

Company Registration No. 04012577 (England and Wales)

THE CARDBOARD BOX COMPANY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016



THE CARDBOARD BOX COMPANY LIMITED

COMPANY INFORMATION

Directors	Mr P C R Street Mr K Shackleton Mrs J Devine Mr G Gardner-Boyes (non-executive) (Appointed 9 October 2015)
Secretary	Mr C C Aitkenhead
Company number	04012577
Registered office and business address	Petre Road Clayton Park Enterprise Centre Clayton le Moors Accrington Lancashire BB5 5JP
Auditor	Donnelly Bentley Chartered Accountants Hazlemere 70 Chorley New Road Bolton Lancashire BL1 4BY
Accountants and business advisors	Pierce CA Ltd Mentor House Ainsworth Street Blackburn BB1 6AY
Bankers	Handelsbanken First Floor 13 Starkie Street Winckley Square Preston Lancashire PR1 2AD
Solicitors	KBL Solicitors LLP 28 Mawdsley Street Bolton Lancashire BL1 1LF

THE CARDBOARD BOX COMPANY LIMITED

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THE CARDBOARD BOX COMPANY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2016

The directors present the strategic report for the year ended 30 June 2016.

Fair review of the business

The directors are satisfied with the results for the year taking into account the increased costs incurred in connection with the company's strategy for expansion and diversification. The directors are continuing to pursue a policy of continuing investment in new plant, infrastructure and technological advances to maintain and strengthen the company's position as a market leader in this sector.

Principal risks and uncertainties

The company's bank borrowing is established at a market rate on a variable basis. 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.

Other information and explanations

The company's substantial investment in state of the art capital equipment and infrastructure, together with the resultant improvements in production capacity and product quality, continue to provide a platform for continued growth and increased profitability. The directors consider that the company has established a secure position in the competitive market place in which it operates.

On behalf of the board



Mr P C R Street

Director

7 September 2016

THE CARDBOARD BOX COMPANY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2016

The directors present their annual report and financial statements for the year ended 30 June 2016.

Principal activities

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

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr P C R Street

Mr K Shackleton

Mrs J Devine

Mr G Gardner-Boyes (non-executive)

(Appointed 9 October 2015)

Results and dividends

The results for the year are set out on page 6.

During the year an interim dividend of £500,000 has been paid.

The directors do not recommend payment of a final dividend.

Statement of directors' responsibilities

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 judgements and accounting 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 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.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

THE CARDBOARD BOX COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

On behalf of the board



Mr P C R Street

Director

7 September 2016

THE CARDBOARD BOX COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE CARDBOARD BOX COMPANY LIMITED

We have audited the financial statements of The Cardboard Box Company Limited for the year ended 30 June 2016 set out on pages 6 to 21. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 - 3, 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 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 30 June 2016 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

THE CARDBOARD BOX COMPANY LIMITED

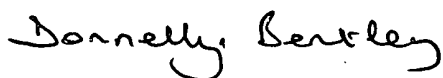
INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE CARDBOARD BOX COMPANY LIMITED

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.



Nicholas Baxendale (Senior Statutory Auditor)
for and on behalf of Donnelly Bentley

7 September 2016

Statutory Auditor

Chartered Accountants
Hazlemere
70 Chorley New Road
Bolton
Lancashire
BL1 4BY

THE CARDBOARD BOX COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

		2016	2015
	Notes	£	as restated £
Turnover	4	14,113,791	13,552,685
Cost of sales		(9,807,012)	(9,264,879)
Gross profit		<u>4,306,779</u>	<u>4,287,806</u>
Distribution costs		(482,572)	(525,262)
Administrative expenses		(3,025,383)	(2,965,433)
Other operating income		18,343	8,927
Operating profit	5	<u>817,167</u>	<u>806,038</u>
Interest receivable and similar income	8	-	708
Interest payable and similar charges	9	(76,971)	(83,888)
Profit before taxation		<u>740,196</u>	<u>722,858</u>
Taxation	10	(104,387)	(119,773)
Profit for the financial year		<u><u>635,809</u></u>	<u><u>603,085</u></u>

