

Company Registration No. 04012577 (England and Wales)

THE CARDBOARD BOX COMPANY LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015

THURSDAY



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THE CARDBOARD BOX COMPANY LIMITED

COMPANY INFORMATION

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

THE CARDBOARD BOX COMPANY LIMITED

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THE CARDBOARD BOX COMPANY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2015

The directors present the strategic report and financial statements for the year ended 30 June 2015.

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.

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.

On behalf of the board



Mr P C R Street

Director

21 September 2015

THE CARDBOARD BOX COMPANY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2015

The directors present their report and financial statements for the year ended 30 June 2015.

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.

Directors

The following directors have held office since 1 July 2014:

Mr P C R Street
Mr K Shackleton
Mrs J Devine

Auditors

The auditors, Pierce C A Limited, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

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 2015

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 Sreed

Director

21 September 2015

THE CARDBOARD BOX COMPANY LIMITED

INDEPENDENT AUDITORS' 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 2015 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

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 2015 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

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

21 September 2015

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 2015

	Notes	2015 £	2014 £
Turnover	2	13,552,688	12,419,938
Cost of sales		(9,264,879)	(8,478,936)
Gross profit		4,287,809	3,941,002
Distribution costs		(525,262)	(454,120)
Administrative expenses		(2,917,470)	(2,725,566)
Other operating income		8,927	9,285
Operating profit	3	854,004	770,601
Other interest receivable and similar income	4	708	-
Interest payable and similar charges	5	(83,888)	(102,094)
Profit on ordinary activities before taxation		770,824	668,507
Tax on profit on ordinary activities	6	(129,366)	(92,293)
Profit for the year	16	641,458	576,214

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 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Tangible assets	7		5,197,887		4,866,862
Current assets					
Stocks	8	416,025		341,213	
Debtors	9	4,206,362		3,624,214	
Cash at bank and in hand		139,203		158,247	
		<u>4,761,590</u>		<u>4,123,674</u>	
Creditors: amounts falling due within one year	10	<u>(5,173,435)</u>		<u>(5,036,263)</u>	
Net current liabilities			<u>(411,845)</u>		<u>(912,589)</u>
Total assets less current liabilities			<u>4,786,042</u>		<u>3,954,273</u>
Creditors: amounts falling due after more than one year	11		(469,894)		(446,103)
Provisions for liabilities	12				
Deferred tax liability			(520,795)		(445,348)
Accruals and deferred income	13		(111,741)		(20,668)
			<u>3,683,612</u>		<u>3,042,154</u>
Capital and reserves					
Called up share capital	15		100,000		100,000
Profit and loss account	16		3,583,612		2,942,154
Shareholders' funds	17		<u>3,683,612</u>		<u>3,042,154</u>

Approved by the Board and authorised for issue on 21 September 2015

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 2015

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 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

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

1.4 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% Reducing balance and 25% and 33% straight line
Fixtures, fittings & equipment	20% Reducing balance
Motor vehicles	25% Reducing balance

1.5 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.

1.6 Stock and work in progress

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

1.7 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.

1.8 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.

THE CARDBOARD BOX COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2015

1 Accounting policies (Continued)

1.9 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.

1.10 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	
	2015	2014
	£	£
UK	13,303,752	12,229,712
Europe	228,943	170,234
UK - Rental income	19,993	19,992
	<u>13,552,688</u>	<u>12,419,938</u>

3 Operating profit

	2015	2014
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	611,215	622,095
Loss on foreign exchange transactions	18,523	4,488
Operating lease rentals		
- Plant and machinery	41,897	42,325
Auditors' remuneration (including expenses and benefits in kind)	8,500	8,500
and after crediting:		
Government grants	8,927	9,285
Profit on disposal of tangible assets	3,072	1,624
	<u>8,927</u>	<u>9,285</u>

4 Investment income

	2015	2014
	£	£
Other interest	708	-
	<u>708</u>	<u>-</u>

THE CARDBOARD BOX COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2015

5	Interest payable	2015	2014
		£	£
	On bank loans and overdrafts	45,467	42,650
	Hire purchase interest	38,126	58,825
	On overdue tax	295	619
		<u>83,888</u>	<u>102,094</u>
6	Taxation	2015	2014
		£	£
	Domestic current year tax		
	U.K. corporation tax	53,919	65,268
	Adjustment for prior years	-	(9,326)
	Total current tax	<u>53,919</u>	<u>55,942</u>
	Deferred tax		
	Deferred tax charge/credit current year	75,447	36,351
		<u>129,366</u>	<u>92,293</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>770,824</u>	<u>668,507</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.41% (2014 - 21.58%)	<u>157,325</u>	<u>144,237</u>
	Effects of:		
	Non deductible expenses	32,819	17,119
	Depreciation add back	124,749	134,223
	Capital allowances	(199,744)	(163,473)
	Adjustments to previous periods	-	(9,326)
	R&D additional deduction	(61,230)	(66,838)
		<u>(103,406)</u>	<u>(88,295)</u>
	Current tax charge for the year	<u>53,919</u>	<u>55,942</u>

