

Company Registration No. 04012577 (England and Wales)

THE CARDBOARD BOX COMPANY LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2007

THURSDAY



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THE CARDBOARD BOX COMPANY LIMITED

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THE CARDBOARD BOX COMPANY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2007

The directors present their report and financial statements for the year ended 30 June 2007

Principal activities and review of the business

The principal activity of the company during the year continued to be the design and manufacture of cardboard-based packaging

The company has continued to trade successfully, substantially increasing turnover and net profit during the year

The company's bank borrowing is established at a market rate on a variable basis. The company has also acquired assets under hire purchase agreements in respect of which interest is charged at both variable and fixed rates. Obligations under these agreements are met out of working capital. The company is also exposed to the usual credit risk associated with selling on credit and manages this through credit control procedures. The company's cash flow risk and price risk are considered to be negligible.

Results and dividends

The results for the year are set out on page 4.

Interim ordinary dividends were paid amounting to £360,000. The directors do not recommend payment of a final dividend.

Future developments

The company is continuing to make significant investment in new plant and machinery, installing state of the art automated equipment in order to improve production efficiencies and provide an even better quality product.

The directors believe that the improvements already made, together with the planned investment, will ensure continued profitability and success for the future.

Directors

The following directors have held office since 1 July 2006

Mr P C R Street

Mr K Shackleton

Mrs J Devine

(Appointed 26 June 2007)

(Appointed 26 June 2007)

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Pierce C A Limited be reappointed as auditors of the company will be put to the Annual General Meeting.

THE CARDBOARD BOX COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2007

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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 period. 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,
- 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 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.

Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



Mr P C R Street

Director

18 February 2008

THE CARDBOARD BOX COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE CARDBOARD BOX COMPANY LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 4 to 16, together with the financial statements of The Cardboard Box Company Limited for the year ended 30 June 2007 prepared under section 226 of the Companies Act 1985

This report is made solely to the company in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company those matters we are required to state to them in an auditor's report on abbreviated accounts 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, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

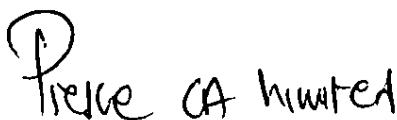
The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

Basis of audit opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with that provision.



Pierce C A Limited

18 February 2008

Registered Auditor

Mentor House
Ainsworth Street
Blackburn
Lancashire
BB1 6AY

THE CARDBOARD BOX COMPANY LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2007

	Notes	2007 £	2006 £
Gross profit		2,501,653	2,205,343
Distribution costs		(297,756)	(220,184)
Administrative expenses		(1,501,671)	(1,388,855)
Operating profit	2	702,226	596,304
Interest payable and similar charges	3	(71,583)	(72,162)
Profit on ordinary activities before taxation		630,643	524,142
Tax on profit on ordinary activities	4	(147,203)	(103,980)
Profit for the year	15	483,440	420,162

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

THE CARDBOARD BOX COMPANY LIMITED

ABBREVIATED BALANCE SHEET AS AT 30 JUNE 2007

	Notes	2007 £	£	2006 £	£
Fixed assets					
Tangible assets	6	3,310,049		3,288,487	
Current assets					
Stocks	7	191,937		220,764	
Debtors	8	1,951,293		1,788,387	
Cash at bank and in hand		5,733		47	
		<u>2,148,963</u>		<u>2,009,198</u>	
Creditors, amounts falling due within one year	9	<u>(2,412,735)</u>		<u>(2,703,192)</u>	
Net current liabilities			<u>(263,772)</u>		<u>(693,994)</u>
Total assets less current liabilities			3,046,277		2,594,493
Creditors, amounts falling due after more than one year	10		(1,907,530)		(1,737,506)
Provisions for liabilities	11				
Deferred tax liability			(391,888)		(244,685)
Accruals and deferred income	12		<u>(80,492)</u>		<u>(69,375)</u>
			<u>666,367</u>		<u>542,927</u>
Capital and reserves					
Called up share capital	14		100,000		100,000
Profit and loss account	15		<u>566,367</u>		<u>442,927</u>
Shareholders' funds	16		<u>666,367</u>		<u>542,927</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies

