Registered number: 00058614

DS SMITH PAPER LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2025

DS SMITH PAPER LIMITED

COMPANY INFORMATION

Directors	E M Ciechan B J Jennings
Company secretary	K B Oluyinka
Registered number	00058614
Registered office	Level 3 1 Paddington Square London United Kingdom W2 1DL
Independent auditor	Ernst & Young LLP The Paragon Counterslip Bristol United Kingdom BS1 6BX
Bankers	Citibank 33 Canada Square London E14 5LB
Solicitors	Slaughter and May One Bunhill Row London EC1Y 8YY United Kingdom

DS SMITH PAPER LIMITED

CONTENTS

Introduction

The Directors, in preparing this strategic report, have complied with s414c of the Companies Act 2006.

Principal activities

DS Smith Paper Limited (the ‘Company’) is a subsidiary of DS Smith Holdings Limited and operates as part of the legacy DS Smith Limited Group (‘the Group’) UK Paper division. 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. The Company's principal activities during the year were the manufacture and sale of Corrugated Case Materials (CCM) and specialist paper grades. In addition to third party customers, the Company’s customers include other companies within the Group. The Company is the leading producer of CCM in the UK, which accounts for the majority of the paper it produces. CCM is converted by the Company's customers into corrugated board and boxes. The Company is also a leading European producer of plasterboard liner.

Review of business

During the year the Company reported revenue of £412,837,000 an increase of 9% from 2023/24 (£377,266,000). While production and sales volumes were marginally higher than the prior year (3.2% and 2.4% respectively), selling prices were significantly lower than the prior year, with CCM having an average price increase of 5.9% from 2023/24, and plasterboard an average price decrease of 6.7% from 2023/24.

On the cost side, the Company benefited from lower Paper for Recycling (PfR) prices in the year which helped to partly mitigate the fall in sales price, leading to a increase in gross profit margin from 5.9% in 2023/24 to 7.8% in 2024/25. Distribution costs were marginally higher by 7% in the year to £21,794,000 (2023/24: £20,376,000).

Operating profit increased by 94% from a loss of £14,157,000 in 2023/24 to a loss of £887,000 in 2024/25 which included £4,571,000 (2023/24: £7,351,000) of other income which largely comprised income in respect of the combined heat and power facility.

Net finance income decreased from £15,754,000 in 2023/24 to £14,388,000 in 2024/25 largely due to interest income from the intermediate parent undertaking reflecting a lower working capital loan receivable. Profit for the year increased from £979,000 in 2023/24 to £24,879,000 in 2024/25.

The net assets of the Company as shown in the statement of financial position on page 15, increased from £482,962,000 at 30 April 2024 to £505,119,000 at 30 April 2025 reflecting the profit of £17,508,000 (2023/24: £979,000) and other comprehensive income of £4,649,000 (2023/24: £713,000).

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 Directors and employees of the Company remain with all those that are suffering as a result. Political and economic factors, such as rising interest rates and weakening major economies, impact the level of end-consumer spend and customer demand for the Company's packaging products. This risk is managed through the Company's secure supply chain and a customer offering focussed on innovative sustainable packaging solutions which remains compelling to our resilient customer base of FMCG (Fast Moving Consumer Goods) multi-national companies.

Volatile commodity pricing for paper can create significant short-term challenges to capture appropriate returns by aligning raw material costs to sales revenues. The Company manages this through paper sourcing to maximise integration between production and internal customers.

Principal risks and uncertainties (continued)

Competitive pressure in the Company's core markets remains a constant risk that could result in the Company losing sales to key competitors and margins being eroded. This risk is managed by working closely with customers, both internal and external, to provide quality products and solutions and to ensure good service levels are maintained.

Additionally, the Company is very active in implementing productivity improvements and other cost reduction programmes to counter the financial impact of risk and to protect the margin from inflationary increases.

Credit risk is seen as an increasing issue faced by the Company as our customers continue to face a competitive market. This risk is mitigated by strict application of our credit policy and regular management review of accounts that are rated as higher risk.

Group risks are discussed in the Group's annual report which does not form part of this report.

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

The Company's principal activities during the year were the manufacture and sale of corrugated case materials (CCM) and specialist paper grades. 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.

Following the combination between DS Smith and the International Paper Group, the Company remains focused on the integration of the businesses.

The Company is currently part-way through constructing a new fibre preparation plant (“F-Line”) which will become operational in 2025/26. Whilst this will not increase the overall output of the mill, it will significantly improve the Company’s fibre recoverability process. This will not only help the Company to significantly reduce its cost of production but will also play a significant part in helping the Company achieve its sustainability targets in the coming years.

Financial key performance indicators

Return on sales, being operating profit expressed as a percentage of revenue, increased from -3.8% in 2023/24 to -0.2% in 2024/25 reflecting the significantly higher selling prices in the year.

