Company Registration No 1298663

INTEGRATED PACKAGING LIMITED

Report and Financial Statements

31 May 2013

INTEGRATED PACKAGING LIMITED

REPORT AND FINANCIAL STATEMENTS 2013

CONTENTS

INTEGRATED PACKAGING LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 May 2013

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company operates as a wholly-owned subsidiary of Benson Box Holdings Limited operating as part of the Food Packaging division

The company's principal activities are the design, manufacture and sale of printed folding cartons to the food industry in the UK and Europe There have not been any significant changes in the company's principal activities in the year under review The directors are not, at the date of this report, aware of any likely major changes in the company's activities in the next year

The food division of which the company is a part invests in research and development activities appropriate to the nature and size of operations, with the aim of supporting the future development of the company, as a part of the division, in the medium to long-term future

As shown in the company's profit and loss account on page 5, turnover has increased by 7% (2012 increase of 8%) from £47,593,000 to £51,146,000 over the prior year

The balance sheet on page 6 of the financial statements shows that the company's financial position at the year end has improved on the prior year with a continued improvement in net current assets

There have been no significant events since the balance sheet date which should be considered for a proper understanding of these financial statements

Benson Box Holdings Limited manages its operations on a divisional basis For this reason, the company's directors believe that further key performance indicators for the company are not necessary or appropriate for an understanding of the development, performance or position of the business

GOING CONCERN

The company has generated significant profits in the year and has no external debt The financial statements have therefore been prepared on a going concern basis

PRINCIPAL RISKS AND UNCERTAINTIES

Competitive pressure in the UK and Europe is a continuing risk for the group, which could result in it losing turnover To manage this risk, the company strives to provide added-value products and services to its customers, utilising lean manufacturing processes, with regular capital expenditure in state of the art equipment, prompt response times in the supply of products and services and in the handling of customer queries, and through the maintenance of strong relationships with customers

The company sells products into international markets and is therefore exposed to currency movements on such sales However these risks are not deemed to be material given the majority of trade within the UK

The company's business may be affected by fluctuations in the price and supply of key raw materials, although purchasing policies and practices seek to mitigate, where applicable, such risks

The group risks to which Integrated Packaging Limited is exposed are discussed in the Benson Box Holdings Limited's annual report which does not form part of this report

ENVIRONMENT

Integrated Packaging Limited recognises the importance of its environmental responsibilities, monitors its impact on the environment and designs and implements policies to mitigate any adverse impact that might be caused by its, and the operating companies' activities Initiatives aimed at minimising the company's impact on the environment include safe disposal of manufacturing waste, recycling and reducing energy consumption

DIRECTORS' REPORT

EMPLOYEES

Details of the number of employees and related costs can be found in note 4 to the financial statements

The company participates in Benson Box Holdings Limited's policies and practices to keep employees informed on matters relevant to them as employees through appropriate means, such as employee meetings and newsletters

The board remains committed to ensuring that the working environment within the company is one where differences in people are recognised and valued Equality is the fundamental principle that determines how the company treats its employees and this is reflected in the company's employment policies

The board understands its responsibilities to encourage and assist in the employment, training, personal and career development of disabled people, and employs them whenever suitable vacancies arise

DIVIDENDS

The directors do not recommend the payment of a dividend (2012 £Nil)

DIRECTORS

The directors who held office during the year were as follows

N J Benson

M G Kerridge

D A Devenport

AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the company's auditor is unaware, and
- each of the directors has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Deloitte LLP were appointed during the year and have expressed their willingness to continue in office as auditor of the company and a resolution for that reappointment will be proposed at the forthcoming Annual General Meeting

By order of the Board

MG Kerridge

M G KERRIDGE
Director

DIRECTORS' REPORT (Continued)

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual 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 judgments 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, 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 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTEGRATED PACKAGING LIMITED

We have audited the financial statements of Integrated Packaging Limited for the year ended 31 May 2013 which comprise the profit and loss account, the balance sheet and the related notes 1 to 20 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 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 auditor

As explained more fully in the Directors' Responsibilities Statement, 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 and express an opinion on 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 In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

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 May 2013 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 matter 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

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 by the parent company, 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

Mark Doleman FCA

Mark Doleman FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Nottingham
United Kingdom

