

To House
2284965

Townsend Hook Limited

Report and Accounts

27 December 1998



Townsend Hook Limited

Registered No. 2284965

DIRECTORS

M J Clayton
B A Bisset
N G Peen
F D Warrell

SECRETARY

J Hiscock

AUDITORS

Ernst & Young
Chartered Accountants
Rolls House
7 Rolls Buildings
Fetter Lane
London EC4A 1NH

REGISTERED OFFICE

The Mill
Snodland
Kent ME6 5AX

BANKERS

National Westminster Bank Plc
P O Box 237
72-74 High Street
Watford
Herts WD1 2BQ

Townsend Hook Limited

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 27 December 1998.

RESULTS AND DIVIDENDS

The company's loss on ordinary activities after taxation for the year was £1,322,864 (1997 - profit £4,991,992) after charging amortisation of goodwill of £4,358,876 (1997 - £4,358,876). The retained profit for the year, after taxation, has been transferred to reserves.

The directors do not recommend the payment of a final dividend.

PRINCIPAL ACTIVITIES

The principal activity of the company is paper-making.

POST BALANCE SHEET EVENT

On 1 July 1999, the trade assets and liabilities of the company were transferred to Smurfit UK Limited a fellow subsidiary, for net book value. From that date the company has not traded.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year were as follows:

W A Smith	(Chairman)	(resigned 31 July 1998)
M J Clayton		
R J Connolly		(resigned 31 July 1998)
B A Bisset		
N G Peen		
F D Warrell		

There are no directors' interests requiring disclosure under the Companies Act 1985.

DISABLED EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

EMPLOYEE CONSULTATION

It is the policy of the company to develop employee involvement throughout the organisation and to ensure that employees are aware of the financial and economic factors affecting the company.

Regular meetings are held, between management and employees' representatives, both formally and informally, where matters of specific interest are discussed.

Consultation with employees or their representatives exists on a regular basis covering health and safety and other matters affecting their welfare, and their views are taken into consideration when making decisions.

A wide range of training programmes is held for employees.

CREDITOR PAYMENT POLICY

The company policy on payments to suppliers is to pay according to the terms agreed, usually at the end of the month following the invoice date. The average creditor payment period at 27 December 1998 was 36 days.

YEAR 2000 COMPLIANCE

As is well known, many computer and digital storage systems express dates using only the last two digits of the year and will thus require modification or replacement to accommodate the Year 2000 and beyond in order to avoid malfunctions and resulting widespread commercial disruption. This is a complex and pervasive issue. The operation of our business depends not only on our own computer systems, but also

DIRECTORS' REPORT

to some degree on those of our suppliers and customers. This could expose us to further risk in the event that there is a failure by other parties to remedy their own Year 2000 issues.

The company has completed assessment of the risks to our business resulting from the date change to the Year 2000. We have assessed the likely impact on our activities and dealt with the key risks. The cost of implementing those plans were not material to the company.

AUDITORS

A resolution to re-appoint Ernst & Young as auditors will be put to the members at the next Annual General Meeting.

On behalf of the board



Director

25th October 1999.

Townsend Hook Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts 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 of the company for that period. In preparing those accounts, 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping 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 accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE AUDITORS
to the members of Townsend Hook Limited

We have audited the accounts on pages 6 to 17, which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and on the basis of the accounting policies set out on pages 8 and 9.

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

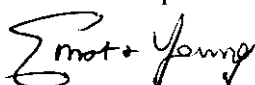
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 27 December 1998 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Ernst & Young
Registered Auditor
London

25th. October 1999

Townsend Hook Limited

PROFIT AND LOSS ACCOUNT for the year ended 27 December 1998

	Notes	1998 £	1997 £
TURNOVER	2	73,137,548	80,059,192
Cost of sales		57,722,054	63,178,562
GROSS PROFIT		15,415,494	16,880,630
Other operating expenses	3	14,502,493	15,877,333
OPERATING PROFIT		913,001	1,003,297
Interest receivable	5	2,481,420	2,340,228
Interest payable and similar charges	6	(4,649,504)	(4,503,063)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	7	(1,255,083)	(1,159,538)
Taxation	8	67,781	(6,151,530)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(1,322,864)	4,991,992
Dividends on equity shares	9	-	3,000,000
(LOSS)/PROFIT RETAINED FOR THE FINANCIAL YEAR		(1,322,864)	1,991,992

There were no recognised gains or losses other than those dealt with in the profit and loss account.

