

Axis Europe plc

Report and Financial Statements

Year ended

31 March 2010

Company number 1991637

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Axis Europe Plc

Report and financial statements for the year ended 31 March 2010

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Directors

J M Hayes
S A Hayes
T Hayes
Y Ibrahim
S Lang

Secretary and registered office

S Lang, 145-149 Vauxhall Street, Kennington, London, SE11 5RH

Company number

1991637

Auditors

BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA

Bankers

Lloyds TSB, Brambletye House, 29 Brighton Road, Crawley, West Sussex, RH10 6AE

Solicitors

Clarkson Wright & Jakes, Valiant House, 12 Knoll Rise, Orpington, Kent, BR6 0PG

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Report of the directors for the year ended 31 March 2010

The directors present their report together with the audited financial statements for the year ended 31 March 2010

Results and dividends

The profit and loss account is set out on page 7 and shows the profit for the year (2009 – profit)

An interim dividend of £1,207,750 was approved and paid during the year (2009 - £Nil) The directors do not recommend the payment of a final dividend (2009 - £1,742,250)

Principal activities, review of the business and future developments

The principal activity of the company is that of maintenance, facilities management and office services

The sales reduction from prior year of £4,282,948 recorded a 6% drop during the period ending 31 March 2010 This reflects reductions in external decorations and office services contracts due to current market conditions The company actively continues to seek out long term partnering arrangements with selective clients, which has the benefit of producing a higher quality of service, while securing longer-term revenues

Operating profits were recorded at £4,111,994 This records a reduction of 26%, £1,457,023 reflecting the decline in sales This is in line with current expectations

The directors have continued to rationalise the core operations and have approved I T expenditure in excess of £590,000 which was purchased during the period

The value of forward orders, from April 2010 onwards, is recorded at approximately £324m

The company's balance sheet, as detailed on page 8, shows a satisfactory position The directors are confident of profitable future trading

Performance indicators

The company uses target performance indicators for turnover, operating profit and debtor days Target and actual achievement levels for the year under review were as follows

	Target	Achieved
Turnover growth	(7.5%)	(6%)
Operating profit	9%	7%
Debtor days	42	43

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Report of the directors for the year ended 31 March 2010 (*continued*)

Financial instruments, risks and policies

The group's financial instruments comprise of borrowings (mortgages, debt finance arrangements, see note 15), and cash and other liquid resources. The main purpose of these is to finance the Group's operations.

The main risks arising from these are interest rates and liquidity. The board reviews and agrees policies for managing each of these risks, which are summarised below.

Interest rate risk

The group finances its operations through a mixture of retained profits and long-term asset based finance. The debt instruments used are a mixture of market rate plus 1.5%, fixed rate interest and Libor plus 2%. The board will review future policy on interest cover when it raises long-term debt for a new facility purchase.

Hedging

The company has not undertaken any hedging in line with interest rate exposure. The board will review the situation in line with current expansion plans and adopt such strategies if deemed appropriate.

Liquidity risk

The company maintains rigorous control over working capital. Trade debt collection is currently in line with budgeted targets and does not consider it to be exposed to material bad debts. The board does not predict the need to raise long-term working capital funding. If a future need does arise, the directors will review and adopt such policies as to secure open market loans.

Foreign exchange risk

The group has minimal exposure to foreign exchange risk. Where these may occur in future trading, the board will adopt policies to meet any such risks.

Corporate and social responsibility

The directors have continued with a corporate and social responsibility policy to contribute resources for the betterment of the community. The company contributed £77,100 at 31st March 2010 to the Axis Foundation, a registered UK charity which will undertake to make donations to community and related causes. The company intends to make the majority of its contributions to the Foundation in future years.

The company is actively pursuing a target of having 10% of its workforce undertaking an apprenticeship by March 2011. At 31st March 2010 the total was 5%. This is seen as a positive contribution to the communities the company works in as many of these positions are filled by people living within these communities.

The company is a five time winner at the Business in the Community Awards and is one of the first British companies to be awarded the Community Mark, a sector leader in corporate and social responsibility, in recognition of our training and corporate responsibility programmes.