19 November 2013

INTEGRATED PACKAGING LIMITED

PROFIT AND LOSS ACCOUNT
Year ended 31 May 2013

	Note	2013 £'000	2012 £'000 Restated (note 19)
TURNOVER	2	51,146	47,593
Cost of sales		(35,035)	(32,747)
Gross profit		16,111	14,846
Distribution costs		(1,327)	(1,288)
Administrative expenses		(9,919)	(10,073)
OPERATING PROFIT BEFORE DEPRECIATION, AMORTISATION AND NON-RECURRING ITEMS		7,083	6,059
Depreciation and amortisation		(2,160)	(2,231)
Non-recurring items	3	(58)	(343)
TOTAL OPERATING PROFIT		4,865	3,485
Profit on disposal of fixed assets		4	22
Interest payable and similar charges			
- other		(183)	(239)
- exceptional costs		-	(267)
Total interest payable and similar charges	5	(183)	(506)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	4,686	3,001
Tax on profit on ordinary activities	6	(563)	(643)
PROFIT FOR THE FINANCIAL YEAR	14, 15	4,123	2,358

In both the current and preceding year, the company made no material acquisition and had no discontinued operations

There were no recognised gains or losses in either the current or preceding year other than those disclosed in the profit and loss account and therefore, no statement of total recognised gains and losses is presented

INTEGRATED PACKAGING LIMITED

BALANCE SHEET

31 May 2013

	Note	2013 £'000	2012 £'000 Restated
FIXED ASSETS			
Intangible assets	7	38	122
Tangible assets	8	7,529	8,810
		7,567	8,932
CURRENT ASSETS			
Stocks	9	4,877	5,738
Debtors	10	13,202	12,381
Cash at bank and in hand		4,662	4 822
		22,559	22,941
CREDITORS: amounts falling due within one year	11	(13,857)	(19,447)
NET CURRENT ASSETS		8,702	3,494
TOTAL ASSETS LESS CURRENT LIABILITIES		16,269	12,426
CREDITORS: amounts falling due after more than one year			-
PROVISIONS FOR LIABILITIES	12	(619)	(899)
NET ASSETS		15,650	11,527
CAPITAL AND RESERVES			
Called up share capital	13	50	50
Profit and loss account	14	15,600	11,477
SHAREHOLDERS' FUNDS	15	15,650	11,527

These financial statements were approved by the Board of Directors and authorised for issue on 19 November 2013 and

Signed on behalf of the Board of Directors by

MGKerridge

M G KERRIDGE

Director

Company Registration number 1298663

INTEGRATED PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 May 2013

1 ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards The principal accounting policies adopted are described below Except for the change in accounting policy in respect of the capitalisation of die boards, these have been applied consistently during the current and preceding year

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

Under FRS 1, the company is exempt from the requirements to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements

As the company is a wholly owned subsidiary of Benson Box Holdings Limited, the company has taken advantage of the exemption contained in FRS 8 and has, therefore, not disclosed transactions or balances with entities which form part of the group qualifying as related parties) The consolidated financial statements of Benson Box Holdings Limited, within which this company is included, can be obtained from Companies House

Going concern

The company has generated significant profits in the year has and no external debt The financial statements have therefore been prepared on a going concern basis

Fixed assets and depreciation

Depreciation is provided in order to write off the cost, less the estimated residual value, of tangible fixed assets by equal annual instalments over their estimated economic lives as follows

Long leasehold improvements	-	50 years or amortised over the life of the lease if shorter
Freehold property	-	20 years
Plant & machinery	-	10 years
Computer equipment	-	5 years
Commercial motor vehicles	-	4 years
Motor cars	-	4 years
Fixtures & fittings	-	5 years
Tools and die boards	-	3 years

Goodwill

Positive goodwill arising on acquisitions, being the excess of cost over fair value of the net tangible assets acquired, is capitalised and amortised over the estimated useful economic life of 5 years

Government grants

Capital based government grants are included within accruals and deferred income in the balance sheet and credited to the profit and loss account over the estimated useful economic lives of the assets to which they relate

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction Monetary assets and liabilities, denominated in foreign currencies, are translated using the rate of exchange ruling at the balance sheet date, and the gains or losses on translation are included in the profit and loss account

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 31 May 2013

1. ACCOUNTING POLICIES (Continued)

Leases

Assets acquired either under finance leases or hire purchase are capitalised, and the outstanding future obligations are shown in creditors Operating lease rentals are charged to the profit and loss account on a straight-line basis over the period of the lease

Post-retirement benefits

The company operates defined-contribution pension schemes The assets of the schemes are held separately from those of the company in independently administered funds The amount charged against profits represents the contributions payable to the schemes in respect of the accounting year

