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Company Registration No. 04012577 (England and Wales)

**THE CARDBOARD BOX COMPANY LIMITED**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2014**

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# THE CARDBOARD BOX COMPANY LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr P C R Street Mr K Shackleton Mrs J Devine
<b>Secretary</b>	Mr C C Aitkenhead
<b>Company number</b>	04012577
<b>Registered office</b>	Petre Road Clayton Park Enterprise Centre Clayton le Moors Accrington Lancashire BB5 5JP
<b>Auditors</b>	Pierce C A Limited Mentor House Ainsworth Street Blackburn Lancashire BB1 6AY
<b>Business address</b>	Petre Road Clayton Park Enterprise Centre Clayton le Moors Accrington Lancashire BB5 5JP
<b>Bankers</b>	Handelsbanken First Floor 13 Starkie Street Winkley Square Preston Lancashire PR1 2AD
<b>Solicitors</b>	Garricks Solicitors LLP 12 Cunningham Court Shadsworth Business Park Blackburn Lancashire BB1 2QX

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# THE CARDBOARD BOX COMPANY LIMITED

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# THE CARDBOARD BOX COMPANY LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 30 JUNE 2014**

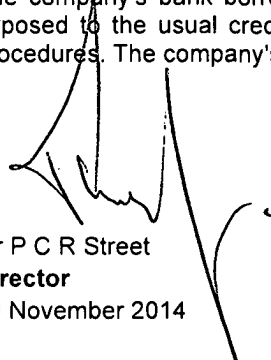
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The directors present the strategic report and financial statements for the year ended 30 June 2014.

### **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.

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.



Mr P C R Street  
Director  
19 November 2014

# THE CARDBOARD BOX COMPANY LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 30 JUNE 2014**

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The directors present their report and financial statements for the year ended 30 June 2014.

### Principal activities

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

### Results and dividends

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

The directors do not recommend payment of a final dividend.

### Future developments

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.

### Directors

The following directors have held office since 1 July 2013:

Mr P C R Street  
Mr K Shackleton  
Mrs J Devine

### 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.

### Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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;
- 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.

# THE CARDBOARD BOX COMPANY LIMITED

## DIRECTORS' REPORT (CONTINUED)

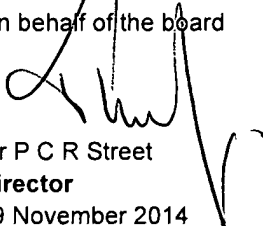
**FOR THE YEAR ENDED 30 JUNE 2014**

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### Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors 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 auditors are aware of that information.

On behalf of the board



Mr P C R Street  
Director  
19 November 2014

# THE CARDBOARD BOX COMPANY LIMITED

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF THE CARDBOARD BOX COMPANY LIMITED

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We have audited the financial statements of The Cardboard Box Company Limited for the year ended 30 June 2014 set out on pages 6 to 16. 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 auditors**

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**

The 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 group's and 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 Director's 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 2014 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 Strategic Report and 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 AUDITORS' REPORT (CONTINUED)

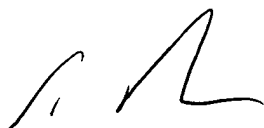
### TO THE MEMBERS OF THE CARDBOARD BOX COMPANY LIMITED

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#### 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.



**Paul Moulding (Senior Statutory Auditor)**  
for and on behalf of Pierce C A Limited

19 November 2014

**Statutory Auditor**

Mentor House  
Ainsworth Street  
Blackburn  
Lancashire  
BB1 6AY



# THE CARDBOARD BOX COMPANY LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2014

	Notes	2014 £	2013 £
Turnover	2	12,419,938	12,084,273
Cost of sales		(8,478,936)	(8,046,751)
<b>Gross profit</b>		<b>3,941,002</b>	<b>4,037,522</b>
Distribution costs		(454,120)	(487,201)
Administrative expenses		(2,725,566)	(2,595,069)
Other operating income		9,285	11,310
<b>Operating profit</b>	<b>3</b>	<b>770,601</b>	<b>966,562</b>
Interest payable and similar charges	4	(102,094)	(85,463)
<b>Profit on ordinary activities before taxation</b>		<b>668,507</b>	<b>881,099</b>
Tax on profit on ordinary activities	5	(92,293)	(196,234)
<b>Profit for the year</b>	<b>15</b>	<b>576,214</b>	<b>684,865</b>

