

SCA PACKAGING BRITAIN LIMITED

(Registered Number 192236)

Directors' Report and Financial Statements for the year ended 31 December 2001



SCA PACKAGING BRITAIN LIMITED

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SCA PACKAGING BRITAIN LIMITED

DIRECTORS' REPORT

The directors present their report and the financial statements of the Company for the year ended 31 December 2001.

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The Company did not trade during the current or prior year and consequently no profit or loss account has been presented.

DIVIDENDS AND TRANSFERS TO RESERVES

No interim dividend was paid during the year (2000: £nil). The directors do not recommend the payment of a final dividend (2000: £nil).

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were:

S G Haglund	
R L Holdron	(resigned 15 January 2001)
C J Williams	
D R Stead	(appointed 15 January 2001)
J D Williams	(appointed 15 January 2001)

None of the directors who held office at the year end had any interest in the shares or debentures of the Company or any of its holding companies incorporated in Great Britain.

No directors had, at any time during the year, any material interest in a contract with the Company.

INSURANCE EFFECTED FOR OFFICERS

During the year the Company maintained insurance for directors and other officers against liabilities in relation to the Company.

LAYING OF ACCOUNTS

In accordance with Section 252 (1) of the Companies Act 1985 the Company has elected not to lay its report and accounts before the members in the general meeting.

By order of the Board



A J Staples
Secretary

24 October 2002

SCA PACKAGING BRITAIN LIMITED

Balance sheet - 31 December 2001

	<u>Note</u>	<u>2001</u> <u>£000</u>	<u>2000</u> <u>£000</u>
FIXED ASSETS			
Investments	2	26,473	26,473
		<u>26,473</u>	<u>26,473</u>
CURRENT ASSETS			
Debtors: amounts falling due after more than one year	3	112,617	112,617
		<u>112,617</u>	<u>112,617</u>
NET CURRENT ASSETS		<u>112,617</u>	<u>112,617</u>
NET ASSETS		<u>139,090</u>	<u>139,090</u>
CAPITAL AND RESERVES			
Called up share capital	4	8,833	8,833
Share premium account	5	121,146	121,146
Profit and loss account	5	9,111	9,111
		<u>139,090</u>	<u>139,090</u>
EQUITY SHAREHOLDERS' FUNDS		<u>139,090</u>	<u>139,090</u>

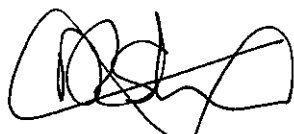
For the year ended 31 December 2001 the Company was entitled to the exemption under section 249AA(1) of the Companies Act 1985.

No members have required the Company to obtain an audit of its accounts for the year in question in accordance with section 249(B)(2).

The directors acknowledge their responsibility for:

- (i) ensuring the Company keeps accounting records which comply with section 221; and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of its financial year, and of its profit or loss for the financial year, in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the Company.

The financial statements on pages 3 to 5 were approved by the Board of Directors on 24 October 2002 and signed on its behalf by:



D R Stead (director)

SCA PACKAGING BRITAIN LIMITED

Notes to the financial statements – 31 December 2001

1. Accounting Policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom.

2. Investments

	£000
<u>Cost</u>	
At 1 January 2001 and 31 December 2001	36,653
<u>Provision</u>	
At 1 January 2001 and 31 December 2001	(10,180)
<u>Net book value</u>	
At 1 January 2001 and 31 December 2001	26,473

The Company holds the entire ordinary share capital of the following companies:

SCA Packaging Cartons & Print North Limited
SCA Packaging Cartons & Print South Limited
SCA Packaging Cartons & Print Scotland Limited
SCA Packaging Heavy Duty Limited
SCA Packaging John Horn Limited (registered in Scotland)
SCA Packaging North East Limited
SCA Packaging North West Limited
SCA Packaging Scotland Limited
SCA Packaging South East Limited
SCA Packaging South West Limited
SCA Packaging CPS Limited (registered in Scotland)
SCA Packaging CPN Limited
SCA Packaging Kirby Cartons Limited
SCA Packaging Tritek Cardboard Packaging Limited

All subsidiaries except SCA Packaging Cartons and Print North Limited and SCA Packaging Cartons and Print Scotland Limited are dormant and, except where indicated, are registered in England and Wales.

In the opinion of the directors the aggregate value of the assets consisting of shares in or amounts owing from subsidiary undertakings is not less than the aggregate of the amounts at which those assets are stated or included in the Company's balance sheet.

3. Debtors

	<u>2001</u>	<u>2000</u>
	£000	£000
Amounts owed by group undertakings:		
Parent company and fellow subsidiary undertakings	<u>112,617</u>	<u>112,617</u>

SCAPACKAGING BRITAIN LIMITED

Notes to the financial statements – 31 December 2001

4. Share capital

	<u>2001</u> <u>£000</u>	<u>2000</u> <u>£000</u>
Authorised:		
10,000,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid:		
8,833,000 Ordinary shares of £1 each	<u>8,833</u>	<u>8,833</u>

5. Reserves

	<u>Share</u> <u>premium</u> <u>£000</u>	<u>Profit</u> <u>and loss</u> <u>£000</u>
At 1 January and 31 December 2001	<u>121,146</u>	<u>9,111</u>

6. Contingent liabilities

The UK Group of Companies, of which this Company is a member, has given joint and several guarantees to its principal clearing banker in respect of banking facilities. At 31 December 2001 the total facilities offered were £30m but the actual pooled balance was a net overdraft with its principal clearing banker of £5,369,891 (2000: net deposit of £773,870).

7. Related party transactions

As the Company is a 100% subsidiary of SCA Holding Limited whose results are included in the consolidated results of Svenska Cellulosa Aktiebolaget, the Company has taken advantage of the exemption from disclosing transactions with Group undertakings as permitted by FRS 8.

There are no other related party transactions.

8. Ultimate holding company and controlling party

The Company is a subsidiary of SCA Holding Limited, a company registered in England.

The Company's ultimate holding company and controlling party is Svenska Cellulosa Aktiebolaget, SCA, a company incorporated in Sweden. Copies of the accounts may be obtained from the Company Secretary, SCA Packaging UK Central Office, Papyrus Way, Larkfield, Aylesford, Kent, ME20 7TW.