

British Sisalkraft Limited

Report and financial statements
For the year ended
30 April 2004

Company no. 457850



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British Sisalkraft Limited

Directors' report for the year ended 30 April 2004

The directors present their report together with the financial statements for the year ended 30 April 2004.

Principal activities

The company did not trade during the year. It is not expected to trade in the foreseeable future. There has been no income and expenditure and no change has arisen in the position of the company. Any expenses have been met by the holding company.

Directors

The following were directors of the company during the year:

C T Cattermole
A D Thorne
G M Morris

The directors had no interest in the shares of the company.

The interests of the directors and their families in the shares of DS Smith Plc, the parent company, including options granted but not yet exercised under the Executive Option Schemes and the International Sharesave Scheme were as follows.

Director	Ordinary shares		Number of options during the year				Exercise price (p)	Date at which exercisable	Expiry date
	At 30 Apr 2003	At 30 Apr 2004	At 30 Apr 2003	Granted	Exercised	Lapsed			
CT Cattermole	-	-	96,498	-	-	-	139.89	2 Mar 04	1 Mar 11
			97,141	-	-	-	138.95	27 Jul 04	26 Jul 11
			103,521				135.22	26 Jul 05	25 Jul 12
			4,785				100 *	1 Aug 04	1 Aug 08
			-	97,839	-	-	149.21	31 Jul 06	30 Jul 13
			-	29,108	-	-	100 *	1 Aug 06	1 Aug 10

*The exercise price is £1 in total, the grant being given in relation to the deferred bonus under the Restricted Share Plan described in the financial statements of DS Smith Plc under the Remuneration Report.

During the year, DS Smith Plc made a one-for-five rights issue. The number of shares under option and the option price of those shares under option held have been adjusted accordingly. All of the above options were granted for a nil consideration.

The market price of the shares at 30 April 2004 was 172.0p (30 April 2003 – 161.5p) and the adjusted range during the year ended 30 April 2004 was 139p to 178.1p (year ended 30 April 2003 – 127p to 184p).

G M Morris and A D Thorne are directors of the holding company and their interests in the shares of that company are set out in its directors' report.

British Sisalkraft Limited

Directors' responsibilities for the financial statements

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company. In preparing those financial statements, the directors are required to:-

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent

The directors are responsible for maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



A Steele
Secretary

18 October 2004

Registered office

4-16 Artillery Row
London SW1P 1RZ

British Sisalkraft Limited

Balance sheet at 30 April 2004

	<i>Note</i>	2004 £	2003 £
Current assets :			
Debtor amounts owed by group undertakings		<u>975,000</u>	<u>975,000</u>
Capital:			
Called up share capital	2	<u>975,000</u>	<u>975,000</u>

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

The directors acknowledge their responsibility for:

- ensuring company keeps accounting records which comply with section 221;
- 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 and 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.

For the year ended 30 April 2004 the company was entitled to exemption under section 249AA(1) of the Companies Act 1985. The accounts were approved by the board of directors on 18 October 2004.



C T Cattermole
Director
18 October 2004

The notes on page 4 form part of the accounts.

British Sisalkraft Limited

Notes to the financial statements

1. These accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

2. Share capital

	Issued and Fully Paid £	Authorised £
Ordinary Shares of £0.20 each	825,000	1,850,000
5% (now 3.5% plus tax credit) Cumulative preference shares of £1 each	<u>150,000</u>	<u>150,000</u>
	<u>975,000</u>	<u>2,000,000</u>

3. During the financial year and preceding financial year the company did not trade and received no income and incurred no expenditure. Consequently during these years the company made neither profit or loss nor any other recognised gain or loss.

4. The ultimate parent company and parent undertaking of the largest group of undertakings for which group accounts are drawn up is DS Smith Plc, a company registered in England.

Copies of the group accounts can be obtained from the Company Secretary at DS Smith Plc, 4-16 Artillery Row, London SW1P 1RZ.