Charitable and political donations

During the year, the company made charitable donations of £86,095 (2009 - £75,325). There were no political donations in either year.

Axis Europe Plc

Report of the directors for the year ended 31 March 2010 (*continued*)

Directors' indemnities

Under the terms of S236 The Companies Act 2006, the directors report the existence of qualifying third party indemnity provisions which provide indemnity limited to £1m in aggregate to the directors and officers of the company

Directors

The directors of the company during the year were

J M Hayes
S A Hayes
T Hayes
Y Ibrahim
S Lang

The directors who held office during the year had no direct interest in the shares of the company (see note 21)

Supplier payment policy

The company's policy is to settle terms of payment with suppliers when agreeing the terms of each transaction, ensure that suppliers are made aware of the terms of payment and abide by the terms of payment. The year-end trade creditors expressed as a number of days was 35 (2009 – 47)

Axis Europe Plc

Report of the directors for the year ended 31 March 2010 (continued)

Directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that.

The directors are not aware of any relevant audit information of which the auditors are unaware.

Auditors

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the next annual general meeting.

By order of the Board


J M Hayes
Director

Date

27th September 2010

Axis Europe Plc

Report of the independent auditors

To the shareholders of Axis Europe plc

We have audited the financial statements of Axis Europe plc for the year ended 31 March 2010 which comprises the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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 explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

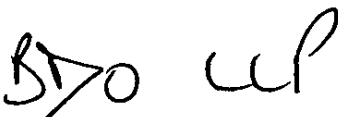
Axis Europe Plc

Report of the independent auditors (*continued*)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Sophia Hill (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Epsom
United Kingdom

Date 27 September 2010

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Axis Europe Plc

Profit and loss account for the year ended 31 March 2010

	Note	2010 £	2009 £
Turnover	2	62,222,951	66,506,899
Cost of sales		(42,257,564)	(45,711,690)
Gross profit		19,965,387	20,795,209
Administrative expenses		(15,853,393)	(15,226,192)
Operating profit and profit on ordinary activities before interest	3	4,111,994	5,569,017
Interest receivable and similar income	4	21,956	144,424
Interest payable and similar charges	5	(98,199)	(161,570)
Profit on ordinary activities before taxation		4,035,751	5,551,871
Taxation on profit on ordinary activities	8	(1,267,999)	(1,552,550)
Profit on ordinary activities after taxation	19	2,767,752	3,999,321

All amounts relate to continuing operations

There are no recognised gains and losses in the current or preceding year, other than the reported results stated above

The notes on pages 9 to 20 form part of these financial statements

Axis Europe Plc

Balance sheet at 31 March 2010

Company number 1991637

	Note	2010 £	2010 £	2009 £	2009 £
Fixed assets					
Tangible assets	10	8,607,917		7,637,780	
Investments	11	32,716		32,716	
			8,640,633		7,670,496
Current assets					
Stocks	12	36,400		131,487	
Work in progress		2,191,173		3,062,951	
Debtors	13	12,638,164		9,826,707	
Cash at bank and in hand		4,097,715		5,405,391	
		18,963,452		18,426,536	
Creditors: amounts falling due within one year	14	12,318,662		12,820,512	
Net current assets			6,644,790		5,606,024
Total assets less current liabilities			15,285,423		13,276,520
Creditors amounts falling due after more than one year	15		(2,896,589)		(2,575,596)
Provision for liabilities and charges	16		(216,812)		(88,904)
Net assets			12,172,022		10,612,020
Capital and reserves					
Called up share capital	17		50,000		50,000
Profit and loss account	18		12,122,022		10,562,020
Shareholders' funds	19		12,172,022		10,612,020

The financial statements were approved by the Board and authorised for issue on

27th September 2010

J M Hayes
Director

The notes on pages 9 to 20 form part of these financial statements

Axis Europe Plc

Notes forming part of the financial statements for the year ended 31 March 2010

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual values, of each asset over its expected useful life. It is calculated at the following rates:

Plant and machinery	-	25% reducing balance
Motor vehicles	-	25% reducing balance
Equipment, fixtures and fittings	-	25% reducing balance
Computer equipment	-	25% reducing balance
Freehold property	-	1%-2.5% straight line

Impairment of fixed assets

The need for any fixed asset impairment write down is assessed by comparison of the carrying value of the asset against the higher of realisable value and value in use.

