

R.W. Kent Severnside Limited

Directors' Report and Financial Statements

Registered In England No. 254297

1 May 1999



RW Kent Severnside

Directors' report and financial statements

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Directors' report

The Directors present their report and the accounts for the year ended 1 May 1999

Principal Activity

The company has not traded during the current financial year.

Business Review and Financial Results

There has been no profit or loss for the year (1998: profit £nil).

Directors and Directors' Interests

The Directors who served during the year are as follows:

M.T. Heskin
O.A. Stratton
J.R. Trevethick
J.P. Williams

No director held any interest in the shares of the company.

O.A. Stratton and J.P. Williams are directors of the parent company, David S Smith (Holdings) PLC, and their interest in the shares of that company are set out in its Directors' report.

The interest of the other directors and their immediate families in the ordinary shares in the parent company David S Smith (Holdings) PLC, including options granted but not yet exercised under the 1992 Executive Share Option Scheme and the Employee Savings Related Share Option Schemes were as follows:

| | <u>At 1 May 1999</u> | | <u>At 2 May 1998</u> | |
|-----------------|----------------------|------------------------------------|----------------------|------------------------------------|
| | Ordinary Shares | Ordinary Shares Under Option | Ordinary Shares | Ordinary Shares Under Option |
| M.T. Heskin | 70,714 | - | 70,714 | - |
| J.R. Trevethick | 21,394 | 50,950 | 21,394 | 25,600 |

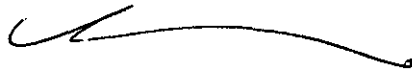
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Statement of directors' responsibilities

As required by company law the Directors are responsible for the preparation of financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss for that period. 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors have responsibility for ensuring that the Company keeps proper accounting records which 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 1985. They are also responsible for taking reasonable steps for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



On Behalf of the Board
A.J. Richardson
Secretary

12 July 1999

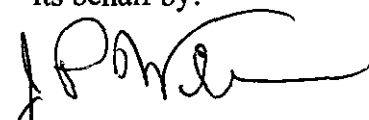
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Balance sheet at 1 May 1999

| | Note | 1999 £000 | 1998 £000 |
|---|------|--------------|--------------|
| Current Assets | | | |
| Debtors: amounts falling due after one year: | | | |
| Amounts owed by Group undertakings | | <u>14</u> | <u>14</u> |
| Net assets | | <u>14</u> | <u>14</u> |
| Capital and Reserves | | | |
| Called up share capital | 2 | - | - |
| Profit and loss account | | <u>14</u> | <u>14</u> |
| Shareholders' funds – equity | | <u>14</u> | <u>14</u> |

The Company was dormant (within the meaning of Section 250 of the Companies Act 1985) through out the year ended 1 May 1999.

The accounts were approved by the Board of Directors on 12 July 1999 and were signed on its behalf by:


J.P. Williams
Director

The notes on page 6 form part of these accounts.

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Notes to the accounts

1. Accounting Policies

(a) Accounting Basis

The accounts are prepared in accordance with applicable Accounting Standards and under the historical cost accounting rules.

(b) Cash Flow Statement

No cash flow statement has been prepared for the year ended 1 May 1999 as the company's ultimate parent company, David S. Smith (Holdings) Plc prepares consolidated financial statements which include a cash flow statement dealing with the cash flow of the Group.

2. Share Capital

Ordinary Shares at £1 each
Authorised, Issued and Fully Paid

| | |
|----------------|---------------|
| | £ |
| At 2 May 1998 | |
| and 1 May 1999 | 100 |
| | <u> </u> |

3. Ultimate Parent Company

The ultimate parent Company is David S. Smith (Holdings) PLC, a company incorporated and registered in England. Accounts for the ultimate parent company may be obtained from The Company Secretary at 4-16 Artillery Row, London SW1P 1RZ.