Stocks

Stocks are stated at the lower of cost and net realisable value For work in progress and finished goods, cost is taken as production cost, which includes an appropriate proportion of attributable overheads

Taxation

The charge or credit for taxation is based on the result for the year, and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes Deferred tax is recognised without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen, but not reversed, by the balance sheet date, except as otherwise required by FRS19

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the year

Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised, and are no longer at the discretion of the company Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements

2. TURNOVER

All turnover originated in the United Kingdom and related to sales of printing packaging Analysis of turnover by geographical sector is as follows

	2013 £'000	2012 £'000
United Kingdom	50,961	47,441
Overseas	185	152
	51,146	47,593

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 31 May 2013

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

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

	2013 £'000	2012 £'000 Restated (note 19)
Amortisation of Government grants	(17)	(27)
Amortisation of intangible assets	84	78
Depreciation of tangible fixed assets		
- Owned	2,076	1,703
- Held under finance leases and hire purchase contracts	-	450
Operating lease rentals	440	440
Profit on sale of fixed assets	(4)	(22)
Auditor's remuneration		
Fees payable to the Company's auditor for the audit of the Company's annual accounts	18	20
other services relating to taxation	7	4

Non recurring costs of £58,000 (2012 £343,000) were incurred in the year

£46,000 related to compromise agreements and £12,000 to an employee liability claim settlement in the current year £315,000 related to utilities costs dating back to 2009 and £28,000 of redundancy costs during 2011

4 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2013 £'000	2012 £'000
Staff costs (including directors) comprised		
Wages and salaries	8,039	8,143
Social security costs	688	651
Other pension costs	-	108
	8,727	8,902
Average number of persons employed	**Number**	**Number**
Manufacturing	266	282
Sales and distribution	52	68
Administration	61	30
	379	380

The directors receive no remuneration for their services to this company (2012 £Nil), they are remunerated by Shoo 553 Limited, the ultimate parent company

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 31 May 2013

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2013 £'000	2012 £'000
Interest payable on bank loans and overdrafts	-	71
Interest payable on parent company borrowings	183	131
Finance charges under finance leases and hire purchase contracts	-	37
Exceptional finance costs	-	267
	183	506

Exceptional finance costs of £nil (2012 £267,000) were incurred following early settlements of the hire purchase contracts in December 2011

INTEGRATED PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 31 May 2013

6 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

a) Analysis of charge in the year.	2013 £'000	2012 £'000 Restated (note 19)
Current tax		
UK corporation tax on income for the year	853	930
Adjustments in respect of prior periods	(10)	(22)
Total current tax (note 6b)	843	908
Deferred taxation (see note 12)		
Origination of timing differences	(241)	(175)
Effect of decrease in tax rate	(30)	(90)
Adjustments in respect of previous years	(9)	-
Total deferred tax	(280)	(265)
Total current tax for the year	563	643

b) Factors affecting current tax charge in the period:

The current tax charge for the year is different to than the standard rate of corporation tax in the UK The differences are explained below

	2013 £'000	2012 £'000 Restated
Profit on ordinary activities before taxation	4,686	3,001
Current tax at 23 83% (2012 25 67%)	1,116	770
Expenses not deductible for taxation purposes	2	18
Die Board Adjustment	48	(43)
Depreciation for the year in excess of capital allowances	241	188
Group relief not paid for	(554)	-
Tax rate lower than stand rate	-	(3)
Adjustments in respect of prior periods	(10)	(22)
Current tax based on profit for the period (note 6(a))	843	908

c. Factors that may affect future tax charges

The 2013 Budget on 20 March 2013 announced that the UK corporation tax rate will reduce to 20% by 2015 A reduction in the rate from 25% to 23% (effective from 1 April 2013) was substantively enacted on 3 July 2012, and further reductions to 21% (effective from 1 April 2014) and to 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013 respectively

This will reduce the company's future current tax charge accordingly and further reduce the deferred tax liability at 31 May 2013 by £81,000 (2012 £75,000) which was calculated based on the rate of 23% substantively enacted at the balance sheet date)

INTEGRATED PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 31 May 2013

7. INTANGIBLE FIXED ASSETS

	Goodwill £'000
Cost	
At 1 June 2012 and 31 May 2013	388
Accumulated amortisation	
At 1 June 2012	266
Charged in the year	84
At 31 May 2013	350
Net book value	
At 31 May 2013	38
At 31 May 2012	122

