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**DS SMITH HOLDINGS LIMITED**

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**UNAUDITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 APRIL 2024**

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**DS SMITH HOLDINGS LIMITED**

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**COMPANY INFORMATION**

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|--------------------------|--|
| <b>Directors</b>         | W B Hicks<br>S Rossi<br>I D C Simm                                 |
| <b>Company secretary</b> | Z W Stone  |
| <b>Registered number</b> | 06739623   |
| <b>Registered office</b> | Level 3 1 Paddington Square<br>London<br>W2 1DL                    |
| <b>Bankers</b>           | National Westminster Bank Plc<br>Bishopsgate<br>London<br>ECM2 4AA |

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**STRATEGIC REPORT  
FOR THE YEAR ENDED 30 APRIL 2024**

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## **Introduction**

The Directors present their strategic report for the year ended 30 April 2024.

## **Principal activities**

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

## **Business review and key performance indicators**

The results for the financial year show a profit before taxation of £92,084,000 (2023: loss £43,201,000). Dividends of £209,873,000 were paid during the year (2023: £nil). The carrying value of investments at 30 April 2024 was £4,268,638,000 (2023: £4,165,636,000). The movement in profit before tax is due to dividend income of £192,468,000 received during the year (2023: £nil), offset by an increase in finance costs on amounts owed to group undertakings in comparison to the prior year.

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

## **Section 172 (1) statement of the Companies Act 2006**

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

As the Company is an investment holding company within the Group it does not have any direct employees, customers or suppliers. The Directors of this entity make decisions in respect of this Company with regard to its internal stakeholders. For more details on how the Group considers the interests of the Group's employees, the impact actions have on the communities in which the Group operate and the environment, maintaining high standards of business conduct and acting fairly at all times, refer to the Group's annual report which does not form part of this report. A copy of the Group's annual report can be obtained from the address in note 22.

## **Future developments**

In April 2024, the Boards of International Paper Company and DS Smith reached an agreement and recommended the combination of International Paper with DS Smith. The all-share acquisition of DS Smith by International Paper received the approval of the DS Smith shareholders on 7 October 2024 and the International Paper shareholders on 11 October 2024. The combination is still subject to regulatory approvals.

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 APRIL 2024**

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**Streamlined Energy and Carbon Reporting**

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

The Company is included in the Group reporting of the ultimate parent company which has provided its consolidated CO2 emissions and energy consumption on page 76 of the Strategic report in the Group's 2024 annual report.

**Financial risk management objective and policies**

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

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

*Interest rate risk*

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

*Credit risk*

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

*Liquidity risk*

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

*Foreign currency risk*

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

**Principal risks and uncertainties**

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

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**DS SMITH HOLDINGS LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 APRIL 2024**

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This report was approved by the board on 13 January 2025 and signed on its behalf.

**W B Hicks**  
Director

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 APRIL 2024**

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The Directors present their report and the the financial statements for the year ended 30 April 2024.

**Results and dividends**

The profit for the year, after taxation, amounted to £117,055,000 (2023: loss £43,201,000).

Dividends paid in the year ended 30 April 2024 were £209,873,000 (2023: £nil). There have been no dividends proposed after year end.

**Directors**

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

W B Hicks  
S Rossi  
I D C Simm

**Directors' and officers' indemnity**

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

**Political contributions**

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

**Going concern**

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

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out above. The financial position of the Company is as shown in the statement of financial position on page 8. At 30 April 2024, the Company reported net assets of £2,707,388,000 (2023: £2,697,399,000).

The financial Statements have been prepared using the going concern basis of accounting. The Directors are satisfied that the Company has adequate resources to meet its operational needs for a period of at least 12 months from the day of approval of accounts and accordingly they continue to adopt the going concern basis in preparing the financial statements.

**Matters covered in the strategic report**

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

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

**Post balance sheet events**

On 27th November 2024, the company issued two shares, fully paid up, to the ultimate parent undertaking, DS Smith Plc, in exchange for a loan note of £23,641,941, therefore creating a share premium of £23,641,939.

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**DS SMITH HOLDINGS LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 APRIL 2024**

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**Audit Exemption**

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

This report was approved by the board on 13 January 2025 and signed on its behalf.