Approved by the Board and authorised for issue on 18 February 2008


Mr P C R Street
Director

THE CARDBOARD BOX COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

	2007		2006	
	£	£	£	£
Net cash inflow from operating activities		663,043		770,069
Returns on investments and servicing of finance				
Interest paid	(71,583)		(72,162)	
Net cash outflow for returns on investments and servicing of finance		(71,583)		(72,162)
Capital expenditure				
Payments to acquire tangible assets	(554,497)		(672,440)	
Receipts from sales of tangible assets	124,577		127,347	
Net cash outflow for capital expenditure		(429,920)		(545,093)
Equity dividends paid		(360,000)		(50,000)
Net cash (outflow)/inflow before management of liquid resources and financing		(198,460)		102,814
Financing				
Other new long term loans	254,965		-	
Government grant received	20,000		40,000	
Repayment of other long term loans	-		(274,274)	
Capital element of hire purchase contracts	(344,333)		(212,648)	
Net cash outflow from financing		(69,368)		(446,922)
Decrease in cash in the year		(267,828)		(344,108)

THE CARDBOARD BOX COMPANY LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

1	Reconciliation of operating profit to net cash inflow from operating activities	2007	2006
		£	£
	Operating profit	702,226	596,304
	Depreciation of tangible assets	392,705	388,869
	Loss on disposal of tangible assets	15,653	17,026
	Decrease/(increase) in stocks	28,827	(109,134)
	Increase in debtors	(162,906)	(292,328)
	(Decrease)/Increase in creditors within one year	(304,579)	174,382
	Movement on grant provision	(8,883)	(5,050)
	Net cash inflow from operating activities	663,043	770,069

2	Analysis of net debt	1 July 2006	Cash flow	Other non-cash changes	30 June 2007
		£	£	£	£
	Net cash				
	Cash at bank and in hand	47	5,686	-	5,733
	Bank overdrafts	(578,658)	(273,514)	-	(852,172)
		<u>(578,611)</u>	<u>(267,828)</u>	<u>-</u>	<u>(846,439)</u>
	Debt				
	Finance leases	(737,441)	344,333	-	(393,108)
	Debts falling due after one year	(1,482,344)	(254,965)	-	(1,737,309)
		<u>(2,219,785)</u>	<u>89,368</u>	<u>-</u>	<u>(2,130,417)</u>
	Net debt	<u>(2,798,396)</u>	<u>(178,460)</u>	<u>-</u>	<u>(2,976,856)</u>

3	Reconciliation of net cash flow to movement in net debt	2007	2006
		£	£
	Decrease in cash in the year	(267,828)	(344,108)
	Cash outflow from decrease in debt and lease financing	89,368	486,922
	Movement in net debt in the year	(178,460)	142,814
	Opening net debt	(2,798,396)	(2,941,210)
	Closing net debt	(2,976,856)	(2,798,396)

THE CARDBOARD BOX COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2007

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Land and buildings Leasehold	Over the remaining lease term
Plant and machinery	10% & 20% Reducing balance
Fixtures, fittings & equipment	20% Reducing balance
Motor vehicles	25% Reducing balance

1.4 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted

1.5 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account

1.6 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred

2 Operating profit	2007 £	2006 £
Operating profit is stated after charging		
Depreciation of tangible assets	392,705	388,869
Loss on disposal of tangible assets	15,653	17,026
Operating lease rentals		
- Plant and machinery	12,796	835
Auditors' remuneration	9,000	8,400
and after crediting		
Government grants	8,883	5,050