8 TANGIBLE FIXED ASSETS

	Freehold property £'000	Plant and machinery £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 June 2012 as restated	43	21,111	2,330	510	23,994
Additions	-	621	174	-	795
Disposals	-	-	-	(82)	(82)
At 31 May 2013	43	21,732	2,504	428	24,707
Accumulated depreciation					
At 1 June 2012 as restated	31	12,734	1,983	436	15,184
Charge for the year	2	1,878	151	45	2,076
Disposals				(82)	(82)
At 31 May 2013	33	14,612	2,134	399	17,178
Net book value					
At 31 May 2013	10	7,120	370	29	7,529
At 31 May 2012	12	8,377	347	74	8,810

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 31 May 2013

9. STOCKS

	2013 £'000	2012 £'000
Raw materials	993	1 290
Work in progress	960	1,743
Finished goods and goods for resale	2,924	2,705
	4,877	5,738

In the opinion of the directors, there is no material difference between the balance sheet value of stocks and their replacement cost

10 DEBTORS. amounts falling due within one year

	2013 £'000	2012 £'000
Trade debtors	7,338	7,442
Amounts owed by group undertakings	4,820	3,663
Prepayments and accrued income	862	824
Corporation tax debtor	-	452
	13,020	12,381

11. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £'000	2012 £'000
Trade creditors	7,826	7,840
Amounts owed to group undertakings	3,438	8,899
Corporation tax	480	-
Taxation and social security	1,305	1,666
Other creditors	92	100
Accruals and deferred income	716	942
	13,857	19,447

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 31 May 2013

12 PROVISIONS FOR LIABILITES

Deferred taxation	2013 £'000	2012 £'000
At the beginning of the year	899	1,164
Credit to the profit and loss account	(280)	(265)
At the end of the year	619	899
The elements of taxation are.		
Capital allowances in excess of depreciation	621	899
Short term timing differences	(2)	-
At 31 May 2013	619	899

13 CALLED UP SHARE CAPITAL

	2013 £'000	2012 £'000
Called up, allotted and fully paid		
50,000 ordinary shares of £1 each	50	50

INTEGRATED PACKAGING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 31 May 2013

14. RESERVES

	Profit and loss account £'000
At 31 May 2012 as previously stated	11,310
Prior year adjustment	167
At 1 June 2012 as restated	11,477
Profit for the year	4,123
At 31 May 2013	15 600

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013 £'000	2012 £'000 Restated
Profit for the year	4,123	2,358
Net movement in shareholders' funds	4,123	2,358
Reported opening shareholders' funds	11,360	9,169
Prior year adjustment	167	-
Restated opening shareholders' funds	11,527	9,169
Closing shareholders' funds	15,650	11,527

16. OBLIGATIONS UNDER NON-CANCELLABLE OPERATING LEASES

Annual commitments under non-cancellable operating leases as follows

	2013		2012	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Operating leases which expire				
Within one year			-	-
In second to fifth year	400	42	400	42
	400	42	400	42

NOTES TO THE FINANCIAL STATEMENTS (Continued)
Year ended 31 May 2013

17. CAPITAL COMMITMENTS

Capital commitments for which no provision has been made in these accounts is as follows

	2013 £'000	2012 £'000
Contracted	-	-

18. CONTINGENT LIABILITIES

The company and fellow subsidiaries have undertaken to guarantee a loan then out by the ultimate parent company, Shoo 553 Limited Details of the debt outstanding at 31 May 2013 are included in the financial statements of Shoo 553 Limited

19. PRIOR YEAR ADJUSTMENT

The company has, in the past, immediately expensed purchased die board costs to the profit and loss account in the period incurred Following the appointment of new auditors the directors have reviewed the appropriateness of this accounting policy and have revised their opinion of this treatment, and now consider that it is more appropriate to capitalise the expenditure in accordance with FRS15, and to depreciate the resulting asset values over their expected useful economic lives being 3 years The adjustment has been made from 1 June 2011 due to the availability of information and the comparative figures in the primary statements and notes have been restated to reflect the new policy The effect of the change is as shown below

	2013 £'000	2012 £'000
Profit and Loss Account		
Decrease in cost of sales	293	250
Increase in depreciation charge	(181)	(83)
Balance Sheet		
Increase in tangible fixed assets	278	167
Increase in net assets	278	167

20. ULTIMATE PARENT COMPANY

Benson Box Holdings Limited is the immediate parent company Shoo 553 Limited is the ultimate parent company The smallest group that produces consolidated accounts is Benson Box Holdings Limited and the largest group that produces consolidated accounts is Shoo 553 Limited