Return on average capital employed (‘ROACE’) is the last 12 months’ operating profit before adjusting items as a percentage of the average monthly capital employed over the previous 12 month period. Capital employed is the sum of property, plant and equipment, intangible assets, working capital, capital debtors/creditors and provisions. During the year ROACE increased from -7.2% in 2024 to 3.1% in 2025 reflecting the higher operating profit and higher average capital employed due to lower average trade payables.

Financial risk management objectives and policies

The Company’s operations expose it to a number of financial risks that include liquidity risk and cash flow risk. Wherever possible the Company complies with Group policies.

Financial risk management objectives and policies (continued)

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.

Credit risk

The Company's credit risk is primarily attributable to its receivables held on the statement of financial position. Recoverability of these receivables is reviewed regularly against the statement of financial position of the counterparty.

Fibre price

The Company focuses on providing sufficient paper to support the UK Packaging division, whilst determining the optimal integration level with Recycling to balance the external effects of paper and fibre price volatility.The Company's operations expose it to a number of financial risks that include liquidity risk and cash flow risk. Wherever possible the Company complies with Group policies.

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

The Board (comprising the Managing Director (Paper), the Finance Director (Paper)) aims to promote the success of the Company for the benefit of its shareholder and the wider Group as a whole, 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.

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.

Employee engagement

The Company employed 506 people as at 30 April 2025. We are working to realize 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 organization that resonates, and that they are proud to be a part of. They contribute to a supportive culture, in which they feel safe, recognized and rewarded. We are committed to ensuring that our workplace is safe, diverse and inclusive. By giving everyone a voice, we promote a meritocracy with development opportunities for all, and recognition of achievement regardless of gender, ethnicity, age or religion. We encourage feedback through our Employee Works Councils and employee pulse surveys and celebrate successes with our Smithies awards.

Our Company's health and safety goal is to achieve zero harm for all individuals impacted by our operations, including our employees, contractors and visitors. To realize this objective we have established Vision Zero, a strategy emphasizing leadership, engagement, safe work environments, processes and a shift towards developing a safety-oriented culture, behaviors 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. This event encompasses a comprehensive range of over 500 activities spanning all sites and divisions worldwide. Topics covered included nutrition, mental health, and physical exercise.

Employee engagement (continued)

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

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

Fostering of business relations with suppliers, customers and others

Customers

Our paper mill produce a wide range of high-quality finished paper products, primarily for container board products, all made from 100 per cent recycled or chain of custody certified fibre sources. The high performing packaging papers we produce, such as recycled corrugated case materials and kraftliners, are vital for our own packaging division to produce fibre-based packaging solutions. Our range of speciality papers includes plasterboard liners which are widely used in the construction industry. Our customers benefit from our commitment to lower our impact on the environment and increase the efficiency of our paper-making operations. We have invested £48 million to upgrade the fibre preparation line at our paper mill in Kemsley, which will enhance efficiency, reliability and sustainability, while improving recycling processes and contributing to our goal of zero waste to landfill by 2030.

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.

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.

Impact of the Company's operations on the community and environment (continued)

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

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.

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

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

Results and dividends

The profit for the year, after taxation, amounted to £17,508,000 *(2024 - £979,000)*.

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

Directors

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

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

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).

Going concern

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

The Company's business activities, together with the factors likely to affect its future development, performance and position are set with the strategic report. The financial position of the Company is as shown in the statement of financial position on page 15. At 30 April 2025 the Company reported net current liabilities of £85,367,000 (2024: £86,683,000) and net assets of £505,119,000 (2024: £482,962,000).

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

Research and development activities

The Company recognises the importance of continuing investment in research and development. It is Company policy to develop new product specifications commensurate with customer and environmental needs. Research is also conducted into ways to improve product quality and finding more cost-efficient production methods.

Accordingly, the majority of R&D costs are the cost of our Innovation, Research and Development colleagues. Costs linked to Innovation, Research and Development amounted to £2,136,000 (2024: £nil).

Disclosure of information to Auditor

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

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

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

Streamlined Energy and Carbon Reporting

The Company is included in the Group reporting of the intermediate parent company which has provided its consolidated CO_2 emissions and energy consumption on page 17 of the Strategic report in the Group’s 2025 annual report.

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

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 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 Financial Reporting Standard 102 ‘The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Company's financial statements 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.

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

Report on the audit of the financial statements

Opinion

We have audited the financial statements of DS Smith Paper 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 32, including summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company’s affairs as at 30 April 2025 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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

Conclusions relating 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.

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 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 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 programmes and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free from material fraud.

- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved review of board minutes and correspondence with relevant authorities, where applicable, and inquiries of Company and DS Smith Limited group management and those charged with governance, legal counsel, and internal audit. Based on procedures performed, we have not identified any actual or possible instances of non-compliance with laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Ernst & Young LLP

Sarah Pocock (Senior statutory auditor)

for and on behalf of

Ernst & Young LLP
Statutory auditor

The Paragon
Counterslip
Bristol
BS1 6BX
2 February 2026

INCOME STATEMENT
FOR THE YEAR ENDED 30 APRIL 2025

	Note	2025 £000	*2024 £000*
Turnover	4	**412,837**	*377,266*
Cost of sales		**(380,688)**	*(355,082)*
Gross profit		**32,149**	*22,184*
Distribution costs		**(21,794)**	*(20,376)*
Administrative expenses		**(15,813)**	*(23,316)*
Other operating income		**4,571**	*7,351*
Operating loss	6	**(887)**	*(14,157)*
Interest receivable	10	**14,558**	*16,902*
Interest payable and similar expenses	11	**(170)**	*(1,148)*
Profit before tax		**13,501**	*1,597*
Tax on profit	12	**4,007**	*(618)*
Profit for the financial year		**17,508**	*979*

The notes on pages 20 to 48 form part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 APRIL 2025

	Note	2025 £000	2024 £000
Profit for the financial year		**17,508**	*979*
Other comprehensive income			
Gain/(loss) on designated cash flow hedges	21	**3,677**	*(18,421)*
Reclassification from cash flow hedge reserve to income statement	21	**3,356**	*18,655*
Actuarial (loss)/gain on defined benefit schemes	26	**(850)**	*749*
Deferred tax on defined benefit schemes	22	**213**	*(187)*
Deferred tax on designated cash flow hedges	22	**(1,747)**	*(83)*
Other comprehensive income for the year		**4,649**	*713*
Total comprehensive income for the year		**22,157**	*1,692*

The notes on pages 20 to 48 form part of these financial statements.

DS SMITH PAPER LIMITED
REGISTERED NUMBER: 00058614

STATEMENT OF FINANCIAL POSITION
AS AT 30 APRIL 2025

	Note		2025 £000		2024 £000
Non-current assets					
Intangible assets	13		**2,309**		*2,166*
Property, plant and equipment	14		**235,912**		*219,240*
Investment in subsidiaries	15		**1,620**		*1,620*
Trade and other receivables	17		**338,815**		*342,701*
Employee benefits	26		**17,424**		*12,245*
			596,080		*577,972*
Current assets					
Inventories	16	**21,672**		*19,133*	
Trade and other receivables	17	**86,195**		*81,092*	
Cash at bank and in hand	18	**5,697**		*12,169*	
		113,564		*112,394*	
Current liabilities					
Trade and other payables - current	19	**(198,290)**		*(198,150)*	
Landfill provision	23	**(641)**		*(815)*	
Restructuring provision	23	**-**		*(112)*	
Net current liabilities			**(85,367)**		*(86,683)*
Total assets less current liabilities			**510,713**		*491,289*
Non-current liabilities					
Trade and other payables - non-current	19	**(577)**		*(1,997)*	
Deferred tax	22	**(4,017)**		*(5,330)*	
Landfill provision	23	**(1,000)**		*(1,000)*	
			(5,594)		*(8,327)*
Net assets			**505,119**		*482,962*
Capital and reserves					
Called-up share capital	24		**196,275**		*196,275*
Share premium account	25		**1,919**		*1,919*
Revaluation reserve	25		**8,704**		*8,704*
Hedging reserve	21		**(1,247)**		*(6,533)*
Equity reserves	25		**10,811**		*10,811*
Profit and loss account	25		**288,657**		*271,786*
			505,119		*482,962*

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 20 to 48 form part of these financial statements.

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

	Called-up share capital	Share premium account	Revaluation reserve	Hedging reserve	Equity reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000	£000	£000
At 1 May 2024	**196,275**	**1,919**	**8,704**	**(6,533)**	**10,811**	**271,786**	**482,962**
Comprehensive income for the year							
Profit for the year	-	-	-	-	-	17,508	17,508
Actuarlial loss on defined benefit schemes	-	-	-	-	-	(850)	(850)
Deferred tax on defined benefit schemes	-	-	-	-	-	213	213
Gain on designated cash flow hedges	-	-	-	3,677	-	-	3,677
Deferred tax on designated cash flow hedges	-	-	-	(1,747)	-	-	(1,747)
Reclassification from cash flow hedge reserve to income statement	-	-	-	3,356	-	-	3,356
Other comprehensive income/(loss) for the year	-	-	-	5,286	-	(637)	4,649
Total comprehensive income for the year	-	-	-	5,286	-	16,871	22,157
At 30 April 2025	**196,275**	**1,919**	**8,704**	**(1,247)**	**10,811**	**288,657**	**505,119**

The notes on pages 20 to 48 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 APRIL 2024

	Called-up share capital	Share premium account	Revaluation reserve	Hedging reserve	Equity reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000	£000	£000
At 1 May 2023	196,275	1,919	8,704	(6,684)	10,811	270,245	481,270
Comprehensive income for the year							
Profit for the year	-	-	-	-	-	979	979
Actuarial gain/(loss) on defined benefit schemes	-	-	-	-	-	749	749
Deferred tax on defined benefit schemes	-	-	-	-	-	(187)	(187)
Loss on designated cash flow hedges	-	-	-	(18,421)	-	-	(18,421)
Deferred tax on designated cash flow hedges	-	-	-	(83)	-	-	(83)
Reclassification from cash flow hedge reserve to income statement	-	-	-	18,655	-	-	18,655
Other comprehensive income for the year	-	-	-	151	-	562	713
Total comprehensive income for the year	-	-	-	151	-	1,541	1,692
At 30 April 2024	196,275	1,919	8,704	(6,533)	10,811	271,786	482,962

The notes on pages 20 to 48 form part of these financial statements.