Investments

Fixed asset investments are shown at cost less provision for impairment.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs expected to be incurred to disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

Work in progress

Work in progress, being work carried out but not invoiced, is stated at the lower of cost and net realisable value.

Deferred taxation

Corporation tax payable is provided on taxable profits at the current rate.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief, and
- the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

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Notes forming part of the financial statements for the year ended 31 March 2010 (continued)

1 Accounting policies (continued)

Turnover

Turnover represents amounts receivable for goods and services provided in the normal course of business, net of trade discounts, VAT and other sales related taxes and is recognised on a percentage complete basis, except for maintenance contracts, where turnover is recognised on amounts invoiced to the customer

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components. The interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balances of capital repayments outstanding. The capital element reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight line basis over the term of the lease.

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

Foreign currency

Foreign currency transactions are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet dates. Any differences are taken to the profit and loss account.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Cash flow statement

The company has taken advantage of the exemption in Financial Reporting Standard No 1, "Cash Flow Statements" from producing a cash flow statement as it is consolidated in the financial statements of its parent company, Champion International Limited, accounts for which are publicly available.

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Notes forming part of the financial statements for the year ended 31 March 2010 (continued)

1 Accounting policies (continued)

Group accounts

The company has taken advantage of the exemption from preparing consolidated accounts afforded by Section 400 of the Companies Act 2006 because it is a wholly owned subsidiary of Champion International Limited, a company incorporate in England & Wales, which prepares consolidated accounts that are publicly available. These financial statements therefore present information about the company as an individual undertaking and not about its group.

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

3 Operating profit

Operating profit is stated after charging/(crediting)

	2010 £	2009 £
Fees payable to the company's auditor for the audit of the company's annual accounts	33,000	32,252
Fees payable to the company's auditor and its associates for other services		
Tax services	11,350	4,500
Loss on sale of fixed assets	16,314	38,474
Depreciation of tangible fixed assets		
- owned by the company	545,989	595,220
- held under hire purchase contracts (motor vehicles)	200,716	155,508
- held under hire purchase contracts (plant and equipment)	-	1,971
- held under hire purchase contracts (computer equipment)	81,221	21,500
Operating lease rentals - plant and machinery	310,915	374,000
Write off (back) of inter-company debt after provisions	11,950	(82,665)
Impairment of subsidiary undertaking	-	100,000
	<hr/>	<hr/>

4 Interest receivable and similar income

	2010 £	2009 £
Interest receivable	21,956	144,424
	<hr/>	<hr/>

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Notes forming part of the financial statements for the year ended 31 March 2010 (continued)

5 Interest payable and similar charges

	2010 £	2009 £
Bank interest	4,020	2,348
Hire purchase and leasing interest	61,568	38,219
Interest on other finance creditors	32,611	121,003
	<hr/>	<hr/>
	98,199	161,570
	<hr/>	<hr/>

6 Staff costs

	2010 £	2009 £
Staff costs (including directors) consist of		
Wages and salaries	13,151,263	14,125,825
Social security costs	1,369,343	1,508,733
Pension costs	253,246	247,288
	<hr/>	<hr/>
	14,773,852	15,881,846
	<hr/>	<hr/>

The average number of employees of the company during the year, including executive directors, was as follows

	2010 Number	2009 Number
Sales and administrative staff	282	303
Operatives	152	155
	<hr/>	<hr/>
	434	458
	<hr/>	<hr/>

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Notes forming part of the financial statements
for the year ended 31 March 2010 (continued)

7 Directors' remuneration

	2010 £	2009 £
Emoluments	1,650,015	1,364,422
Company contributions to money purchase pension schemes	115,311	115,311
	<u>1,765,326</u>	<u>1,479,733</u>

During the year, 5 directors (2009 - 5) were members of the company's money purchase pension schemes

	2010 £	2009 £
Highest paid director		
Emoluments	544,294	621,711
Contributions to money purchase pension schemes	45,888	45,888
	<u>590,182</u>	<u>667,599</u>