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

THE CARDBOARD BOX COMPANY LIMITED

BALANCE SHEET

AS AT 30 JUNE 2016

	Notes	2016		2015 as restated	
		£	£	£	£
Fixed assets					
Tangible assets	13		4,957,029		4,888,959
Investment properties	12		-		308,928
			<u>4,957,029</u>		<u>5,197,887</u>
Current assets					
Stocks	14	459,508		416,025	
Debtors	15	4,463,375		4,206,361	
Cash at bank and in hand		158,564		139,203	
		<u>5,081,447</u>		<u>4,761,589</u>	
Creditors: amounts falling due within one year	16	(5,159,447)		(5,211,806)	
Net current liabilities			(78,000)		(450,217)
Total assets less current liabilities			<u>4,879,029</u>		<u>4,747,670</u>
Creditors: amounts falling due after more than one year	17		(542,409)		(581,636)
Provisions for liabilities	19		(555,572)		(520,795)
Net assets			<u>3,781,048</u>		<u>3,645,239</u>
Capital and reserves					
Called up share capital	22		100,000		100,000
Profit and loss reserves			3,681,048		3,545,239
Total equity			<u>3,781,048</u>		<u>3,645,239</u>

The financial statements were approved by the board of directors and authorised for issue on 7 September 2016 and are signed on its behalf by:

Mr P C R Street
Director

Company Registration No. 04012577

THE CARDBOARD BOX COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016

	Notes	Share capital £	Profit and loss reserves £	Total £
As restated for the period ended 30 June 2015:				
Balance at 1 July 2014		100,000	2,942,154	3,042,154
Year ended 30 June 2015:				
Profit and total comprehensive income for the year		-	603,085	603,085
Balance at 30 June 2015		100,000	3,545,239	3,645,239
Year ended 30 June 2016:				
Profit and total comprehensive income for the year		-	635,809	635,809
Dividends	11	-	(500,000)	(500,000)
Balance at 30 June 2016		100,000	3,681,048	3,781,048

THE CARDBOARD BOX COMPANY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash generated from operations	1	1,680,176		1,064,600	
Interest paid		(76,971)		(83,888)	
Income taxes paid		(43,477)		(65,268)	
Net cash inflow from operating activities		<u>1,559,728</u>		<u>915,444</u>	
Investing activities					
Purchase of tangible fixed assets		(811,623)		(957,668)	
Proceeds on disposal of tangible fixed assets		102,753		18,500	
Proceeds on disposal of investment property		305,008		-	
Interest received		-		708	
Net cash used in investing activities		<u>(403,862)</u>		<u>(938,460)</u>	
Financing activities					
Payment of finance leases obligations		(250,234)		(67,728)	
Dividends paid		(500,000)		-	
Net cash used in financing activities		<u>(750,234)</u>		<u>(67,728)</u>	
Net increase/(decrease) in cash and cash equivalents		<u>405,632</u>		<u>(90,744)</u>	
Cash and cash equivalents at beginning of year		(1,659,302)		(1,568,558)	
Cash and cash equivalents at end of year		<u><u>(1,253,670)</u></u>		<u><u>(1,659,302)</u></u>	
Relating to:					
Cash at bank and in hand		158,564		139,203	
Bank overdrafts included in creditors payable within one year		<u><u>(1,412,234)</u></u>		<u><u>(1,798,505)</u></u>	

THE CARDBOARD BOX COMPANY LIMITED

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

1 Cash generated from operations

	2016 £	2015 £
Profit for the year after tax	635,809	603,085
Adjustments for:		
Taxation charged	104,387	119,773
Finance costs	76,971	83,888
Investment income	-	(708)
Gain on disposal of tangible fixed assets	(11,652)	(3,072)
Depreciation and impairment of tangible fixed assets	652,452	604,495
Impairment of investment properties	3,920	6,720
Movements in working capital:		
(Increase) in stocks	(43,483)	(74,812)
(Increase) in debtors	(257,014)	(602,147)
Increase in creditors	487,129	236,305
Increase in deferred income	31,657	91,073
Cash generated from operations	1,680,176	1,064,600

2 Accounting policies

Company information

The Cardboard Box Company Limited is a company limited by shares incorporated in England and Wales. The registered office is Petre Road, Clayton Park Enterprise Centre, Clayton le Moors, Accrington, Lancashire, BB5 5JP.

2.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 30 June 2016 are the first financial statements of The Cardboard Box Company Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 July 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

2.2 Going concern

The company finances its operations by means of a bank overdraft facility. The directors are not aware of any reason why the overdraft facility will not be maintained at its current level. As a result the directors have continued to adopt the going concern basis in preparing the financial statements.