HISTORICAL COST PROFITS AND LOSSES for the year ended 27 December 1998

	1998 £	1997 £
REPORTED LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	(1,255,083)	(1,159,538)
Realisation of property revaluation gains of previous years	40,009	329,542
Difference between historical cost depreciation charge and actual depreciation charge based on the revalued amount	221,640	127,458
HISTORICAL COST LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	(993,434)	(702,538)
HISTORICAL COST (LOSS)/PROFIT RETAINED AFTER TAXATION AND DIVIDENDS	(1,061,215)	2,448,992

Townsend Hook Limited

BALANCE SHEET at 27 December 1998

	Notes	1998 £	1997 £
FIXED ASSETS			
Intangible assets	10	43,197,552	47,556,428
Tangible assets	11	60,708,679	63,678,981
		<u>103,906,231</u>	<u>111,235,409</u>
CURRENT ASSETS			
Stocks	12	11,934,644	12,579,046
Debtors	13	16,565,921	23,388,553
Cash at bank		895,749	1,168,893
		<u>29,396,314</u>	<u>37,136,492</u>
CREDITORS: amounts falling due within one year	14	28,025,066	32,057,551
		<u>1,371,248</u>	<u>5,078,941</u>
NET CURRENT ASSETS			
		<u>105,277,479</u>	<u>116,314,350</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS: amounts falling due after more than one year	15	34,432,479	44,214,267
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred taxation	16	2,823,367	2,755,586
		<u>68,021,633</u>	<u>69,344,497</u>
CAPITAL AND RESERVES			
Called up share capital	17	15,037,415	15,037,415
Share premium account	18	37,377,585	37,377,585
Revaluation reserve	18	13,676,351	13,938,000
Profit and loss account	18	1,930,282	2,991,497
EQUITY SHAREHOLDERS' FUNDS		<u>68,021,633</u>	<u>69,344,497</u>

Approved by the board


25th October 1999

Director

Townsend Hook Limited

NOTES TO THE ACCOUNTS at 27 December 1998

1. ACCOUNTING POLICIES

Accounting convention

The accounts have been prepared under the historical cost convention modified to include the revaluation of freehold properties, and in accordance with applicable accounting standards.

Cash flow statement

Townsend Hook Limited is a wholly owned subsidiary of Jefferson Smurfit Group plc which prepares publicly available consolidated accounts. Accordingly, the company itself is exempt from the requirement to prepare a cash flow statement.

Research and development

Research and development expenditure is written off in the year of expenditure.

Goodwill

The purchased goodwill is amortised over twenty years which is deemed to be the period over which benefits may reasonably be expected to accrue from the acquisition of the paper-making business.

Tangible fixed assets

Freehold land and buildings are stated at 1991 directors' valuation with subsequent additions at cost. Other fixed assets are recorded at cost.

Depreciation is provided at rates calculated to write off the cost, less the estimated residual value, of each asset over its expected useful life on a straight line basis, as follows:

Freehold buildings	-	50 years
Plant and machinery	-	5 - 20 years
Motor vehicles	-	5 years
Fixtures, fittings and office equipment	-	3 - 10 years

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from revaluation reserve to the profit and loss account.

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost incurred in bringing each product to its present location and condition is based on:

Raw materials	-	purchase cost on a first-in, first-out basis, including transport.
Work in progress and finished goods	-	cost of direct materials and labour, plus an appropriate proportion of manufacturing overhead based on normal levels of activity.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

NOTES TO THE ACCOUNTS
at 27 December 1998

1. ACCOUNTING POLICIES (continued)

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences, including those relating to pensions, which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing difference will reverse.

Advance corporation tax which is expected to be recoverable in future is deducted from the deferred taxation balance. Deferred tax assets are only recognised if recovery without replacement by equivalent debit balances is reasonably certain.

Pension costs

The company participates in two pension schemes. Contributions to the defined contribution scheme are charged to the profit and loss account as they become due in accordance with the scheme rules. Pension costs under the group's defined benefit scheme are charged to the profit and loss account in a systematic manner over the service lives of employees in the group scheme. The pension cost is assessed in accordance with the advice of a professionally qualified actuary and comprises:

- i) The regular pension cost, that is the consistent ongoing cost, calculated as a level percentage of the current and expected future pensionable payroll.
- ii) Variations from the regular cost, arising from pension scheme surpluses or deficits allocated over the expected remaining service lives of employees in each scheme.

