the next twelve months or relate to trading balances.

15. Cash at bank

	2025	<i>2024</i>
	£000	<i>£000</i>
Cash at bank and in hand	-	<i>263</i>
Bank overdrafts	(46)	<i>-</i>
	(46)	<i>263</i>

DS SMITH LOGISTICS LIMITED

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

16. Trade and other payables - current

	2025	<i>2024</i>
	£000	<i>£000</i>
Trade creditors	6,229	<i>6,777</i>
Amounts owed to group undertakings	6,086	<i>5,350</i>
Other taxation and social security	19	<i>19</i>
Lease liabilities (note 18)	2,332	<i>2,786</i>
Accruals	959	<i>1,366</i>
	15,625	<i>16,298</i>

There is no interest charged on amounts owed to group undertakings which are unsecured and repayable on demand.

17. Trade and other payables - non-current

	2025	<i>2024</i>
	£000	<i>£000</i>
Lease liabilities (note 18)	5,405	<i>7,224</i>
Amounts owed to group undertakings	7,229	<i>8,719</i>
	12,634	<i>15,943</i>

Interest was charged on amounts owed to group undertakings of £7,194,657 (2024: £8,679,781) at 1 month SONIA plus 1.183% and the loan has a maturity date of 1 February 2027. No interest was charged on the remaining balances.

DS SMITH LOGISTICS LIMITED

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

18. Leases

Company as a lessee

Lease liabilities are in respect of motor vehicles (see note 12).

Lease liabilities are due as follows:

	2025	<i>2024</i>
	£000	<i>£000</i>
Not later than one year	2,332	<i>2,786</i>
Between one year and five years	5,405	<i>7,224</i>
	<u>7,737</u>	<u><i>10,010</i></u>

The following amounts in respect of leases, where the Company is a lessee, have been recognised in profit or loss:

	2025	<i>2024</i>
	£000	<i>£000</i>
Interest expense on lease liabilities	519	<i>271</i>

19. Deferred tax liability

	2025
	£000
At beginning of year	(141)
Charged to the profit or loss	(58)
Credited to other comprehensive income	17
At end of year	<u>(182)</u>

DS SMITH LOGISTICS LIMITED

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

19. Deferred tax liability (continued)

The deferred tax liability is made up as follows:

	2025	<i>2024</i>
	£000	<i>£000</i>
Depreciation in excess of capital allowances	174	<i>127</i>
Employee benefits including pensions	(372)	<i>(268)</i>
Losses	16	<i>-</i>
	(182)	<i>(141)</i>

20. Called-up share capital

	2025	<i>2024</i>
	£000	<i>£000</i>
Allotted, called-up and fully paid		
12,121 (<i>2024: 12,121</i>) ordinary shares of £1.00 each	12	<i>12</i>
12,121 (<i>2024: 12,121</i>) 5% non-cumulative preference shares of £1.00 each	12	<i>12</i>
	24	<i>24</i>

21. Contingent liabilities

The Company is a participant in the DS Smith Group's uncommitted overdraft facility with a net limit of £5m. The participants in the facility cross-guarantee the overdrawn balances under the facility. The facility was disbanded in August 2024.

22. Employee benefits

The Company is a participating employer in the DS Smith Group Pension Scheme (the 'Scheme'). The Scheme is a UK funded final salary defined benefit scheme providing pensions and lump sum benefits to members and dependants. The Scheme closed to future accrual from 30 April 2011 with pensions calculated based on pensionable salaries up to the point of closure (or the date of leaving the Scheme, if earlier).

The Scheme has a normal retirement age of 65 although some members are able to take their benefits earlier than this. Increases to pensions are affected by changes in the rate of inflation for the majority of members.

The Scheme exposes the Group to risks, such as longevity risk, currency risk, inflation risk, interest rate risk and investment risk. As the Scheme's obligation is to provide lifetime pension benefits to members upon retirement, increases in life expectancy will result in an increase in the Scheme's liabilities. Other assumptions used to value the defined benefit obligation are also uncertain. The Group has in place a stated policy for allocating the net defined benefit cost relating to the Scheme to participating Group entities. The consolidated financial statements for the year to 30 April 2025 for DS Smith Limited included information about the funding position of the Scheme as a whole as at 30 April 2025.