THE CARDBOARD BOX COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2016

2 Accounting policies

(Continued)

2.3 Turnover

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

2.4 Tangible fixed assets

Tangible fixed assets are measured at cost, net of depreciation.

Depreciation is recognised so as to write off the cost of assets over their useful lives on the following bases:

Leasehold improvements	Over lease term
Plant and machinery	10% Reducing balance and 25% and 33% straight line
Fixtures, fittings & equipment	20% Reducing balance
Motor vehicles	25% Reducing balance

The gain or loss arising on the disposal of an asset is calculated as the sale proceeds less the carrying value of the asset, and is credited or charged to profit or loss.

2.5 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

2.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

2.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

2.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

THE CARDBOARD BOX COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

2 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

2.9 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

2.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2.11 Leases

Assets held under finance leases are recognised as assets at the lower of the assets cost and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases are charged to income on a straight line basis over the term of the lease.

2.12 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.

2.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

THE CARDBOARD BOX COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

3 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

4 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2016 £	2015 £
Turnover		
Sales	14,098,797	13,532,692
Rent	14,994	19,993
	<u>14,113,791</u>	<u>13,552,685</u>

Other significant revenue

Interest income	-	708
Grants received	<u>18,343</u>	<u>8,927</u>

Turnover analysed by geographical market

	2016 £	2015 £
UK	13,835,520	13,303,749
Europe	263,277	228,943
UK - Rental income	14,994	19,993
	<u>14,113,791</u>	<u>13,552,685</u>

THE CARDBOARD BOX COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

5 Operating profit

	2016 £	2015 £
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(23,208)	18,523
Government grants	(18,343)	(8,927)
Fees payable to the company's auditor for the audit of the company's financial statements	6,000	8,500
Depreciation of owned tangible fixed assets	495,552	347,151
Depreciation of tangible fixed assets held under finance leases	156,900	257,344
Profit on disposal of tangible fixed assets	(11,652)	(3,072)
Cost of stocks recognised as an expense	8,531,539	8,157,917
Operating lease charges	99,640	60,068
	<u> </u>	<u> </u>

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2016 Number	2015 Number
Production	47	42
Management & Administration	23	23
Transport	5	5
	<u> </u>	<u> </u>
	75	70
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	2,481,249	2,260,194
Pension costs	57,048	50,308
	<u> </u>	<u> </u>
	2,538,297	2,310,502
	<u> </u>	<u> </u>

THE CARDBOARD BOX COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

7 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	289,279	246,788
Company pension contributions to defined contribution schemes	31,712	31,644
	<u>320,991</u>	<u>278,432</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2015 - 2).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

Remuneration for qualifying services	119,034	118,115
Company pension contributions to defined contribution schemes	27,771	27,771
	<u>146,805</u>	<u>145,886</u>

8 Interest receivable and similar income

	2016 £	2015 £
Interest income		
Other interest income	-	708
	<u>-</u>	<u>708</u>

9 Interest payable and similar charges

	2016 £	2015 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	42,549	45,467
Interest on finance leases and hire purchase contracts	34,422	38,126
	<u>76,971</u>	<u>83,593</u>
Other finance costs:		
Other interest	-	295
	<u>76,971</u>	<u>83,888</u>

10 Taxation

	2016 £	2015 £ as restated
Current tax		
UK corporation tax on profits for the current period	80,052	44,326
Adjustments in respect of prior periods	(10,442)	-
	<u>69,610</u>	<u>44,326</u>
Total current tax	<u>69,610</u>	<u>44,326</u>

THE CARDBOARD BOX COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

10 Taxation

(Continued)

Deferred tax

Origination and reversal of timing differences

34,777

75,447

Total tax charge

104,387

119,773

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2016 £	2015 £
Profit before taxation	740,196	722,858
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.41%)	148,039	147,535
Tax effect of expenses that are not deductible in determining taxable profit	25,513	32,819
Depreciation on assets not qualifying for tax allowances	1,733	1,344
Research and development tax credit	(60,456)	(61,230)
Other non-reversing timing differences	-	217
Under/(over) provided in prior years	(10,442)	-
Tax at marginal rate	-	(912)
Tax expense for the year	104,387	119,773