Any material difference between the pension cost calculated above and the pension contributions paid is charged or credited to the profit and loss account and recorded as an accrual or prepayment as appropriate.

Foreign currencies

Transactions denominated in foreign currencies are recorded in sterling at the exchange rate on the date of the transaction and adjusted to actual on settlement. Monetary assets and liabilities denominated in foreign currencies at the year end are retranslated to the rates of exchange prevailing at the year end, or at the rate of exchange in a related forward exchange contract.

Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest element of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

2. TURNOVER AND SEGMENTAL INFORMATION

Turnover comprises the invoiced value of goods sold and services rendered in the normal course of business, excluding value added tax.

All turnover and the pre-tax result arise from the company's continuing principal activity, all within Europe.

Townsend Hook Limited

NOTES TO THE ACCOUNTS at 27 December 1998

3. OTHER OPERATING EXPENSES

	1998 £	1997 £
Distribution costs	4,877,141	5,795,849
Administration expenses	5,421,724	5,849,059
Amortisation of purchased goodwill	4,358,876	4,358,876
	<u>14,657,741</u>	<u>16,003,784</u>
Other operating income	(155,248)	(126,451)
	<u>14,502,493</u>	<u>15,877,333</u>

4. STAFF COSTS

(a) Particulars of company employees (including executive directors) are shown below:

	1998 £	1997 £
Wages and salaries	11,614,662	11,891,475
Social security costs	1,000,415	941,158
Pension and other costs	972,273	1,128,585
Redundancy costs	161,867	609,493
	<u>13,749,217</u>	<u>14,570,711</u>

The number of persons employed by the company at the year end was 454 (1997 - 481).

(b) Directors' emoluments:

	1998 £	1997 £
Emoluments	<u>267,891</u>	<u>226,763</u>

	1998 £	1997 £
Company contributions paid to a defined benefit pension scheme	<u>36,607</u>	<u>26,071</u>

	1998 No.	1997 No.
Members of defined benefit pension schemes	<u>4</u>	<u>3</u>

Townsend Hook Limited

NOTES TO THE ACCOUNTS at 27 December 1998

4. STAFF COSTS (continued)

The amounts in respect of the highest paid director are as follows:

	1998 £	1997 £
Emoluments	84,820	96,922

	1998 £	1997 £
Company contributions paid to a defined benefit pension scheme	10,431	10,535

One of the directors receives no remuneration from the company. He is remunerated as a director of a parent company and it is not possible to apportion his remuneration between his services as director of the company and of other group companies.

5. INTEREST RECEIVABLE

	1998 £	1997 £
Interest on group balances	2,409,687	2,340,228
Other	71,733	-
	<u>2,481,420</u>	<u>2,340,228</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	1998 £	1997 £
On bank overdrafts	-	73,784
On group balances	3,172,864	3,364,556
Finance charges payable under finance leases with group company	341,077	7,194
Finance charges payable under invoice discounting	1,125,359	1,055,791
Other	10,204	1,738
	<u>4,649,504</u>	<u>4,503,063</u>

Townsend Hook Limited

NOTES TO THE ACCOUNTS at 27 December 1998

7. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Loss on ordinary activities before taxation is stated after charging/(crediting):

	1998 £	1997 £
Depreciation of owned tangible fixed assets	2,041,354	2,311,476
Depreciation of assets held under finance leases and hire purchase contracts	983,451	714,386
Amortisation of goodwill	4,358,876	4,358,876
Maintenance costs	5,096,509	4,969,292
Operating lease rentals - plant and machinery	518,339	350,144
Auditors' remuneration - audit fees	40,000	51,000
Rents receivable	(48,985)	(43,736)
Profit on sale of tangible fixed assets	(34,909)	(23,935)

8. TAXATION

	1998 £	1997 £
Based on the loss for the year:		
Corporation tax	-	-
Corporation tax overprovided in previous years	-	(2,088,000)
Deferred taxation (note 16)	301,956	(3,682,493)
Deferred taxation overprovided in previous years (note 16)	(234,175)	(381,037)
	67,781	(6,151,530)

No corporation tax liability arises in the current year because group relief has been claimed from fellow subsidiaries for £nil consideration.