1. General information

DS Smith Paper Limited (the 'Company') is a private company limited by shares and incorporated in the United Kingdom and registered in England and Wales whose shares are not publicly traded. The registered office is Level 3, 1 Paddington Square, London, United Kingdom, W2 1DL.

The company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 400 of the Companies Act 2006 because it is a wholly owned subsidary of DS Smith Limited which prepares consolidated financial statements which are publicaly available.

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 102, the Financial Reporting Standard applicable in the UK and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 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).

To ensure consistency with reporting under the adapted format, the statement of financial position has been updated to rename Fixed assets to Non-current assets.

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

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

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 Directors have considered any material uncertainties relating to events or conditions that may cast significant doubt upon the continuing use of the going concern basis of accounting in future periods. The Directors have considered a period of 12 months from the date the financial statements are expected to be authorised for issue.

The Company's business activities, together with the factors likely to affect its future development, performance and position are set with the strategic report. The financial position of the Company is as shown in the statement of financial position on page 15. At 30 April 2025 the Company reported net current liabilities of £85,367,000 (2024: £86,683,000) and net assets of £505,119,000 (2024: £482,962,000).

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

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.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Income Statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2. Accounting policies (continued)

2.5 Turnover

Turnover comprises the fair value of the sale of goods and services, net of value added tax and other sales taxes, rebates and discounts. Turnover from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services and the fulfilment of the related performance obligations. The following criteria must also be met before revenue is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2. Accounting policies (continued)

2.7 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.8 Interest income

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

2.9 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.

2.10 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 26.

2. Accounting policies (continued)

2.11 Share-based payments

The intermediate parent company, DS Smith Limited, operates an equity-settled, share-based compensation plan covering certain employees of the Company. The fair value of these employee services received by the Company in exchange for the grant of the options is recognised as an expense in the Company's accounting records by means of a recharge from the intermediate parent company. The fair value of the options granted is measured using a stochastic model, taking into account the terms and conditions upon which the options were granted. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions. At each reporting date the Company revises its estimates of the numbers of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the income statement.

2.12 Guarantees

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

2.13 Current and deferred taxation

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

DS Smith Group entities do not 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 102 International Tax reform - Pillar two model rules effective 1 January 2023.

2. Accounting policies (continued)

2.14 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Goodwill

Goodwill represents the excess of the cost of aquisition of unincorporated businesses over the fair value of net assets aquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated ammortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is ammortised on a sytematice bais over it's expected life, which is ten years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units and is expected to benefit from the aquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on thge basis of the carrying amount of each asset in the unit.

Computer software

The estimated useful life of computer software is 3 to 10 years and is amortised on a straight line basis.

2.15 Tangible fixed assets

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.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

2. Accounting policies (continued)

2.15 Tangible fixed assets (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:

Freehold property	- 2% to 10% per annum (straight-line)
Long-term leasehold property	- 2% to 10% per annum (straight-line)
Plant and machinery	- 5% to 25% per annum (straight-line)
Fixtures and fittings	- 5% to 25% per annum (straight-line)

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.

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

On transition to FRS 102, a deemed cost exemption was applied to a previous valuation over freehold and leasehold properties, and thereafter they are carried at that deemed cost less accumulated depreciation. Further details are disclosed in note 14.

2.16 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each reporting date. Gains and losses on remeasurement are recognised in the Income Statement for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each reporting date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.17 Inventories

Inventories 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 inventories 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. Accounting policies (continued)

2.18 Debtors

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.

2.19 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.

2.20 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.21 Provisions for liabilities

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

2. Accounting policies (continued)

2.22 Financial instruments

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

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

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

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

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

There were no critical judgements, apart from those involving estimations (which are dealt with separately below), that the Directors have made in the process of applying the Company's accounting policies.

Key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the Directors are required to make judgements (other than those involving estimations) 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 current and future periods.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

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 longterm 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 26.

4. Turnover

Analysis of turnover by country of destination:

	2025 £000	2024 £000
United Kingdom	198,355	180,413
Rest of Europe	208,496	192,770
Rest of World	5,986	4,083
	412,837	377,266

The Company's revenue was generated by the sale of goods of £349,685,000 (2024: £331,457,000) and the sale of energy services £63,152,000 (2024: £45,809,000).

5. Other operating income

Other income comprises income from the anaerobic digestor facility and the new combined heat and power facility.