11 Dividends

2016
£

2015
£

Interim paid

500,000

-

12 Investment property

2016
£

Fair value

At 1 July 2015

335,796

Disposals

(335,796)

At 30 June 2016

-

THE CARDBOARD BOX COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

13 Tangible fixed assets

	Leasehold improvements	Plant and machinery	Fixtures, Motor vehicles fittings & equipment	Total
	£	£	£	£
Cost				
At 1 July 2015	8,305	8,472,347	472,358	9,514,496
Additions	-	558,434	187,869	811,623
Disposals	-	(327,460)	-	(341,359)
At 30 June 2016	8,305	8,703,321	660,227	9,984,760
Depreciation and impairment				
At 1 July 2015	-	4,050,438	284,950	4,625,539
Depreciation charged in the year	4,746	520,053	52,112	652,452
Eliminated in respect of disposals	-	(238,779)	-	(250,260)
At 30 June 2016	4,746	4,331,712	337,062	5,027,731
Carrying amount				
At 30 June 2016	3,559	4,371,609	323,165	4,957,029
At 30 June 2015	8,305	4,421,911	187,409	4,888,959

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2016 £	2015 £
Plant and machinery	1,047,859	2,149,463
Motor vehicles	216,402	215,008
	<u>1,264,261</u>	<u>2,364,471</u>
Depreciation charge for the year in respect of leased assets	<u>156,900</u>	<u>257,344</u>

14 Stocks

	2016 £	2015 £
Raw materials and consumables	177,712	213,411
Work in progress	37,171	17,518
Finished goods and goods for resale	244,625	185,096
	<u>459,508</u>	<u>416,025</u>

THE CARDBOARD BOX COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2016

15 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	3,422,913	3,034,694
Amount due from parent undertaking	607,665	673,735
Other debtors	-	140,400
Prepayments and accrued income	432,797	357,532
	<u>4,463,375</u>	<u>4,206,361</u>

16 Creditors: amounts falling due within one year

	Notes	2016 £	2015 £ as restated
Bank loans and overdrafts	18	1,412,234	1,798,505
Obligations under finance leases		474,214	653,564
Trade creditors		2,616,173	2,136,833
Corporation tax		70,459	44,326
Other taxation and social security		308,211	215,072
Other creditors		90	-
Accruals and deferred income		278,066	363,506
		<u>5,159,447</u>	<u>5,211,806</u>

17 Creditors: amounts falling due after more than one year

	Notes	2016 £	2015 £
Obligations under finance leases		399,011	469,895
Government grants	20	143,398	111,741
		<u>542,409</u>	<u>581,636</u>

18 Loans and overdrafts

	2016 £	2015 £
Bank overdrafts	<u>1,412,234</u>	<u>1,798,505</u>
Payable within one year	<u>1,412,234</u>	<u>1,798,505</u>

THE CARDBOARD BOX COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

18 Loans and overdrafts

(Continued)

The bank overdraft is secured by way of a cross guarantee between the company and its parent company, CBC Holdings UK Limited, together with a fixed and floating charge over the assets of the company.

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.

19 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2016 £	Liabilities 2015 £
Balances:		
Accelerated capital allowances	555,572	520,795

The deferred tax liability set out above is expected to reverse in the foreseeable future and relates to accelerated capital allowances that are expected to mature within the same period.

20 Deferred income

	2016 £	2015 £
Government grants brought forward	111,741	20,668
Government grants received in the year	50,000	100,000
Government grants released to the profit and loss	(18,343)	(8,927)
Government grants carried forward	143,398	111,741

21 Retirement benefit schemes

	2016 £	2015 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	57,048	50,308

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £57,048 (2015 - £50,308).

THE CARDBOARD BOX COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

22 Share capital

	2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
100,000 Ordinary shares of £1 each	100,000	100,000

23 Financial commitments, guarantees and 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 2016 was £682,357 (2015 - £481,922).

24 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2016 £	2015 £
Within one year	1,296	30,337
Between two and five years	93,534	31,951
	<u>94,830</u>	<u>62,288</u>

25 Controlling party

The company is under the control of the director, Mr P C R Street, by virtue of his 94.7% shareholding in the company's parent company, CBC Holdings UK Limited.

