

Pavidda Paper Limited

Report and financial statements
For the year ended
30 April 2003

Company no. 464380



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Pavidda Paper Limited

Directors' report for the year ended 30 April 2003

The directors present their report together with the financial statements for the year ended 30 April 2003.

Principal activities

The company did not trade during the year and is not expected to do so 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	(appointed 1 January 2003)
D F Buttfield	(resigned 1 January 2003)

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.

	At 30 April 2003		At 30 April 2002 *	
	Ordinary shares	Ordinary shares under option	Ordinary shares	Ordinary shares under option
C T Cattermole	-	281,636	-	185,086

* Date of appointment if later

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.

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

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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 handwritten signature in dark ink, appearing to read 'A Steele', with a long horizontal stroke extending to the right.

A Steele
Secretary

7 November 2003

Registered office

4-16 Artillery Row
London SW1P 1RZ

Pavidda Paper Limited

Balance Sheet at 30 April 2003

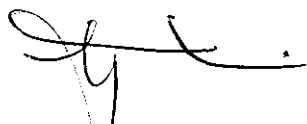
		2003 £	2002 £
CURRENT ASSET			
Debtor - amounts owed by Group undertakings		<u>843,687</u>	<u>843,687</u>
CAPITAL			
Called Up Share Capital	2	328,013	328,013
Share Premium		515,674	515,674
		<u>843,687</u>	<u>843,687</u>

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 2003 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 7 October 2003.



G M Morris
Director

7 November 2003

The notes on page 4 form part of these accounts.

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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
	<u>£</u>	<u>£</u>
Ordinary Shares of £0.25 each 6.5%(now 4.55% plus tax credit)	278,513	350,000
Cumulative Preference Shares of £1 each	49,500	100,000
	<u>328,013</u>	<u>450,000</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 4-16 Artillery Row, London SW1P 1RZ.