6. Operating profit/(loss)

The operating profit/(loss) is stated after (crediting)/charging:

	2025 £000	2024 £000
Research & development charged as an expense	2,136	-
Foreign exchange gains	(199)	(742)
Other operating lease rentals	2,052	2,033
Depreciation of owned property, plant and equipment (note 14)	16,022	16,340
Amortisation of intangible assets (note 13)	367	229
Cost of inventory	363,618	337,636

7. Auditor's remuneration

During the year, the Company obtained the following services from the Company's auditor:

	2025 £000	2024 £000
Fees payable to the Company's auditor for the audit of the Company's financial statements	87	85

8. Employees

Staff costs, including Directors' remuneration, were as follows:

	2025 **£000**	*2024* *£000*
Wages and salaries	**34,888**	*32,411*
Social security costs	**3,493**	*3,253*
Cost of defined benefit scheme	**11**	*67*
Cost of defined contribution scheme	**3,138**	*3,139*
	41,530	*38,870*

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

	2025 **No.**	*2024* *No.*
Direct production	**137**	*154*
Indirect production	**227**	*204*
Administration	**133**	*68*
	497	*426*

9. Directors' remuneration

	2025 £000	2024 £000
Directors' emoluments	**1,292**	*475*
Company contributions to defined contribution pension schemes	**11**	*67*
	1,303	*542*

The highest paid Director received remuneration of £890,000 *(2024: £281,000)*.

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £nil *(2024: £34,315)*.

The number of directors for whom pension contributions have been paid by the Company during the financial year was 1 (2024: 2).

No Directors exercised share options in the year (2024: no Directors).

One Director (2024: one) is 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 the Company is insignificant. Therefore a £nil apportionment is made (2024: £nil).

10. Interest receivable

	2025 £000	2024 £000
Group interest receivable	**13,740**	*16,473*
Bank Interest Receivable	**12**	*-*
Employment benefit net finance income (note 26)	**806**	*429*
	14,558	*16,902*

11. Interest payable and similar expenses

	2025 £000	2024 £000
Bank interest payable	**147**	*405*
Factoring costs	**23**	*743*
	170	*1,148*

12. Income tax expense

	2025 £000	*2024 £000*
Corporation tax		
Current tax on profits for the year	-	*2,556*
Adjustments in respect of prior years	(1,160)	*(98)*
Total current tax	**(1,160)**	*2,458*
Deferred tax		
Origination and reversal of timing differences	(2,112)	*(2,252)*
Adjustment in respect of prior years	(735)	*412*
Total deferred tax	**(2,847)**	*(1,840)*
Total tax (credit)/charge for the year	**(4,007)**	*618*

The current tax adjustment in respect of prior years of £1,160,000 relates to an increase in capital allowances claimed.

The deferred tax adjustment in respect of prior years of £735,000 relates to a increase in temporary differences arising in respect of accelerated capital allowances.

At the time of issuing the financial statements in the prior year, the amount of capital allowance was unknown and this only became determinable on submission of the tax return for that respective period.

Factors affecting tax charge for the year

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

	2025 £000	*2024 £000*
Profit on ordinary activities before tax	13,501	*1,597*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2024: 25%)	3,375	*399*
Effects of:		
Permanent differences	284	*(95)*
Adjustments in respect of prior years	(1,895)	*314*
Group relief	(5,771)	*-*
Total tax (credit)/charge for the year	**(4,007)**	*618*

12. Income tax expense (continued)

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.

13. Intangible assets

	Development expenditure £000	Carbon credits £000	Computer software £000	Goodwill £000	Total £000
Cost					
At 1 May 2024	**2,587**	**1,485**	**4,108**	**13,557**	**21,737**
Additions	**-**	**-**	**510**	**-**	**510**
At 30 April 2025	**2,587**	**1,485**	**4,618**	**13,557**	**22,247**
Amortisation					
At 1 May 2024	**2,587**	**1,485**	**1,942**	**13,557**	**19,571**
Charge for the year on owned assets	**-**	**-**	**367**	**-**	**367**
At 30 April 2025	**2,587**	**1,485**	**2,309**	**13,557**	**19,938**
Net book value					
At 30 April 2025	**-**	**-**	**2,309**	**-**	**2,309**
At 30 April 2024	*-*	*-*	*2,166*	*-*	*2,166*