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Notes forming part of the financial statements
for the year ended 31 March 2010 (*continued*)

8 Taxation

	2010 £	2009 £
<i>UK Corporation tax</i>		
Current tax on profit for the year	1,165,402	1,653,665
Adjustment in respect of previous periods	(25,311)	(136,994)
	1,140,091	1,516,671
<i>Deferred tax</i>		
Origination and reversal of timing differences (note 16)	127,908	35,879
	1,267,999	1,552,550

Factors affecting tax charge for the year

The tax charge assessed for the year is higher than (2009 - lower than) the standard rate of corporation tax in the UK. The differences are explained below

	2010 £	2009 £
Profit on ordinary activities before tax	4,035,751	5,551,871
	1,130,010	1,554,524
<i>Effect of</i>		
Depreciation in excess to capital allowances	164	13,869
Adjustment to tax in respect of previous periods	(25,311)	(136,994)
Expenses not allowable for tax	32,436	49,618
Provisions not allowable for tax	-	-
Other timing differences	2,792	35,654
	1,140,091	1,516,671

9 Dividends

	2010 £	2009 £
<i>Ordinary shares</i>		
Final dividend due & payable for the year of £24.16 (2009 - £34.85) per share	1,207,750	1,742,250
	1,207,750	1,742,250

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Notes forming part of the financial statements
for the year ended 31 March 2010 (*continued*)

10 Tangible fixed assets

	Freehold property £	Motor vehicles £	Plant and machinery £	Equipment, fixtures and fittings £	Computer equipment £	Total £
<i>Cost</i>						
At 1 April 2009	4,727,030	1,988,675	475,629	1,320,655	1,309,801	9,821,790
Additions	1,013,095	242,877	-	17,672	590,860	1,864,504
Disposals	-	(206,589)	(16,541)	-	-	(223,130)
At 31 March 2010	5,740,125	2,024,963	459,088	1,338,327	1,900,661	11,463,164
<i>Depreciation</i>						
At 1 April 2009	409,048	775,970	237,931	694,291	66,770	2,184,010
Charge for the year	132,814	332,895	57,986	158,542	145,689	827,926
Disposals	-	(147,780)	(8,909)	-	-	(156,689)
At 31 March 2010	541,862	961,085	287,008	852,833	212,459	2,855,247
<i>Net book value</i>						
At 31 March 2010	5,198,263	1,063,878	172,080	485,494	1,688,202	8,607,917
At 31 March 2009	4,317,982	1,212,705	237,698	626,364	1,243,031	7,637,780

The depreciation on the leased assets is shown in note 3

Freehold property with a net book value of £5,198,263 (2009 - £4,317,982) has been secured as disclosed in note 15

In the opinion of the Directors, the open market value of freehold properties owned by the company on 31 March 2010 was £5,015,000 in comparison to the historic cost carrying value of £5,198,263 stated above

Leased assets included above

<i>Net book value</i>						
At 31 March 2010	-	602,150	-	-	243,663	845,813
At 31 March 2009	-	597,753	14,311	-	376,800	988,864

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Notes forming part of the financial statements
for the year ended 31 March 2010 (continued)

11 Investments

Subsidiary undertakings

	2010 £	2009 £
Cost		
At 1 April 2009	32,716	132,716
Impairment	-	(100,000)
	<hr/>	<hr/>
31 March 2010	32,716	32,716
	<hr/>	<hr/>

Name	Country of incorporation or registration	Proportion of voting rights and ordinary share capital held		Nature of business
G P Graphics Limited	England & Wales	Ordinary	100%	Dormant
Multi Trades Limited	England & Wales	Ordinary	100%	Dormant

The impairment relates to Multi Trades Limited

12 Stocks

	2010 £	2009 £
Goods held for resale	36,400	131,487
	<hr/>	<hr/>

The replacement cost of stock is not materially different from the amount stated above

13 Debtors amounts falling due within one year

	2010 £	2009 £
Trade debtors	11,946,206	8,875,982
Amounts owed by parent undertaking	3,094	3,094
Prepayments and accrued income	688,864	947,631
	<hr/>	<hr/>
	12,638,164	9,826,707
	<hr/>	<hr/>