W B Hicks  
Director



**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 30 APRIL 2024**

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

Company law requires the Directors to prepare the financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 'Reduced Disclosure Framework'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

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

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

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

**DS SMITH HOLDINGS LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 APRIL 2024**

|  | Note | 2024<br>£000   | 2023<br>£000    |
|--|------|----------------|-----------------|
| Income from investments  | 4    | 192,468        | -               |
| Other income/(expenses)  | 5    | 1,039          | (1,354)         |
| <b>Operating profit/(loss) before impairment, interest and tax</b>                   |      | <b>193,507</b> | <b>(1,354)</b>  |
| Reversal of provision  | 12   | -              | 11,400          |
| <b>Operating profit before interest and tax</b>                                      |      | <b>193,507</b> | <b>10,046</b>   |
| Finance income   | 8    | 29,429         | 21,640          |
| Finance costs  | 9    | (130,852)      | (74,887)        |
| <b>Profit/(loss) before tax</b>  |      | <b>92,084</b>  | <b>(43,201)</b> |
| Tax  | 10   | 24,971         | -               |
| <b>Profit/(loss) and total comprehensive income/(expense) for the financial year</b> |      | <b>117,055</b> | <b>(43,201)</b> |

There were no recognised gains and losses for 2024 or 2023 other than those included in the statement of comprehensive income.

The notes on pages 11 to 24 form part of these financial statements.

**DS SMITH HOLDINGS LIMITED**  
**REGISTERED NUMBER: 06739623**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 APRIL 2024**

|   | Note | 2024<br>£000       | 2023<br>£000       |
|---|------|--------------------|--------------------|
| <b>Non-current assets</b>                             |      |                    |                    |
| Investments   | 13   | 4,268,638          | 4,165,636          |
| Debtors: amounts falling due after more than one year | 14   | 36,316             | 516,666            |
|   |      | <u>4,304,954</u>   | <u>4,682,302</u>   |
| <b>Current assets</b>                                 |      |                    |                    |
| Debtors: amounts falling due within one year          | 14   | 22,106             | 5,111              |
| Cash and cash equivalents                             | 16   | 324                | 312                |
|   |      | <u>22,430</u>      | <u>5,423</u>       |
| <b>Current liabilities</b>                            |      |                    |                    |
| Creditors: amounts falling due within one year        | 15   | (1,612,745)        | (1,982,935)        |
| <b>Net current liabilities</b>                        |      | <u>(1,590,315)</u> | <u>(1,977,512)</u> |
| <b>Total assets less current liabilities</b>          |      | <u>2,714,639</u>   | <u>2,704,790</u>   |
| <b>Provisions for liabilities</b>                     |      |                    |                    |
| Provisions  | 17   | (7,056)            | (7,391)            |
|   |      | <u>(7,056)</u>     | <u>(7,391)</u>     |
| <b>Net assets</b>                                     |      | <u>2,707,583</u>   | <u>2,697,399</u>   |
| <b>Capital and reserves</b>                           |      |                    |                    |
| Called up share capital                               | 18   | 448,858            | 448,858            |
| Share premium account                                 | 19   | 2,317,921          | 2,214,919          |
| Retained earnings                                     |      | (59,196)           | 33,622             |
|   |      | <u>2,707,583</u>   | <u>2,697,399</u>   |

**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 30 APRIL 2024**

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

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

The financial statements of DS Smith Holdings Limited (registered number 06739623) were approved and authorised for issue by the board and were signed on its behalf on 13 January 2025.

**W B Hicks**  
Director

The notes on pages 11 to 24 form part of these financial statements.

**DS SMITH HOLDINGS LIMITED**

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

|   | Called up<br>share capital<br>£000 | Share<br>premium<br>account<br>£000 | Retained<br>earnings<br>£000 | Total equity<br>£000 |
|---|------------------------------------|-------------------------------------|------------------------------|----------------------|
| <b>As 30 April 2022</b>                         | <b>448,858</b>                     | <b>2,189,919</b>                    | <b>76,823</b>                | <b>2,715,600</b>     |
| <b>Comprehensive expense for the year</b>       |                                    |                                     |                              |                      |
| Loss for the year                               | -                                  | -                                   | (43,201)                     | (43,201)             |
| <b>Total comprehensive expense for the year</b> | <b>-</b>                           | <b>-</b>                            | <b>(43,201)</b>              | <b>(43,201)</b>      |
| Shares issued during the year (note 19)         | -                                  | 25,000                              | -                            | 25,000               |
| <b>As 30 April 2023 and at 1 May 2023</b>       | <b>448,858</b>                     | <b>2,214,919</b>                    | <b>33,622</b>                | <b>2,697,399</b>     |
| <b>Comprehensive income for the year</b>        |                                    |                                     |                              |                      |
| Profit for the year                             | -                                  | -                                   | 117,055                      | 117,055              |
| <b>Total comprehensive income for the year</b>  | <b>-</b>                           | <b>-</b>                            | <b>117,055</b>               | <b>117,055</b>       |
| Dividends: Equity capital (note 11)             | -                                  | -                                   | (209,873)                    | (209,873)            |
| Shares issued during the year (note 19)         | -                                  | 103,002                             | -                            | 103,002              |
| <b>As 30 April 2024</b>                         | <b>448,858</b>                     | <b>2,317,921</b>                    | <b>(59,196)</b>              | <b>2,707,583</b>     |