DS SMITH LOGISTICS LIMITED

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

22. Employee benefits (continued)

	2025	<i>2024</i>
	£000	<i>£000</i>
Present value of funded obligations	(674,038)	<i>(716,529)</i>
Fair value of Scheme assets	739,770	<i>761,036</i>
Total IAS 19 surplus, net	65,732	<i>44,507</i>
Allocated to other participating employers	(64,247)	<i>(43,529)</i>
Company's share of IAS 19 surplus, net	1,485	<i>978</i>

Reconciliation of Scheme assets and liabilities:

	Assets	Liabilities	Total
	£000	£000	£000
At 1 May 2023	15,622	(15,045)	577
Employment benefit net finance income	765	(731)	34
Contribution of fellow Group entity	314	-	314
Actuarial (losses)/gains	(716)	769	53
Benefits paid	(955)	955	-
At 1 May 2024	15,030	(14,052)	978
Employment benefit net finance income	804	(740)	64
Contribution of fellow Group entity	511	-	511
Actuarial (losses)/gains	(706)	638	(68)
Benefits paid	-	-	-
Company's share of IAS 19 surplus, net at 30 April 2025	15,639	(14,154)	1,485

A breakdown of the Scheme assets is provided below:

	2025	<i>2024</i>
	£000	<i>£000</i>
Equities/multi-strategy	46,044	<i>11,694</i>
Bonds and Debt instruments	520,178	<i>589,778</i>
Derivatives	(1,943)	<i>(814)</i>
Cash and cash equivalents	16,946	<i>21,348</i>
Other	158,545	<i>139,030</i>
	739,770	<i>761,036</i>

DS SMITH LOGISTICS LIMITED

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

22. Employee benefits (continued)

The most recent funding valuation of the Scheme was carried out on 30 April 2022, following which a deficit recovery plan was agreed with the Trustee Board on 21 July 2023. The Group has agreed to maintain the previous Schedule of Contributions. The contribution for the year ended 30 April 2024 under the plan was £21 million.

The recovery plan is expected to be completed on or around September 2025. The Trustee Board and the Group have in place a secondary Long-Term Funding Target ('LTFT'), in addition to the statutory funding requirement, the purpose of which is to achieve material additional security for the Scheme's members. The objective of the LTFT is for the Scheme to be funded by 30 April 2035 to a level that does not expect to rely on future contributions from the Group.

	2025	<i>2024</i>
	%	%
Discount rate for scheme liabilities	5.6	5.4
Inflation	3.0	3.3
Pre-retirement pension increases	2.6	2.9
Future pension increases for pre 30 April 2005 service	2.6	2.9
Future pension increases for post 30 April 2005 service	2.0	2.1

For the Group Scheme at 30 April 2025, the mortality base table used is SAPS 3 (year of birth), with CMI 2023 projections with a 1.25% per annum long-term rate of improvement used for future longevity improvement.

As part of the Group Scheme actuarial valuation exercise the projected life expectancies were as follows:

	2025	2025	<i>2024</i>	<i>2024</i>
	Male	Female	<i>Male</i>	<i>Female</i>
Life expectancy at age 65				
Member currently aged 65	20.7	23.2	<i>20.7</i>	<i>23.1</i>
Member currently aged 45	21.8	24.5	<i>21.7</i>	<i>24.4</i>

DS SMITH LOGISTICS LIMITED

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

22. Employee benefits (continued)

Sensitivity analysis

The sensitivity of the liabilities in the Scheme to each significant actuarial assumption is summarised in the following table, showing the impact on the defined benefit obligation if each assumption is altered by the amount specified in isolation, whilst assuming that all other variables remain the same. In practice, this approach is not necessarily realistic since some assumptions are related. This sensitivity analysis applies to the defined benefit obligation only and not to the net defined benefit pension liability, the measurement of which depends on a number of factors including the fair value of plan assets.

	Increase in pension liability
	£m
0.5% decrease in discount rate	(1)
0.5% increase in inflation	-
1 year increase in life expectancy	-

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 year contributions was £604,000 (2024: £566,000).

In June 2023, the High Court in *Virgin Media Limited v NTL Pension Trustees II Limited (and others)* ruled that certain historical amendments to contracted-out defined benefit schemes in the period from 6 April 1997 to 5 April 2016 were invalid if they lacked confirmation under section 37 of the Pension Schemes Act 1993 from the scheme's actuary. This decision was upheld on appeal in July 2024. The Trustee Board have no reason to doubt their historic procedures for executing rule amendments, and based on legal advice obtained and informed by a leading pension specialist King's Counsel opinion, have not yet instructed their advisers to carry out an audit of every deed or other amending instrument during the period. On 23 May 2025, the Department for Work and Pensions announced it will introduce legislation to allow defined benefit pensions schemes to obtain retrospective sign-off on historic actuarial amendments.

23. 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 8 for details of Directors' remuneration.

24. Post balance sheet events

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 LOGISTICS LIMITED

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25. Controlling party

The Company's immediate parent company is DS Smith Paper 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.