

# **DSS Quest Trustees Limited**

Directors' report and financial statements  
For the year ended  
30 April 2006

Company no. 3471128

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# DSS Quest Trustees Limited

## Directors' report

The directors present their annual report and the financial statements for the year ended 30 April 2006.

## Principal activities

The principal activity of the company is acting solely as trustee of the David S. Smith Qualifying Employee Share Trust. During the financial year the Company did not trade and received no income and incurred no expenditure.

## Directors

The following were directors of the company during the year:

C T Cattermole  
N J Hayter  
D J Way

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 were as follows:

	Ordinary shares		Number of options during the year							
Director	At 30 Apr 2005	At 30 Apr 2006	At 30 Apr 2005	Granted	Exercised	Lapsed	At 30 Apr 2006	Exercise price (p)	Date at which exercisable	Expiry date
CT Cattermole	6,316	6,316	103,521	-	-	-	103,521	135.22	26 Jul 05	25 Jul 12
			97,839	-	-	-	97,839	149.21	31 Jul 06	30 Jul 13
			29,108	-	-	-	29,108	100*	1 Aug 06	31 Jul 10
			73,100	-	-	-	73,100	158.00	29 Jul 07	28 Jul 14
			22,276	-	-	-	22,276	100*	2 Aug 07	1 Aug 11
			81,014	-	-	-	81,014	++	14 Sep 07	
			-	77,800	-	-	77,800	159.00	2 Aug 08	1 Aug 15
			-	78,821	-	-	78,821	++	28 Jul 08	
N J Hayter	1,500	1,500	21,230	-	-	-	21,230	164.76	30 Jul 00	29 Jul 07
			24,768	-	-	-	24,768	171.29	31 Jul 01	30 Jul 08
			26,698	-	-	-	26,698	166.62	30 Jul 02	29 Jul 09
			30,290	-	30,290	-	0	155.11	31 Jul 03	30 Jul 10
			35,597	-	35,597	-	0	138.95	27 Jul 04	26 Jul 11
			38,813	-	-	-	38,813	135.22	26 Jul 05	25 Jul 12
			37,152	-	-	-	37,152	149.21	31 Jul 06	30 Jul 13
			22,130	-	-	-	22,130	100*	01 Aug 06	01 Aug 10
			37,000	-	-	-	37,000	158.00	29 Jul 07	28 Jul 14
			16,924	-	-	-	16,924	100*	02 Aug 07	01 Aug 11
			40,589	-	-	-	40,589	++	14 Sep 07	
				39,490	-	-	39,490	++	28 Jul 08	
				38,950	-	-	38,950	159.00	02 Aug 08	01 Aug 15

The market price of the shares at 30 April 2006 was 149.25p (30 April 2005 – 150.5p) and the range during the year ended 30 April 2006 was 135.25p to 183.75p (range for the year ended 30 April 2005 – 138p to 176p).

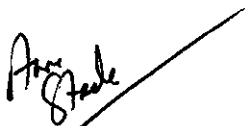
## **DSS Quest Trustees Limited**

### **Directors' Report (continued)**

\* 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.

++ Granted under the Long Term Incentive Plan. The award will only vest if performance conditions are met. Details of the Plan are described in the financial statements of DS Smith Plc under the Remuneration Report.

For and on behalf of the Board



A Steele  
**Secretary**

1 February 2007

**Registered office:**  
4-16 Artillery Row  
London  
SW1P 1RZ

# DSS Quest Trustees Limited

## Balance Sheet

at 30 April 2006

	Note	30 April 2006 £	30 April 2005 £
<b>Current assets:</b>			
Debtors	3	1	1
		<u>1</u>	<u>1</u>
<b>Net Assets</b>			
		<u>1</u>	<u>1</u>
<b>Capital and Reserves</b>			
Called up share capital	4	1	1
		<u>1</u>	<u>1</u>
<b>Shareholders' funds - equity</b>		<u>1</u>	<u>1</u>

a) For the year ended 30 April 2006 the company was entitled to exemption under section 249AA(1) of the Companies Act 1985.

(b) Members have not required the company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.

(c) The directors acknowledge their responsibility for:

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

These accounts were approved by the Board of Directors on 1 February 2007 and signed on their behalf by:

C T Cattermole

Director ..... C T Cattermole .....

# DSS Quest Trustees Limited

## Notes to the financial statements

### 1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

#### (a) Accounting basis

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention.

#### (b) Cash Flow

Under Financial Reporting Standard 1 (revised 1996) the Company is exempt from the requirements to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its published consolidated financial statements.

#### (c) Related party transactions

Under FRS 8 the company is exempt from the requirement to disclose related party transactions with DS Smith Plc and its associated undertakings on the grounds that it is a wholly owned subsidiary undertaking of DS Smith Plc.

### 2. Directors' Emoluments

The Directors are remunerated by other group companies and no specific recharge is made in respect of their services to this company.

### 3. Debtors

	2006 £	2005 £
Called up share capital not paid	<u>1</u>	<u>1</u>

### 4. Called up share capital

	2006 £	2005 £
<b>Authorised</b>		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
<b>Issued and not paid</b>		
1 Ordinary share of £1	<u>1</u>	<u>1</u>

### 5. Profit and loss account

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 a profit nor a loss.

## **DSS Quest Trustees Limited**

### **6. Ultimate parent undertaking**

The ultimate controlling 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 DS Smith Plc Group accounts can be obtained from the Company Secretary at DS Smith Plc, 4 - 16 Artillery Row, London SW1P 1RZ.