9. DIVIDENDS

	1998 £	1997 £
Equity dividends on ordinary shares	-	3,000,000

10. INTANGIBLE FIXED ASSETS

	Goodwill £
Costs:	
At 28 December 1997 and 27 December 1998	87,177,524
Amortisation:	
At 28 December 1997	39,621,096
Provided during the year	4,358,876
At 27 December 1998	43,979,972
Net book value:	
At 27 December 1998	43,197,552
At 28 December 1997	47,556,428

Townsend Hook Limited

NOTES TO THE ACCOUNTS at 27 December 1998

11. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Plant and machinery, motor vehicles and fixtures £	In course of construction £	Total £
Cost or valuation:				
At 28 December 1997	22,162,185	63,921,800	242,514	86,326,499
Additions	680	12,974	82,041	95,695
Disposals	(45,100)	(27,833)	-	(72,933)
Transfers	-	95,703	(95,703)	-
At 27 December 1998	22,117,765	64,002,644	228,852	86,349,261
Depreciation:				
At 28 December 1997	1,833,820	20,813,698	-	22,647,518
Charge for the year	245,885	2,778,920	-	3,024,805
Disposals	(3,908)	(27,833)	-	(31,741)
At 27 December 1998	2,075,797	23,564,785	-	25,640,582
Net book value:				
At 27 December 1998	20,041,968	40,437,859	228,852	60,708,679
At 28 December 1997	20,328,365	43,108,102	242,514	63,678,981

Included in the amounts for plant and machinery above are assets with a net book value of £11,304,834 (1997 - £12,288,286) held under finance leases.

Included in the net book value for land and buildings is freehold land of £9,414,400 which is not being depreciated.

The freehold properties of the company were revalued in 1991 to directors' valuation, which was in line with an open market valuation for existing use prepared by a firm of chartered surveyors as at 31 December 1988. Subsequent additions are stated at cost, as shown below:

	1998 £	1997 £
At valuation	20,245,677	20,290,777
At cost	1,872,088	1,871,408
	22,117,765	22,162,185
For land and buildings included at valuation:	1998 £	1997 £
Historical cost	6,924,552	6,949,552
Accumulated depreciation based on cost	(558,935)	(559,187)
Net book value - historical cost rules	6,365,617	6,390,365

Townsend Hook Limited

NOTES TO THE ACCOUNTS at 27 December 1998

12. STOCKS

	1998 £	1997 £
Raw materials and consumables	7,700,928	8,450,857
Work in progress	204,403	769,089
Finished goods and goods for resale	4,029,313	3,359,100
	<u>11,934,644</u>	<u>12,579,046</u>

The difference between the purchase price or production cost of stocks and their replacement cost is not material.

13. DEBTORS

	1998 £	1997 £
Amounts falling due within one year:		
Due from a parent company and fellow subsidiary undertakings	14,260,255	19,211,358
Other debtors	253,068	568,210
Corporation tax recoverable	-	1,451,464
Prepayments and accrued income	117,405	222,328
	<u>14,630,728</u>	<u>21,453,360</u>
Amounts falling due after more than one year:		
Long-term loan to fellow subsidiary undertaking, repayable between two and five years	1,935,193	1,935,193
	<u>16,565,921</u>	<u>23,388,553</u>

With effect from 1 November 1996, the company entered into an invoice discounting agreement with a fellow subsidiary undertaking, Smurfit Capital, whereby that company acquired, without recourse, the trade debtors of the company as at that date and all subsequent trade debts.

14. CREDITORS: amounts falling due within one year

	1998 £	1997 £
Trade creditors	2,497,325	3,847,720
Due to parent and fellow subsidiary undertakings	20,516,996	20,077,740
Obligations under finance leases with group company	24,725	22,369
Corporation tax	151,000	250,000
Other taxes and social security	555,447	660,973
Accruals and deferred income	3,822,126	6,937,609
Other creditors	457,447	261,140
	<u>28,025,066</u>	<u>32,057,551</u>

Townsend Hook Limited

NOTES TO THE ACCOUNTS at 27 December 1998

15. CREDITORS: amounts falling due after more than one year

	1998 £	1997 £
Obligations under finance leases with group company	47,216	71,941
Long-term loans from group companies	34,385,263	44,142,326
	<u>34,432,479</u>	<u>44,214,267</u>

All finance lease obligations and long-term loan repayments fall due in under five years.