Axis Europe Plc

Notes forming part of the financial statements for the year ended 31 March 2010 (continued)

14 Creditors: amounts falling due within one year

	2010 £	2009 £
Trade creditors	4,519,712	4,518,240
Corporation tax	193,775	824,583
Taxation and social security	2,468,499	1,311,329
Obligations under finance leases and hire purchase contracts	379,954	475,848
Other finance creditors	212,816	420,650
Amounts owed to parent undertaking	8,000	8,000
Accruals and deferred income	4,535,906	5,261,862
	<u>12,318,662</u>	<u>12,820,512</u>

15 Creditors: amounts falling due after more than one year

	2010 £	2009 £
Obligations under finance leases and hire purchase contracts	144,986	524,923
Other finance creditors	2,751,603	2,050,673
	<u>2,896,589</u>	<u>2,575,596</u>

Other finance creditors are secured over the freehold property as disclosed in note 10. The finance creditor, secured on the premises at 145-149 Vauxhall Street, London SE11 5RH, is also secured by a debenture and fixed and floating charge over all of the company's undertaking, business and assets.

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Notes forming part of the financial statements
for the year ended 31 March 2010 (*continued*)

15 Creditors amounts falling due after more than one year (*continued*)

Obligations under finance leases and hire purchase contracts are due as follows

	2010 £	2009 £
Within one year	379,954	475,848
Between one and two years	144,986	524,923
Between two and five years	-	-
	524,940	1,000,771

Other finance creditors are due as follows

Within one year	275,131	420,650
Between one and two years	279,319	217,123
Between two and five years	863,631	678,092
After five years	1,546,338	1,155,458
	2,964,419	2,471,323

Amounts due after five years are payable over a period of 11 years from 31 March 2010 and bear interest at the lender's base rate plus 0.5% to 1.0% or LIBOR plus 2%

16 Provision for liabilities and charges

		£
<i>Deferred tax</i>		
At 1 April 2009		88,904
Charged to the profit and loss account (note 8)		127,908
		216,812
At 31 March 2010		216,812
	2010 £	2009 £
Accelerated capital allowances	216,812	88,904

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Notes forming part of the financial statements
for the year ended 31 March 2010 (*continued*)

17 Share capital

	Authorised, allotted, called up and fully paid	
	2010	2009
	£	£
50,000 ordinary shares of £1 each	50,000	50,000

18 Profit and loss account

	2010	2009
	£	£
At 1 April 2009	10,562,020	8,304,949
Profit for the year	2,767,752	3,999,321
Dividends (note 9)	(1,207,750)	(1,742,250)
At 31 March 2010	12,122,022	10,562,020

19 Reconciliation of movements in shareholders' funds

	2010	2009
	£	£
Opening shareholders' funds	10,612,020	8,354,949
Profit for the year	2,767,752	3,999,321
Dividends (note 9)	(1,207,750)	(1,742,250)
Closing shareholders' funds	12,172,022	10,612,020

20 Commitments under operating leases

Annual commitments under non-cancellable operating leases are as follows

	Plant and machinery	
	2010	2009
	£	£
<i>Expiry date</i>		
Within one year	210,386	299,574
Between two and five years	302,083	538,857
	512,469	838,431

Axis Europe Plc

Notes forming part of the financial statements
for the year ended 31 March 2010 (*continued*)

21 Ultimate parent undertaking and ultimate controlling party

The directors regard Kwong House Limited, a company incorporated in the British Virgin Islands, as the company's ultimate parent undertaking

Champion International Limited, a company incorporated in England, is the parent undertaking of the largest and smallest group of which the company is a member and for which group accounts are drawn up. Copies of these group accounts may be obtained from the Registrar of Companies, Companies House, Crown Way, Mandy, Cardiff, CF4 3UZ

The directors regard John Hayes as the ultimate controlling party by virtue of his controlling interest in Kwong House Limited

22 Related party transactions

Advantage has been taken of the exemption allowed by Financial Reporting Standard No 8 "Related Party Disclosures" not to disclose transactions with entities that are included in the consolidated financial statements of Champion International Limited

There were no other related party transactions at any point during the year