26 Prior period adjustment

A prior period adjustment has been made in respect of an increase in rates payable relating to earlier years together with the net effect on the company's liability to corporation tax.

Changes to the balance sheet

	At 30 June 2015	
	As previously reported	As restated
	£	£
Creditors due within one year		
Taxation	(268,991)	(259,398)
Other creditors	(2,452,375)	(2,500,339)
	<u>3,683,610</u>	<u>3,645,239</u>
Net assets	<u>3,683,610</u>	<u>3,645,239</u>

THE CARDBOARD BOX COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2016

26 Prior period adjustment

(Continued)

	At 30 June 2015		
	As previously reported	Adjustment	As restated
	£	£	£
Capital and reserves			
Profit and loss	3,583,610	(38,371)	3,545,239
	<u> </u>	<u> </u>	<u> </u>
Changes to the profit and loss account			
	Period ended 30 June 2015		
	As previously reported	Adjustment	As restated
	£	£	£
Administrative expenses	(2,917,469)	(47,964)	(2,965,433)
Taxation	(129,366)	9,593	(119,773)
	<u> </u>	<u> </u>	<u> </u>
Profit for the financial period	641,456	(38,371)	603,085
	<u> </u>	<u> </u>	<u> </u>

THE CARDBOARD BOX COMPANY LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2016

	£	2016 £	£	2015 £
Turnover				
Sales of goods		14,098,797		13,532,692
Rent received		14,994		19,993
		<u>14,113,791</u>		<u>13,552,685</u>
Cost of sales				
Opening stock of raw materials	375,962		297,373	
Finished goods purchases	7,873,108		7,563,902	
Production consumables	67,884		71,545	
Other production costs	638,700		601,059	
Closing stock of raw materials	(424,115)		(375,962)	
Wages and salaries	1,275,473		1,106,962	
		<u>(9,807,012)</u>		<u>(9,264,879)</u>
Gross profit	30.51%	4,306,779	31.64%	4,287,806
Other operating income				
Government grants receivable and released		18,343		8,927
Distribution costs	482,572		525,262	
Administrative expenses	3,025,383		2,965,433	
		<u>(3,507,955)</u>		<u>(3,490,695)</u>
Operating profit		817,167		806,038
Investment revenues				
Other interest received on financial instruments	-		708	
				<u>708</u>
Interest payable and similar charges				
Bank interest on loans and overdrafts	42,549		45,467	
Hire purchase interest payable	34,422		38,126	
Interest on overdue taxation - not financial liabilities	-		295	
		<u>(76,971)</u>		<u>(83,888)</u>
Profit before taxation	5.24%	<u>740,196</u>	5.33%	<u>722,858</u>

THE CARDBOARD BOX COMPANY LIMITED

SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 30 JUNE 2016

	2016 £	2015 £
Distribution costs		
Wages and salaries	146,982	142,127
Motor running expenses	106,541	111,165
Travelling expenses	20,020	19,799
Postage, courier and delivery charges	49,259	61,028
Sales discounts & commissions	-	196
Entertaining	113,550	141,686
Depreciation	46,220	49,261
	<u>482,572</u>	<u>525,262</u>
Administrative expenses		
Wages and salaries	858,732	830,009
Staff welfare	46,600	43,354
Staff training	6,570	1,693
Staff pension costs defined contribution	25,336	18,664
Directors' remuneration	200,062	181,096
Directors' pension costs - defined contribution scheme	31,712	31,644
Management charge	320,000	320,000
Rent	44,033	18,171
Rates and water	150,052	167,442
Power, light and heat	101,693	79,645
Repairs and maintenance	122,639	129,395
Insurance	97,115	105,984
Computer running costs	40,657	35,755
Leasing - motor vehicles	55,607	41,897
Motor running expenses	61,279	68,840
Legal and professional fees	101,852	76,677
Audit fees	6,000	8,500
Charitable donations	41,959	38,712
Bank charges	16,092	13,725
Bad and doubtful debts	1,971	1,633
Printing and stationery	14,693	19,550
Advertising	41,091	88,349
Telecommunications	16,020	15,287
Sundry expenses	48,326	52,006
Depreciation	610,152	561,954
Profit or loss on sale of tangible assets (non exceptional)	(11,652)	(3,072)
Profit or loss on foreign exchange	(23,208)	18,523
	<u>3,025,383</u>	<u>2,965,433</u>