The notes on pages 11 to 24 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2024

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**1. General information**

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

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

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

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

FRS 101 sets out an optional reduced disclosure framework which addresses the financial reporting requirements and disclosure exemptions for the individual financial statements of subsidiaries and ultimate parent that otherwise apply the recognition, measurement and disclosure requirements of UK-adopted IFRS Standards.

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

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

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

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

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

**2.2 Exemption from preparing consolidated financial statements**

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

**2.3 Foreign currency translation**

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2024

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**2. Accounting policies (continued)**

**2.4 Finance income**

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

**2.5 Finance costs**

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

**2.6 Valuation of investments**

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

**2.7 Financial instruments**

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2024

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2. Accounting policies (continued)

2.8 Financial liabilities

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

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

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

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

**Financial liabilities at fair value through profit or loss**

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

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

**Interest bearing loans and borrowings**

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

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

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

**Derecognition of financial liabilities**

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



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2024

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**2. Accounting policies (continued)**

**2.9 Provisions for liabilities**

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

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

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

**2.10 Taxation**

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

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

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

**2.11 Going concern**

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

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out above. The financial position of the Company is as shown in the statement of financial position on page 8. At 30 April 2024, the Company reported net assets of £2,707,388,000 (2023: £2,697,399,000).

The financial Statements have been prepared using the going concern basis of accounting. The Directors are satisfied that the Company has adequate resources to meet its operational needs for a period of at least 12 months from the day of approval of accounts and accordingly they continue to adopt the going concern basis in preparing the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2024**

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

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

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

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

***Key source of estimation uncertainty***

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

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

**4. Income from investments**

Dividends of £192,468,000 were received from DS Smith International Limited during the year (2023: £nil).

**5. Other income/(expenses)**

The other income/(expenses) is stated after charging:

|                                 | <b>2024</b>  | <b>2023</b>    |
|---------------------------------|--------------|----------------|
|                                 | <b>£000</b>  | <b>£000</b>    |
| Foreign exchange gains/(losses) | <b>1,039</b> | <b>(1,354)</b> |
|                                 | <b>1,039</b> | <b>(1,354)</b> |
|                                 | <b>1,039</b> | <b>(1,354)</b> |

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2024**

**6. Auditors' remuneration**

The Auditor's remuneration of £nil (2023: £27,076) for the statutory audit of the Company's financial statements for the current and previous year has been borne and not recharged by another Group undertaking. No fees in relation to non-audit services were paid to the Company's auditor in the current or preceding year.

**7. Directors' remuneration**

All the Directors are remunerated by other group undertakings. It is considered that the level of their qualifying services to the company is negligible compared to their main roles. There are no management charges from these group undertakings for their services. Consequently they determine that given the level of the services required, that the proportion of their salary relating to their services provided to this company is insignificant. Therefore a £nil apportionment is made (2023: £nil).

The Company had no employees during the current and prior year.

**8. Finance income**

|  | <b>2024</b>   | <i>2023</i>   |
|--|---------------|---------------|
|  | <b>£000</b>   | <i>£000</i>   |
| Interest receivable on loans to group undertakings | <b>29,414</b> | <i>21,631</i> |
| Other interest receivable                          | <b>15</b>     | <i>9</i>      |
|  | <b>29,429</b> | <i>21,640</i> |

**9. Finance costs**

|   | <b>2024</b>    | <i>2023</i>   |
|---|----------------|---------------|
|   | <b>£000</b>    | <i>£000</i>   |
| Interest payable on loans from group undertakings | <b>130,852</b> | <i>74,887</i> |
|   | <b>130,852</b> | <i>74,887</i> |

**10. Tax**

|                                  | <b>2024</b>     | <i>2023</i> |
|----------------------------------|-----------------|-------------|
|                                  | <b>£000</b>     | <i>£000</i> |
| <b>Corporation tax</b>           |                 |             |
| UK Corporation tax               | <b>(24,971)</b> | <i>-</i>    |
| <b>Total tax (credit)/charge</b> | <b>(24,971)</b> | <i>-</i>    |