16. DEFERRED TAXATION

	1998 £
At 28 December 1997	2,755,586
Movements in the year	67,781
At 27 December 1998	<u>2,823,367</u>

Deferred taxation provided in the accounts and the amounts not provided are as follows:

	Provided 1998 £	Provided 1997 £	Not provided 1998 £	Not provided 1997 £
Capital allowances in advance of depreciation	8,690,415	9,527,430	380,822	422,035
Other timing differences	(5,867,048)	(6,771,844)	-	-
	<u>2,823,367</u>	<u>2,755,586</u>	<u>380,822</u>	<u>422,035</u>
Taxation on valuation surplus	-	-	1,700,518	1,700,518
	<u>2,823,367</u>	<u>2,755,586</u>	<u>2,081,340</u>	<u>2,122,586</u>

17. CALLED UP SHARE CAPITAL

	1998 £	1997 £
Authorised:		
Ordinary shares of £1 each	16,000,000	16,000,000
Allotted, issued and fully paid:		
Ordinary shares of £1 each	<u>15,037,415</u>	<u>15,037,415</u>

Townsend Hook Limited

NOTES TO THE ACCOUNTS at 27 December 1998

18. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENT ON RESERVES

	<i>Share capital £</i>	<i>Share premium £</i>	<i>Revaluation reserve £</i>	<i>Profit and loss account £</i>	<i>Total £</i>
At 27 December 1996	15,037,415	37,377,585	14,395,000	542,505	67,352,505
Revaluation surplus realised on disposals	-	-	(329,542)	329,542	-
Excess depreciation on revalued property	-	-	(127,458)	127,458	-
Profit for the year	-	-	-	4,991,992	4,991,992
Dividend	-	-	-	(3,000,000)	(3,000,000)
At 27 December 1997	15,037,415	37,377,585	13,938,000	2,991,497	69,344,497
Revaluation surplus realised on disposals	-	-	(40,009)	40,009	-
Excess depreciation on revalued property	-	-	(221,640)	221,640	-
Loss for the year	-	-	-	(1,322,864)	(1,322,864)
At 27 December 1998	15,037,415	37,377,585	13,676,351	1,930,282	68,021,633

The revaluation reserve is regarded as a non-distributable reserve.

19. OBLIGATIONS UNDER FINANCE LEASES

The maturity of these amounts is as follows:

	<i>1998 £</i>	<i>1997 £</i>
Amounts payable:		
within one year	29,407	29,407
in two to five years	51,334	80,740
	80,741	110,147
Less: finance charges allocated to future periods	8,799	15,837
	71,942	94,310

NOTES TO THE ACCOUNTS
at 27 December 1998

20. GUARANTEES AND OTHER FINANCIAL COMMITMENTS

Capital commitments

	1998 £	1997 £
Contracted for but not provided in the accounts	152,222	49,944
Authorised by directors but not contracted for	376,021	21,640
	<u>528,243</u>	<u>71,584</u>

Contingent liabilities

A guarantee of £100,000 has been given by National Westminster Bank Plc in respect of claims from the Agricultural Intervention Board.

A further guarantee of £1,000,000 has been given by National Westminster Bank Plc in respect of claims from the Commissioners of Customs and Excise.

Operating lease commitments

At 27 December 1998 the company had annual commitments under non-cancellable operating leases for plant and machinery as set out below:

	1998 £	1997 £
Operating leases which expire:		
within one year	-	42,614
within two to five years	478,250	393,498
	<u>478,250</u>	<u>436,112</u>

21. PENSION ARRANGEMENTS

The company participates in two pension schemes. Contributions to the defined contribution scheme are charged to the profit and loss account as they become due in accordance with the scheme rules.

The defined benefit pension scheme is operated by a fellow subsidiary company, Smurfit Limited. The scheme is funded, under the advice of an independent qualified actuary, by the payment of contributions to a separately administered trust fund. Further details of the scheme are shown in the accounts of Smurfit Limited.

22. ULTIMATE PARENT UNDERTAKING

The company regards its ultimate parent undertaking as being Jefferson Smurfit Group PLC, a company incorporated in the Republic of Ireland.

Jefferson Smurfit Group PLC is the parent undertaking of the smallest and largest group for which group accounts are drawn up and of which the company is a member.

Copies of these group accounts can be obtained from Beech Hill, Clonskeagh, Dublin.

23. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption available in FRS 8 not to disclose transactions with entities that are part of the Jefferson Smurfit Group PLC group by virtue of its status as a 100% owned subsidiary of a parent whose accounts are consolidated and made publicly available.