14. Property, plant and equipment

	Freehold property £000	Long-term leasehold land and buildings £000	Plant and machinery £000	Fixtures and fittings £000	Assets under construction £000	Total £000
Cost or valuation						
At 1 May 2024	**90,117**	**5,506**	**427,389**	**4,534**	**47,445**	**574,991**
Additions	**-**	**-**	**3,861**	**-**	**28,833**	**32,694**
Disposals	**-**	**-**	**(70)**	**-**	**-**	**(70)**
Transfers between classes	**156**	**-**	**16,154**	**473**	**(16,783)**	**-**
At 30 April 2025	**90,273**	**5,506**	**447,334**	**5,007**	**59,495**	**607,615**
Depreciation						
At 1 May 2024	**46,835**	**5,506**	**302,442**	**968**	**-**	**355,751**
Charge for the year on owned assets	**1,913**	**-**	**13,720**	**389**	**-**	**16,022**
Disposals	**-**	**-**	**(70)**	**-**	**-**	**(70)**
At 30 April 2025	**48,748**	**5,506**	**316,092**	**1,357**	**-**	**371,703**
Net book value						
At 30 April 2025	**41,525**	**-**	**131,242**	**3,650**	**59,495**	**235,912**
At 30 April 2024	*43,282*	*-*	*124,947*	*3,566*	*47,445*	*219,240*

On transition to FRS 102, the company used the transition exemption to treat a previous GAAP revaluation as at 29th April 1995 as deemed cost for its Freehold property and Long-term leasehold land and buildings. An independent chartered surveyor valued the land and non-specialised properties on an open market, existing use basis, and the specialised properties at depreciated replacement cost. The cost of the properties would have been £73,925,000 and £73,769,000 as of 30 April 2025 and 30 April 2024, respectively, if these had been determined according to the historical cost accounting rules. The associated accumulated depreciation would have been £41,104,000 as of 30 April 2025 (2024: £39,191,000).

15. Investment in subsidaries

	Investments in subsidiary companies £000
Cost or valuation	
At 1 May 2024	**1,620**
At 30 April 2025	**1,620**

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
DS Smith Logistics Limited	Level 3, 1 Paddington Square, London, W2 1DL	Ordinary and Non-cumulative preference	100%
St Regis Kemsley Limited	Level 3, 1 Paddington Square, London, W2 1DL	Ordinary	100%
Grovehurst Energy Limited	Level 3, 1 Paddington Square, London, W2 1DL	Ordinary	100%

16. Inventories

	2025 £000	*2024 £000*
Raw materials and consumables	**8,917**	*8,301*
Finished goods and goods for resale	**12,755**	*10,832*
	21,672	*19,133*

There is no material difference between the statement of financial position value of inventories and their replacement cost. Inventory provisions as at 30 April 2025 were £3.6m (30 April 2024: £4.0m)

17. Trade and other receivables

	2025 £000	2024 £000
Non-current		
Due from group companies	**338,815**	*342,701*
	338,815	*342,701*

Interest was charged on amounts owed by group undertakings of £239,665,076 (2024: £245,227,772) at 1 month SONIA plus 0.71% and the loan has a maturity date of 1 February 2027. No interest was charged on the remaining balances which have no fixed date of repayment, are not expected to be settled in the next 12 months and are unsecured.

	2025 £000	2024 £000
Current		
Trade debtors	**26,355**	*22,101*
Amounts owed by group companies	**46,000**	*48,145*
Other debtors	**437**	*365*
Prepayments	**2,601**	*905*
Accrued income	**10,802**	*9,576*
	86,195	*81,092*

Amounts owed from group undertakings are non-interest bearing, unsecured, and are expected to be settled within the next twelve months or relate to trading balances.

18. Cash at bank and in hand

	2025 £000	2024 £000
Cash at bank and in hand	**5,697**	*12,169*
	5,697	*12,169*

19. Trade and other payables - current

	2025 £000	2024 £000
Trade creditors	**72,431**	*76,052*
Amounts owed to group undertakings	**91,975**	*92,427*
Other taxation and social security	**3,767**	*378*
Other creditors	**3,441**	*4,668*
Accruals and deferred income	**25,661**	*18,043*
Derivative financial instruments (note 21)	**1,015**	*6,582*
	198,290	*198,150*

No interest was charged on amounts owed to group undertakings which are unsecured and repayable on demand.

. Trade and other payables - non-current

	2025 £000	2024 £000
Derivative financial instruments (note 21)	**577**	*1,997*
	577	*1,997*

20. Leases

Company as a lessee

Future minimum lease payments under non-cancellable operating lease payables for each of the following periods are:

	2025 £000	2024 £000
Within one year	**993**	*1,256*
Between 1-5 years	**2,046**	*2,705*
Over 5 years	**-**	*233*
	3,039	*4,194*

21. Derivative Financial Instruments

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

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

	2025 £'000	2024 £'000
Derivatives held to hedge future transactions:		
Energy - current	**(1,015)**	(6,582)
Energy - non-current	**(577)**	(1,997)
	(1,592)	(8,579)

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

21. **Derivative Financial Instruments (continued)**

Hedge reserves

	Cash flow hedges £000
Balance at 1 May 2023	(6,684)
Loss on designated cash flow hedges	(18,421)
Reclassification to income statement	18,655
Deferred tax	(83)
At 30 April 2024	**(6,533)**
Gain on designated cash flow hedges	3,677
Reclassification to income statement	3,356
Deferred tax	(1,747)
At 30 April 2025	**(1,247)**