**DS SMITH HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2024**

**10. Tax (continued)**

**Factors affecting tax (credit)/charge for the year**

The tax assessed for the year is lower than (2023: *higher than*) the standard rate of corporation tax in the UK of 25.0% (2023: 19.5%). The differences are explained below:

|  | <b>2024</b>     | <i>2023</i>     |
|--|-----------------|-----------------|
|  | <b>£000</b>     | <i>£000</i>     |
| Profit/(loss) on ordinary activities before tax  | <b>92,084</b>   | <i>(43,201)</i> |
| Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 25.0% (2023: 19.5%) | <b>23,021</b>   | <i>(8,424)</i>  |
| <b>Effects of:</b>   |                 |                 |
| Permanent differences  | <b>(47,992)</b> | <i>(2,223)</i>  |
| Group relief surrendered   | <b>-</b>        | <i>10,647</i>   |
| <b>Total tax (credit)/charge for the year</b>  | <b>(24,971)</b> | <i>-</i>        |

**Factors that may affect future tax charges**

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

The Finance Act 2021 included a 6% increase in the main UK corporation tax rate to 25% from 1 April 2023, which was substantially enacted on 10 June 2021.

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 will apply 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 Plc, the ultimate parent of the Company.

**11. Dividends**

|                | <b>2024</b>    | <i>2023</i> |
|----------------|----------------|-------------|
|                | <b>£000</b>    | <i>£000</i> |
| Dividends paid | <b>209,873</b> | <i>-</i>    |
|                | <b>209,873</b> | <i>-</i>    |

**DS SMITH HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2024**

**12. Reversal of provision**

|                       | <b>2024</b> | <b>2023</b> |
|-----------------------|-------------|-------------|
|                       | <b>£000</b> | <b>£000</b> |
| Reversal of provision | -           | (11,400)    |
|                       | -           | (11,400)    |
|                       | -           | (11,400)    |

The settlement of certain costs and obligations arising from the disposal of the Plastics division resulted in a gain of £11,400,000 in the prior year as shown above.

**13. Investments**

|                          | <b>Investments<br/>in<br/>subsidiary<br/>companies<br/>£000</b> |
|--------------------------|---|
| <b>Cost or valuation</b> |   |
| At 1 May 2023            | 5,840,831   |
| Additions                | 103,002   |
| At 30 April 2024         | 5,943,833   |
| <b>Impairment</b>        |   |
| At 1 May 2023            | 1,675,195   |
| At 30 April 2024         | 1,675,195   |
| <b>Net book value</b>    |   |
| At 30 April 2024         | 4,268,638   |
| At 30 April 2023         | 4,165,636   |

The carrying value of each investment in subsidiary was compared with the relevant subsidiary's consolidated balance sheet. Where the net assets were lower than the investment value, a discounted cash flow was used to calculate the present value of the investment to confirm whether any impairment was required. The pre-tax discount rate used by the Company in its discounted cash flow calculation was 10.29% derived from the Group's WACC rate with a country specific risk premium. The discounted cash flow calculation used the latest forecast EBITDA, working capital and capital expenditure for the year ended 30 April 2025, with a growth rate and terminal growth rate of 2% being the relevant inflation rate for the country in which that entity operates. This resulted in total impairment charges of £nil in the year ended 30 April 2024 (2023: £nil).

**DS SMITH HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2024**

**13. Investments (continued)**

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

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

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**DS SMITH HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2024**

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**13. Investments (continued)**

**Subsidiary undertakings (continued)**

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

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

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

NOTES TO THE FINANCIAL STATEMENTS  
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14. Debtors

|   | <b>2024</b>   | <i>2023</i>    |
|---|---------------|----------------|
|   | <b>£000</b>   | <i>£000</i>    |
| <b>Amounts falling due after more than one year</b> |               |                |
| Amounts owed by group undertakings                  | <b>36,316</b> | <i>516,666</i> |
|   | <b>36,316</b> | <i>516,666</i> |

Amounts owed by group undertakings is comprised of a loan with interest charged on the loan as follows:

Amounts owed by parent undertaking:

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

|  | <b>2024</b>   | <i>2023</i>  |
|--|---------------|--------------|
|  | <b>£000</b>   | <i>£000</i>  |
| <b>Amounts falling due within one year</b> |               |              |
| Amounts owed by parent undertaking         | <b>22,106</b> | <i>5,111</i> |
|  | <b>22,106</b> | <i>5,111</i> |

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

- £22,106,318 (Principal: £22,106,318; interest accrued: £nil) is non interest-bearing and repayable on demand to DS Smith Plc.



