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WADDINGTON CARTONS LIMITED
DIRECTORS' REPORT AND ACCOUNTS
4 APRIL 1998

529122



WADDINGTON CARTONS LIMITED

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 4 APRIL 1998

The directors present their report and accounts for the financial year ended 4 April 1998.

ACTIVITY

Throughout the year ended 4 April 1998 the company acted without remuneration as agent of Waddington PLC. It did not trade on its own account during the year, and made neither profit nor loss.

With effect from the commencement of business on 5 April 1998 the company purchased the business and undertaking relating to the manufacture, marketing and sale of folding cartons and packaging systems carried on under the name of Waddington Cartons, together with the goodwill and assets of that business. At the same time the previous agency agreement between the company and Waddington PLC terminated and the company commenced trading on its own account.

DIRECTORS

The following is a list of all persons who were directors of the company at any time between 29 March 1997 and the date of this report:

S M Baker	
M Brain	
M Collett	(Appointed 1 April 1998)
M H Buckley	
C M Green	
S Kearns	
K Peters	
S Roberts	(Appointed 2 February 1998)
A B Reeve	(Resigned 31 July 1997)
C S Fryatt	(Resigned 31 March 1998)

DIRECTORS' SHARE INTERESTS

Mr M H Buckley is a director of the parent undertaking, Waddington PLC, and his interests in the issued share capital of group companies are shown in the annual report of that company.

The interests of the other directors in the issued share capital of group companies at 4 April 1998 were as follows:

	Fully Paid	Waddington PLC Ordinary Shares Executive Share Options	Savings Related Share Options
S M Baker	-	-	-
M Brain	-	11,975	2,457
M Collet	-	84,858	-
C M Green	-	11,975	-
S Kearns	-	11,975	8,152
K Peters	321	11,975	- (1,092)
S Roberts	-	-	-

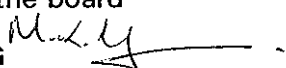
Where shareholdings have varied during the year the holdings at 29 March 1997, or date of appointment, are shown in brackets.

AUDITORS

A resolution to appoint PriceWaterhouseCoopers as auditors will be proposed at the Annual General Meeting.

By order of the board

M K YOUNG
Secretary



Registered Office
Wakefield Road
Leeds LS10 1DU

Registration no.
529122

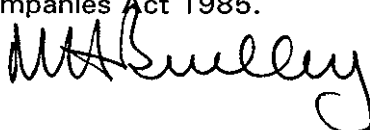
8 June 1998

WADDINGTON CARTONS LIMITED**BALANCE SHEET - 4 APRIL 1998**

	<u>1998</u>	<u>1997</u>
AMOUNT DUE FROM PARENT UNDERTAKING	£ 1,522,000	£ 1,522,000
SHARE CAPITAL		
Ordinary shares of £1 each		
Authorised	£ 1,750,000	£ 1,750,000
Allotted and fully paid	£ 1,522,000	£ 1,522,000

Throughout the financial year ending on the above date the company was dormant within the meaning of section 250 of the Companies Act 1985.

DIRECTOR M H BUCKLEY



APPROVED BY THE BOARD

ON 8 JUNE 1998

NOTES TO THE ACCOUNTS**1. TRADING**

The company acts without remuneration as agent of Waddington PLC which has indemnified the company against all liabilities. The company has not traded on its own account during the year and, consequently, has made neither profit nor loss. None of the directors received any emoluments in respect of his services to the company (1997 £NIL).

2. CONTINGENT LIABILITIES

The company together with its fellow subsidiary undertakings, has given guarantees in respect of certain bank borrowings of Waddington PLC. At the year end this amounted to £ 580,000.

3. PARENT UNDERTAKING

The parent undertaking is Waddington PLC, a company registered in England and which prepare group accounts. Copies of the group accounts can be obtained by writing to:

The Secretary
Waddington PLC
Wakefield Road
Leeds LS10 1DU

4. OTHER STATUTORY INFORMATION

These accounts are prepared in compliance with Section 226 of, and Schedule 4 to, the Companies Act 1985.