There was £nil recognised ineffectiveness during the year ended 30 April 2025 (2024: £nil)

22. Deferred taxation liability

	2025 £000
At beginning of year	(5,330)
Credited to profit or loss	2,847
Charged to other comprehensive income	(1,534)
At end of year	**(4,017)**

The provision for deferred taxation is made up as follows:

	2025 £000	*2024 £000*
Accelerated capital allowances	(124)	*(4,415)*
Losses	64	*-*
Deferred tax on designated cash flow hedges	398	*2,145*
Employee benefits including pensions	(4,355)	*(3,060)*
	(4,017)	*(5,330)*

23. Provisions

	Current restructuring £000	Current landfill restoration £000	Non-current landfill restoration £000	Total £000
At 1 May 2024	112	815	1,000	1,927
Utilised in year	(112)	(174)	-	(286)
At 30 April 2025	**-**	**641**	**1,000**	**1,641**

The restructuring provision relates to redundancy costs. The landfill restoration provisions relate to environmental-related costs to restore sites to their original condition once that site is no longer being used in operations. The expected timing of settlement of non-current landfill restoration is uncertain.

24. Called-up share capital

	2025 £000	*2024 £000*
Allotted, called-up and fully paid		
250,500,000 *(2024: 250,500,000)* ordinary shares of £0.50 each	**125,250**	*125,250*
1,370,400 *(2024: 1,370,400)* 'A' ordinary shares of £0.50 each	**685**	*685*
340,000 *(2024: 340,000)* 6% cumulative preference shares shares of £1.00 each	**340**	*340*
70,000,000 *(2024: 70,000,000)* 'A' preference shares shares of £1.00 each	**70,000**	*70,000*
	196,275	*196,275*

Preference shares

The 6% cumulative preference shares of £1 each are not redeemable and the dividends are at the option of the Directors.

Holders of the 6% cumulative preference shares shall have the right on winding-up to receive, in priority to any other class of shares, the amounts paid up on such shares together with a sum equal to the arrears or deficiency of fixed dividend thereon.

"A" Preference shares

The "A" preference shares shall be entitled as follows:

(a) On a return of capital on liquidation, the assets of the Company available for distribution among the members, shall be applied in repaying to the holders of the "A" preference shares the amounts paid up on such shares, plus any accrued dividends. The "A" preference shares shall rank, on a return of capital on liquidation, in priority to any other shares for the time being in issue; and
(b) Dividends shall accrue on the "A" preference shares at 10 per cent, per annum, fixed rate; the declaration and payment shall be at the absolute discretion of the Company.

The company has 2 classes of ordinary shares which carries no right to fixed income.

25. Reserves

Revaluation reserve

The revaluation reserve represents the cumulative effect of the revaluation of freehold land in prior years.

Hedging reserve

The hedging reserve represents the share of the Group's commodity derivative contracts.

Equity reserve

The equity reserve represents the equity component of the convertible debt issued in 2008 and converted to 'A' Preference shares in March 2010.

Profit and loss account

Profit and loss account comprises cumulative profit or losses, net of dividends paid.

26. 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.

	2025	*2024*
	£000	*£000*
Present value of funded obligations	**(674,038)**	*(716,529)*
Fair value of Scheme assets	**739,770**	*761,036*
Total IAS 19 deficit, net	**65,732**	*44,507*
Allocated to other participating employers	**(48,308)**	*(32,262)*
Company's share of FRS 102 surplus, net	**17,424**	*12,245*

26. Employee benefits (continued)

Reconciliation of Scheme assets and liabilities:

	Assets	Liabilities	Total
	£000	£000	£000
At 1 May 2023	196,790	(190,855)	5,935
Employment benefit net finance expense	9,635	(9,206)	429
Contribution of fellow Group entity	5,132	-	5,132
Actuarial (losses)/ gains	(9,017)	9,766	749
Benefits paid	(13,263)	13,263	-
At 1 May 2024	189,277	(177,032)	12,245
Employment benefit net finance income	10,046	(9,240)	806
Contribution of fellow Group entity	5,223	-	5,223
Actuarial (losses)/gains	(8,820)	7,970	(850)
Benefits paid	-	-	-
Company's share of FRS 102 surplus, net at 30 April 2025	195,726	(178,302)	17,424

A breakdown of the Scheme assets is provided below:

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

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 total contribution for the year ended 30 April 2025 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.

26. Employee benefits (continued)

Principal actuarial assumptions for the Scheme are as follows:

	2025	*2024*
	%	%
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. At 30 April 2023 the mortality base table used was SAPS 3 (year of birth), with CMI 2019 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**	*2024*	*2024*
	Male	**Female**	*Male*	*Female*
Life expectancy at age 65				
Member currently aged 65	**20.7**	**23.2**	*20.7*	*23.1*
Member currently aged 45	**21.8**	**24.5**	*21.7*	*24.7*

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	**(9)**
0.5% increase in inflation	**(6)**
1 year increase in life expectance	**(6)**

26. Employee benefits (continued)

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 £3,138,000 (2024: £3,139,000).