THE CARDBOARD BOX COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2007

3	Interest payable	2007	2006
		£	£
	On bank loans and overdrafts	37,092	30,331
	Hire purchase interest	34,491	41,831
		<u>71,583</u>	<u>72,162</u>
4	Taxation	2007	2006
		£	£
	Current tax charge	-	-
	Deferred tax		
	Deferred tax charge/credit current year	<u>147,203</u>	<u>103,980</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>630,643</u>	<u>524,142</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2006 - 19.00%)	<u>126,129</u>	<u>99,587</u>
	Effects of		
	Non deductible expenses	11,128	4,379
	Depreciation add back	81,671	77,120
	Capital allowances	(118,536)	(120,974)
	Tax losses utilised	(100,392)	(60,112)
		<u>(126,129)</u>	<u>(99,587)</u>
	Current tax charge	<u>-</u>	<u>-</u>
	The company has estimated losses of £ 16,404 (2006 - £ 518,364) available for carry forward against future trading profits		
5	Dividends	2007	2006
		£	£
	Ordinary interim paid	<u>360,000</u>	<u>50,000</u>

THE CARDBOARD BOX COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2007

6 Tangible fixed assets

	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 July 2006	-	3,971,743	103,328	219,172	4,294,243
Additions	96,077	366,447	27,403	64,570	554,497
Disposals	(96,077)	(32,992)	-	(43,615)	(172,684)
At 30 June 2007	-	4,305,198	130,731	240,127	4,676,056
Depreciation					
At 1 July 2006	-	881,289	26,852	97,615	1,005,756
On disposals	-	(3,700)	-	(28,754)	(32,454)
Charge for the year	-	331,990	19,281	41,434	392,705
At 30 June 2007	-	1,209,579	46,133	110,295	1,366,007
Net book value					
At 30 June 2007	-	3,095,619	84,598	129,832	3,310,049
At 30 June 2006	-	3,090,454	76,476	121,557	3,288,487

Included above are assets held under finance leases or hire purchase contracts as follows

	Plant and machinery	Motor vehicles	Total
	£	£	£
Net book values			
At 30 June 2007	942,241	50,321	992,562
At 30 June 2006	1,790,371	26,462	1,816,833
Depreciation charge for the year			
At 30 June 2007	96,555	15,621	112,176
At 30 June 2006	169,354	8,821	178,175

THE CARDBOARD BOX COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2007

7	Stocks and work in progress	2007	2006
		£	£
	Raw materials and consumables	77,748	114,230
	Work in progress	4,828	20,825
	Finished goods and goods for resale	109,361	85,709
		<u>191,937</u>	<u>220,764</u>
8	Debtors	2007	2006
		£	£
	Trade debtors	1,764,817	1,651,360
	Other debtors	820	-
	Prepayments and accrued income	185,656	137,027
		<u>1,951,293</u>	<u>1,788,387</u>
9	Creditors: amounts falling due within one year	2007	2006
		£	£
	Bank loans and overdrafts	852,172	578,658
	Net obligations under hire purchase contracts	222,887	482,279
	Trade creditors	1,096,146	1,467,751
	Taxes and social security costs	115,570	63,884
	Other creditors	-	353
	Accruals and deferred income	125,960	110,267
		<u>2,412,735</u>	<u>2,703,192</u>

The bank overdraft is secured by way of a cross guarantee between the company and its parent company, CBC Holdings UK Limited

The company's bankers hold a fixed charge over the parent company's long leasehold premises, plant, machinery, fixtures and fittings and also the goodwill of any business carried on at the property

Net obligations under finance lease and hire purchase contracts are secured by fixed charges on the assets concerned

THE CARDBOARD BOX COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2007

10 Creditors: amounts falling due after more than one year	2007 £	2006 £
Other loans	1,737,309	1,482,344
Net obligations under hire purchase contracts	170,221	255,162
	<u>1,907,530</u>	<u>1,737,506</u>
Analysis of loans		
Wholly repayable within five years	1,737,309	1,482,344
	<u>1,737,309</u>	<u>1,482,344</u>
Loan maturity analysis		
In more than one year but not more than two years	1,737,309	1,482,344
	<u>1,737,309</u>	<u>1,482,344</u>
Net obligations under hire purchase contracts		
Repayable within one year	241,711	511,357
Repayable between one and five years	177,038	266,645
	<u>418,749</u>	<u>778,002</u>
Finance charges and interest allocated to future accounting periods	(25,641)	(40,561)
	<u>393,108</u>	<u>737,441</u>
Included in liabilities falling due within one year	(222,887)	(482,279)
	<u>170,221</u>	<u>255,162</u>