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

## BALANCE SHEET

AS AT 30 JUNE 2014

	Notes	2014 £	£	2013 £	£
<b>Fixed assets</b>					
Tangible assets	6	4,866,862		5,171,350	
<b>Current assets</b>					
Stocks	7	341,213		343,776	
Debtors	8	3,624,214		3,559,289	
Cash at bank and in hand		158,247		28,201	
		<u>4,123,674</u>		<u>3,931,266</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>(5,036,263)</u>		<u>(5,156,823)</u>	
<b>Net current liabilities</b>			(912,589)		(1,225,557)
<b>Total assets less current liabilities</b>			<u>3,954,273</u>		<u>3,945,793</u>
<b>Creditors: amounts falling due after more than one year</b>	10		(446,103)		(1,040,903)
<b>Provisions for liabilities</b>	11				
Deferred tax liability			(445,348)		(408,997)
<b>Accruals and deferred income</b>	12		(20,668)		(29,953)
			<u>3,042,154</u>		<u>2,465,940</u>
<b>Capital and reserves</b>					
Called up share capital	14		100,000		100,000
Profit and loss account	15		2,942,154		2,365,940
<b>Shareholders' funds</b>	16		<u>3,042,154</u>		<u>2,465,940</u>

Approved by the Board and authorised for issue on 19 November 2014

Mr P C R Street  
Director

Company Registration No. 04012577

# THE CARDBOARD BOX COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

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 company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

#### 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	2% Straight line
Plant and machinery	10% & 20% Reducing balance
Fixtures, fittings & equipment	20% Reducing balance
Motor vehicles	25% Reducing balance

#### 1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

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

#### 1.5 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value.

#### 1.6 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

#### 1.7 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.

#### 1.8 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.

# THE CARDBOARD BOX COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2014

### 1 Accounting policies (Continued)

#### 1.9 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 Turnover

#### Geographical market

	Turnover	
	2014	2013
	£	£
UK	12,229,712	11,860,949
Europe	170,234	203,332
UK - Rental income	19,992	19,992
	<u>12,419,938</u>	<u>12,084,273</u>

### 3 Operating profit

	2014	2013
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	622,095	510,548
Loss on disposal of tangible assets	-	2,906
Loss on foreign exchange transactions	4,488	-
Operating lease rentals		
- Motor vehicles	42,325	-
Auditors' remuneration (including expenses and benefits in kind)	8,500	8,500
and after crediting:		
Government grants	9,285	11,310
Profit on disposal of tangible assets	1,624	-
	<u>9,285</u>	<u>11,310</u>

### 4 Interest payable

	2014	2013
	£	£
On bank loans and overdrafts	42,650	41,232
Hire purchase interest	58,825	34,289
On overdue tax	619	9,942
	<u>102,094</u>	<u>85,463</u>

# THE CARDBOARD BOX COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2014

5	Taxation	2014 £	2013 £
	<b>Domestic current year tax</b>		
	U.K. corporation tax	65,268	140,922
	Adjustment for prior years	(9,326)	6,647
	<b>Total current tax</b>	<u>55,942</u>	<u>147,569</u>
	<b>Deferred tax</b>		
	Deferred tax charge/credit current year	36,351	48,665
		<u>92,293</u>	<u>196,234</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	<u>668,507</u>	<u>881,099</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.58% (2013 - 23.75%)	<u>144,237</u>	<u>209,261</u>
	Effects of:		
	Non deductible expenses	17,119	24,857
	Depreciation add back	134,223	121,943
	Capital allowances	(163,473)	(178,139)
	Adjustments to previous periods	(9,326)	-
	R&D additional deduction (SME)	(66,838)	(30,353)
		<u>(88,295)</u>	<u>(61,692)</u>
	<b>Current tax charge for the year</b>	<u>55,942</u>	<u>147,569</u>

# THE CARDBOARD BOX COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2014

### 6 Tangible fixed assets

	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 July 2013	335,796	7,587,661	377,235	434,272	8,734,964
Additions	76,527	110,417	45,725	182,067	414,736
Disposals	(76,527)	(46,622)	-	(87,732)	(210,881)
At 30 June 2014	335,796	7,651,456	422,960	528,607	8,938,819
<b>Depreciation</b>					
At 1 July 2013	13,432	3,071,505	204,258	274,419	3,563,614
On disposals	-	(39,061)	-	(74,691)	(113,752)
Charge for the year	6,716	529,723	38,965	46,691	622,095
At 30 June 2014	20,148	3,562,167	243,223	246,419	4,071,957
<b>Net book value</b>					
At 30 June 2014	315,648	4,089,289	179,737	282,188	4,866,862
At 30 June 2013	322,364	4,516,156	172,977	159,853	5,171,350