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.

27. Capital commitments and other commitments

The Company had the following capital commitments:

	2025	*2024*
	£000	*£000*
Capital commitments	**13,114**	*15,375*
	13,114	*15,375*

28. Share-based payments

The Group had a number of share-based payment arrangements in place as set out below. The performance and vesting conditions of the arrangements were changed as a result of the combination of the Group with International Paper on 31 January 2025. Details of these effects are set out in (iv) below.

(i) A Performance Share Plan (PSP)

Awards under the PSP normally become exercisable after three years subject to remaining in service and the satisfaction of performance conditions measured over the three financial years commencing with the year of grant. Awards have been made under the PSP annually since 2008, originally based on the following performance measures, in the proportions shown below:

i. the Group's total shareholder return (TSR) compared to the constituents of the Industrial Goods and Services Supersector within the FTSE 250;
ii. average earnings per share (EPS); and
iii. average return on average capital employed (ROACE).

Awards made in 2016 are subject to three performance measures:

i. 33.3% of each award based on a TSR component;
ii. 33.3% of each award based on average EPS; and
iii. 33.3% of each award based on average ROACE.

Awards made from 2017 to 2019 are subject to either two performance measures or three performance measures:

(a) Two performance measures:
  i . 50% of each award based on average EPS; and
  ii. 50% of each award based on average ROACE.

(b) Three performance measures:
  i. 33.3% of each award based on a TSR component;
  ii. 33.3% of each award based on average EPS; and
  iii. 33.3% of each award based on average ROACE.

Awards made from 2020 are subject to either two performance measures or to three performance measures:

(a) Two performance measures:
  i . 50% of each award based on EPS; and
  ii. 50% of each award based on ROACE.

(b) Three performance measures:
  i. 33.3% of each award based on a TSR component;
  ii. 33.3% of each award based on EPS; and
  iii. 33.3% of each award based on ROACE.

Some awards granted in 2016, 2017 and 2020 have vested but have not yet been fully exercised. The maximum term of the options granted under the above scheme is the 10 year anniversary of the grant date.

28. Share based payments (continued)

(ii) A Deferred Share Bonus Plan (DSBP) is operated for Executive Directors and, from 2012/13, for senior executives. Shares awarded under the DSBP will vest automatically if the Director or senior executive is still employed by the Group three years after the grant of the award. The maximum term of the options granted under the above scheme is the 10 year anniversary of the grant date.

(iii) An international Sharesave Plan was introduced in January 2014 with further invitations being made in subsequent years. All employees of the Group and participating subsidiaries were eligible to participate in this Plan or an HMRC approved UK Sharesave Plan. Options are granted to participants who have contracted to save up to a maximum of £250 (or local currency equivalent) across all open invitations per month over a period of three years, at a discount of up to 20% to the average closing mid-market price of a DS Smith Limited ordinary share on the three dealing days prior to invitation. Options cannot normally be exercised until a minimum of three years has elapsed. In common with most plans of this type there are no performance conditions applicable to options granted under this Plan. The provisions of this Plan are subject to minor country specific variances. In France, the option price is discounted by up to 20% of the 20-day average up to the day before grant date. A standard US Stock Purchase Plan was introduced in January 2014 with further invitations in subsequent years. US employees of the Group are eligible to participate in this Plan. Options are granted to participants who have contracted to save up to the local currency equivalent of £250 per month over a period of two years at a discount of up to 15% to the higher of the mid-market average price on the day before invitation and the mid-market average on the day before grant of a DS Smith Limited ordinary share. Options cannot normally be exercised until a minimum of two years has elapsed. The maximum term of the options granted under the above schemes is six months after the completion of the three-year vesting period.

(iv) The performance and vesting conditions were amended as a result of the combination of the Group with International Paper as follows:

- The 2022 and 2023 PSP grants vested in full with no time pro-rating at a 66% level across all performance measures
- The 2024 PSP grants vested on a time prorated basis, again at a 76% level across all performance measures
- All outstanding DSBP grants vested in full with no time pro-rating
- The Sharesave Plans closed with vesting based on the amount of savings accrued with a limited option to continue saving for 6 months.

In respect of the Sharesave Plans, compensation payments were made to certain participants equivalent to the lost tax benefits, and in some territories, future accretion of value in excess of the grant prices.

International Paper have share incentive arrangements to which certain DS Smith employees have been invited to participate. The costs of these arrangements are re-billed to DS Smith Limited.

29. 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.

30. Related party transactions

The Company has taken the exemption available under Section 33 of FRS 102 from disclosing related party transactions entered into between two or more members of the Group, provided that the fellow Group entities are wholly-owned by the Group.

31. 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.

32. Controlling party

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

The ultimate parent company and the ultimate controlling party is 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, United Kingdom, W2 1DL which is the registered address.