The directors of the company's parent company, CBC Holdings UK Limited have agreed not to demand payment of the outstanding debt due to the parent company for a period of 12 months from the date of approval of the company's financial statements

THE CARDBOARD BOX COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2007

11 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 July 2006	244,685
Profit and loss account	147,203
	<hr/>
Balance at 30 June 2007	391,888
	<hr/>

The deferred tax liability is made up as follows:

	2007 £	2006 £
Accelerated capital allowances	395,169	343,161
Tax losses available	(3,281)	(98,476)
	<hr/>	<hr/>
	391,888	244,685
	<hr/>	<hr/>

12 Accruals and deferred income

	Government grants £
Balance at 1 July 2006	69,375
Grants received during the year	20,000
Amortisation in the year	(8,883)
	<hr/>
Balance at 30 June 2007	80,492
	<hr/>

13 Pension costs

Defined contribution

	2007 £	2006 £
Contributions payable by the company for the year	12,316	12,077
	<hr/>	<hr/>

THE CARDBOARD BOX COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2007

14 Share capital	2007	2006
	£	£
Authorised		
500,000 Ordinary shares of £1 each	500,000	500,000
Allotted, called up and fully paid		
100,000 Ordinary shares of £1 each	100,000	100,000
15 Statement of movements on profit and loss account		Profit and loss account £
Balance at 1 July 2006		442,927
Profit for the year		483,440
Dividends paid		(360,000)
Balance at 30 June 2007		566,367
16 Reconciliation of movements in shareholders' funds	2007	2006
	£	£
Profit for the financial year	483,440	420,162
Dividends	(360,000)	(50,000)
Net addition to shareholders' funds	123,440	370,162
Opening shareholders' funds	542,927	172,765
Closing shareholders' funds	666,367	542,927

17 Contingent liabilities

The company has provided a cross guarantee to the company's bankers in respect of bank borrowings in favour of its parent company, CBC Holdings UK Limited. The amount owed in respect of such borrowings by CBC Holdings UK Limited at 30 June 2007 was £1,004,267 (2006 - £776,868).

THE CARDBOARD BOX COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2007

18 Financial commitments

At 30 June 2007 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 June 2008

	2007 £	Other 2006 £
Operating leases which expire Between two and five years	16,500	-

19 Capital commitments

	2007 £	2006 £
At 30 June 2007 the company had capital commitments as follows		
Contracted for but not provided in the financial statements	-	39,480

20 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2007 Number	2006 Number
Production	33	28
Management & Administration	12	11
Transport	3	3
	48	42

Employment costs

	2007 £	2006 £
Wages and salaries	1,178,523	938,639
Other pension costs	12,316	12,077
	1,190,839	950,716

21 Control

The company is under the control of the director, Mr P C R Street, by virtue of his 100% shareholding in the company's parent company, CBC Holdings UK Limited

THE CARDBOARD BOX COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2007

22 Related party transactions

The company's parent company, CBC Holdings UK Limited has provided the company with management and other services, together with the use of all plant, machinery and office equipment owned by the parent company and has allowed the company to occupy premises at Petre Road Industrial Estate, Clayton-le-Moors, Accrington

During the year the company paid the sum of £92,000 (2006 - £124,000) to CBC Holdings UK Limited for the provision of management services and use of assets

During the year the company sold fixed assets to its parent company, CBC Holdings UK Limited, for a consideration of £96,077 (2006 - £123,092)

During the year CBC Holdings UK Limited advanced monies to the company which are held on loan account. The amount due at 30 June 2007 was £1,737,309 (2006 - £1,482,344)

CBC Holdings UK Limited acts as guarantor in respect of all of the company's hire purchase obligations

During the year CBC Holdings UK Limited acquired and subsequently disposed of a controlling interest in Screenprint Doncaster Limited. During the period of ownership, the company purchased goods and services from its fellow subsidiary company in an amount of £19,639