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

	Plant and machinery	Motor vehicles	Total
	£	£	£
<b>Net book values</b>			
At 30 June 2014	2,048,913	209,917	2,258,830
At 30 June 2013	2,302,737	99,545	2,402,282
<b>Depreciation charge for the year</b>			
At 30 June 2014	253,824	30,682	284,506
At 30 June 2013	149,552	24,814	174,366

# THE CARDBOARD BOX COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2014

<b>7</b>	<b>Stocks and work in progress</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Raw materials and consumables	193,966	198,930
	Work in progress	15,275	4,505
	Finished goods and goods for resale	131,972	140,341
		<u>341,213</u>	<u>343,776</u>
<b>8</b>	<b>Debtors</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Trade debtors	2,796,101	2,813,584
	Amounts owed by parent and fellow subsidiary undertakings	465,921	475,205
	Other debtors	20,000	-
	Prepayments and accrued income	342,192	270,500
		<u>3,624,214</u>	<u>3,559,289</u>
<b>9</b>	<b>Creditors: amounts falling due within one year</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Bank loans and overdrafts	1,726,805	1,734,467
	Net obligations under hire purchase contracts	745,084	825,402
	Trade creditors	2,035,719	1,999,459
	Corporation tax	65,268	146,600
	Other taxes and social security costs	200,312	240,130
	Accruals and deferred income	263,075	210,765
		<u>5,036,263</u>	<u>5,156,823</u>

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.

# THE CARDBOARD BOX COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2014

10 Creditors: amounts falling due after more than one year	2014 £	2013 £
Net obligations under hire purchase contracts	446,103	1,040,903
<b>Net obligations under hire purchase contracts</b>		
Repayable within one year	776,056	882,796
Repayable between one and five years	453,568	1,071,647
	1,229,624	1,954,443
Finance charges and interest allocated to future accounting periods	(38,437)	(88,138)
	1,191,187	1,866,305
Included in liabilities falling due within one year	(745,084)	(825,402)
	446,103	1,040,903

### 11 Provisions for liabilities

	Deferred tax liability £
Balance at 1 July 2013	408,997
Profit and loss account	36,351
Balance at 30 June 2014	445,348

The deferred tax liability is made up as follows:

	2014 £	2013 £
Accelerated capital allowances	445,348	408,997



# THE CARDBOARD BOX COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2014

### 12 Accruals and deferred income

	Government grants £
Balance at 1 July 2013	29,953
Amortisation in the year	(9,285)
Balance at 30 June 2014	<u>20,668</u>

### 13 Pension and other post-retirement benefit commitments Defined contribution

	2014 £	2013 £
Contributions payable by the company for the year	<u>26,586</u>	<u>20,462</u>

### 14 Share capital

	2014 £	2013 £
Allotted, called up and fully paid		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

### 15 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 July 2013	2,365,940
Profit for the year	576,214
Balance at 30 June 2014	<u>2,942,154</u>

### 16 Reconciliation of movements in shareholders' funds

	2014 £	2013 £
Profit for the financial year	576,214	684,865
Opening shareholders' funds	<u>2,465,940</u>	<u>1,781,075</u>
Closing shareholders' funds	<u>3,042,154</u>	<u>2,465,940</u>

# THE CARDBOARD BOX COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2014

### 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 2014 was £307,044 (2013 - £108,182).

### 18 Financial commitments

At 30 June 2014 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 June 2015:

	Other 2014 £	2013 £
Operating leases which expire: Between two and five years	42,336	-

### 19 Directors' remuneration

	2014 £	2013 £
Remuneration for qualifying services	226,542	243,127
Company pension contributions to defined contribution schemes	9,536	7,053
	236,078	250,180

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2013 - 2).

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

Remuneration for qualifying services	119,951	118,907
Company pension contributions to defined contribution schemes	6,076	3,708

# THE CARDBOARD BOX COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2014

### 20 Employees

#### Number of employees

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

	2014 Number	2013 Number
Production	37	37
Management & Administration	22	20
Transport	4	4
	<u>63</u>	<u>61</u>

#### Employment costs

	2014 £	2013 £
Wages and salaries	1,997,463	1,945,773
Other pension costs	26,586	20,462
	<u>2,024,049</u>	<u>1,966,235</u>

### 21 Control

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.

### 22 Related party relationships and transactions

#### Advances and credits to directors

The following director had an interest free loan during the year. The movement on this loan was as follows:

	% Rate	Opening Balance £	Amounts Advanced £	Interest Charged £	Amounts Repaid £	Closing Balance £
J Devine - Director's loan	-	-	20,000	-	-	20,000
		<u>-</u>	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>20,000</u>

The maximum amount outstanding on the director's loan during the year was £20,000.

#### Other transactions

The company has taken advantage of the exemptions available under FRS 8 not to disclose transactions with its parent company.