**DS SMITH HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2024**

**15. Creditors: amounts falling due within one year**

|                                    | <b>2024</b>      | <i>2023</i>      |
|------------------------------------|------------------|------------------|
|                                    | <b>£000</b>      | <i>£000</i>      |
| Amounts owed to group undertakings | <b>1,612,745</b> | <i>1,974,959</i> |
| Corporation tax                    | -                | <i>7,976</i>     |
|                                    | <b>1,612,745</b> | <i>1,982,935</i> |
|                                    | <b>1,612,745</b> | <i>1,982,935</i> |

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

Amounts owed to parent undertaking, DS Smith Plc:

- Interest is charged on €35,925,452 (Principal: £30,708,139; interest accrued: £362,528) at 1 month EURIBOR plus 1.15%, repayable on 1st February 2027 to DS Smith Plc.
- Interest is charged on €16,917,896 (Principal: £14,460,976; interest accrued: £nil) at 12 month EURIBOR plus 2.18%, repayable on 30th April 2026 to DS Smith Plc.
- Interest is charged on £1,238,256,499 (Principal: £1,238,256,499; interest accrued: £6,574,430) at 1 month SONIA plus 1.26%, repayable on 1st March 2027 to DS Smith Plc.

Amounts owed to other group undertakings:

- Interest is charged on £26,886,872 (Principal: £26,886,872; interest accrued: £142,708) at 3 month SONIA plus 0.869%, repayable on 30th June 2025 to DS Smith Italy Limited.
- Interest is charged on £37,117,780 (Principal: £37,117,780; interest accrued: £197,010) at 3 month SONIA plus 0.869%, repayable on 30th June 2025 to W Rowlandson and Company Limited.
- Interest is charged on £225,505,851 (Principal: £225,505,851; interest accrued: £17,566,219) at 12 month SONIA plus 4.46%, repayable on 29th July 2025 to DS Smith International Limited.

**16. Cash and cash equivalents**

|                          | <b>2024</b> | <i>2023</i> |
|--------------------------|-------------|-------------|
|                          | <b>£000</b> | <i>£000</i> |
| Cash at bank and in hand | <b>324</b>  | <i>312</i>  |
|                          | <b>324</b>  | <i>312</i>  |
|                          | <b>324</b>  | <i>312</i>  |

**DS SMITH HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2024**

**17. Provisions**

|                         | <b>Other<br/>provision<br/>£000</b> |
|-------------------------|-------------------------------------|
| At 1 May 2023           | 7,391                               |
| Utilised in year        | (335)                               |
| <b>At 30 April 2024</b> | <b>7,056</b>                        |

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

**18. Called up share capital**

|   | <b>2024<br/>£000</b> | <i>2023<br/>£000</i> |
|---|----------------------|----------------------|
| <b>Authorised</b>   |                      |                      |
| 456,932,794 (2023: 456,932,794) Ordinary Shares shares of £1 each | <b>456,933</b>       | 456,933              |
| <b>Allotted, called up and fully paid</b>                         |                      |                      |
| 448,858,477 (2023: 448,858,475) Ordinary Shares shares of £1 each | <b>448,858</b>       | 448,858              |

**19. Share premium**

|               | <b>2024<br/>£000</b> | <i>2023<br/>£000</i> |
|---------------|----------------------|----------------------|
| Share premium | <b>(2,317,921)</b>   | (2,214,919)          |
|               | <b>(2,317,921)</b>   | (2,214,919)          |

On 30 April 2024, the Company issued two shares, fully paid up, to the ultimate parent company, DS Smith Plc, in exchange for £103,001,683 and therefore creating a share premium of £103,001,681.

On 2 November 2022, the Company issued one share, fully paid up, to the ultimate parent undertaking, DS Smith Plc, in exchange for £25,000,000 and therefore creating a share premium of £24,999,999.

**20. Contingent liabilities**

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2024

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**21. Related party transactions**

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

**22. Controlling party**

The immediate parent company, the ultimate parent company and the ultimate controlling party is DS Smith Plc, a company incorporated in the United Kingdom and registered in England and Wales.

DS Smith Plc represents both the largest and smallest group of undertakings for which Group financial statements are prepared and of which the Company is a member. Copies of the Group financial statements are available from the Company Secretary of DS Smith Plc at Level 3, 1 Paddington Square, London, United Kingdom, W2 1DL.

**23. Post balance sheet events**

On 27th November 2024, the company issued two shares, fully paid up, to the ultimate parent undertaking, DS Smith Plc, in exchange for a loan note of £23,641,941, therefore creating a share premium of £23,641,939.