Townsend Hook Limited 2284965

Report and Financial Statements

Year ended 27 December 2002

ERNST & YOUNG

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COMPANIES HOUSE 22/12/03

Registered No: 2284965

Directors
M J Clayton
R M Huelin
J I S Moreno
N G Peen
J Hiscock

Secretary
J Hiscock

Auditors
Ernst & Young LLP
100 Barbirolli Square
Manchester
M2 3EY

Registered office
The Mill
Snodland
Kent
ME6 5AX

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Directors' report

The directors present their report and financial statements for the year ended 27 December 2002.

Results and dividends

The result for the year amounted to £nil. The directors do not recommend the payment of any dividends.

Principal activities and review of the business

The company had no transactions during the year. The expenses of the company have been met by the parent company. In October 2002 the company's ultimate parent undertaking, Jefferson Smurfit Plc, was acquired by Madison Dearborn Partners.

Directors

The directors who served the company during the year were as follows:

M J Clayton
R M Huelin
J I S Moreno
N G Peen
J Hiscock

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

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

By order of the board

~~J Hiscock~~ M. J. Clayton
~~Secretary~~ Director

17 December 2003

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Statement of directors' responsibilities in respect of 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 and of the profit or loss of the company for that year. 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; 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 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 financial statements 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.

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Independent auditors' report

to the members of Townsend Hook Limited

We have audited the company's financial statements for the year ended 27 December 2002 which comprise the Balance Sheet and the related notes 1 to 7. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985 . Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, 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 financial statements 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 financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 27 December 2002 and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

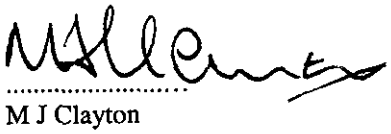
Ernst & Young LLP
Registered Auditor
100 Barbirolli Square
Manchester
M2 3EY

17 December 2003

Balance sheet
at 27 December 2002

	Notes	2002 £	2001 £
Current assets			
Debtors	3	103,684,941	103,684,941
Net current assets		103,684,941	103,684,941
Total assets less current liabilities		103,684,941	103,684,941
Creditors: amounts falling due after more than one year	4	33,783,732	33,783,732
		69,901,209	69,901,209
Capital and reserves			
Called up share capital	5,6	15,037,415	15,037,415
Share premium account	6	37,377,585	37,377,585
Profit and loss account	6	17,486,209	17,486,209
Equity shareholders' funds	6	69,901,209	69,901,209

These accounts were approved by the Board on 17 December 2003 and signed on its behalf by:



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M J Clayton
Director

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Notes to the financial statements
at 27 December 2002

1. Accounting policies

Basis of preparation

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

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

Related parties transactions

As a wholly owned subsidiary of Jefferson Smurfit Group Limited the company has taken advantage of the exemption in FRS 8 from disclosing transactions with members of the group.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

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Notes to the financial statements
at 27 December 2002

2. Profit and loss account
The company did not trade during the year and has made neither a profit nor a loss. A Profit and Loss Account has therefore not been prepared.

3. Debtors

	2002 £	*2001* £
Amounts owed by group undertakings	103,684,941	103,684,941

4. Creditors: amounts falling due after more than one year

	2002 £	*2001* £
Amounts owed to group undertakings	33,783,732	33,783,732

5. Share capital

	Authorised	
	2002 £	*2001* £
Ordinary shares of £1 each	16,000,000	16,000,000

	Allotted, called up and fully paid			
	2002		*2001*	
	No.	£	*No.*	£
Ordinary shares of £1 each	15,037,415	15,037,415	15,037,415	15,037,415

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Notes to the financial statements
at 27 December 2002

6. Reconciliation of shareholders' funds and movement on reserves

	Share capital £	*Share premium account* £	*Profit and loss account* £	*Total shareholders' funds* £
At 1 January 2001	15,037,415	37,377,585	17,486,209	69,901,209
At 31 December 2001	15,037,415	37,377,585	17,486,209	69,901,209
At 31 December 2002	15,037,415	37,377,585	17,486,209	69,901,209

7. Ultimate parent company and controlling party

The Company's immediate parent undertaking is Smurfit Corrugated Holdings, a company registered in England and Wales, which does not prepare group accounts.

In the opinion of the Directors the ultimate parent undertaking is Jefferson Smurfit Group Limited, a company incorporated in Ireland. Jefferson Smurfit Group Limited is the parent undertaking of the largest and smallest group of companies for which group accounts are prepared and of which the company is a member. Copies of the accounts of Jefferson Smurfit Group Limited may be obtained c/o JSG, Beech Hill, Clonskeagh, Dublin 4, Ireland.

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