THE CARDBOARD BOX COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2015

7 Tangible fixed assets

	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 July 2014	335,796	7,651,456	422,960	528,607	8,938,819
Additions	8,305	820,891	49,399	79,073	957,668
Disposals	-	-	-	(46,195)	(46,195)
At 30 June 2015	344,101	8,472,347	472,359	561,485	9,850,292
Depreciation					
At 1 July 2014	20,148	3,562,167	243,223	246,419	4,071,957
On disposals	-	-	-	(30,767)	(30,767)
Charge for the year	6,720	488,269	41,727	74,499	611,215
At 30 June 2015	26,868	4,050,436	284,950	290,151	4,652,405
Net book value					
At 30 June 2015	317,233	4,421,911	187,409	271,334	5,197,887
At 30 June 2014	315,648	4,089,289	179,737	282,188	4,866,862

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 2015	2,149,463	215,008	2,364,471
At 30 June 2014	2,048,913	209,917	2,258,830
Depreciation charge for the year			
At 30 June 2015	205,350	51,994	257,344
At 30 June 2014	253,824	30,682	284,506

THE CARDBOARD BOX COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2015

8	Stocks and work in progress	2015 £	2014 £
	Raw materials and consumables	213,411	193,966
	Work in progress	17,518	15,275
	Finished goods and goods for resale	185,096	131,972
		<u>416,025</u>	<u>341,213</u>
9	Debtors	2015 £	2014 £
	Trade debtors	3,034,695	2,796,101
	Amounts owed by parent and fellow subsidiary undertakings	673,735	465,921
	Other debtors	140,400	20,000
	Prepayments and accrued income	357,532	342,192
		<u>4,206,362</u>	<u>3,624,214</u>
10	Creditors: amounts falling due within one year	2015 £	2014 £
	Bank loans and overdrafts	1,798,505	1,726,805
	Net obligations under hire purchase contracts	653,564	745,084
	Trade creditors	2,136,833	2,035,719
	Corporation tax	53,919	65,268
	Other taxes and social security costs	215,072	200,312
	Accruals and deferred income	315,542	263,075
		<u>5,173,435</u>	<u>5,036,263</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 2015

11 Creditors: amounts falling due after more than one year	2015 £	2014 £
Net obligations under hire purchase contracts	469,894	446,103
Net obligations under hire purchase contracts		
Repayable within one year	680,943	776,056
Repayable between one and five years	483,751	453,568
	1,164,694	1,229,624
Finance charges and interest allocated to future accounting periods	(41,236)	(38,437)
	1,123,458	1,191,187
Included in liabilities falling due within one year	(653,564)	(745,084)
	469,894	446,103

12 Provisions for liabilities

	Deferred tax liability £
Balance at 1 July 2014	445,348
Profit and loss account	75,447
Balance at 30 June 2015	520,795

The deferred tax liability is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	520,795	445,348

THE CARDBOARD BOX COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2015

13 Accruals and deferred income

	Government grants £
Balance at 1 July 2014	20,668
Grants received during the year	100,000
Amortisation in the year	(8,927)
Balance at 30 June 2015	<u>111,741</u>

14 Retirement Benefits

	2015 £	2014 £
Contributions payable by the company for the year	<u>50,308</u>	<u>26,586</u>

15 Share capital

	2015 £	2014 £
Allotted, called up and fully paid 100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

16 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 July 2014	2,942,154
Profit for the year	641,458
Balance at 30 June 2015	<u>3,583,612</u>

17 Reconciliation of movements in Shareholders' funds

	2015 £	2014 £
Profit for the financial year	641,458	576,214
Opening Shareholders' funds	<u>3,042,154</u>	<u>2,465,940</u>
Closing Shareholders' funds	<u>3,683,612</u>	<u>3,042,154</u>

THE CARDBOARD BOX COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2015

18 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 2015 was £481,922 (2014 - £307,044).

19 Financial commitments

At 30 June 2015 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 June 2016:

	Land and buildings		Other	
	2015	2014	2015	2014
	£	£	£	£
Operating leases which expire:				
Within one year	-	-	30,337	-
Between two and five years	28,000	-	3,951	42,336
	<u>28,000</u>	<u>-</u>	<u>34,288</u>	<u>42,336</u>

20 Directors' remuneration

	2015	2014
	£	£
Remuneration for qualifying services	246,788	226,542
Company pension contributions to defined contribution schemes	31,644	9,536
	<u>278,432</u>	<u>236,078</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2014 - 2).

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

Remuneration for qualifying services	118,115	119,951
Company pension contributions to defined contribution schemes	<u>27,771</u>	<u>6,076</u>

THE CARDBOARD BOX COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2015

21 Employees

Number of employees

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

	2015 Number	2014 Number
Production	42	37
Management & Administration	23	22
Transport	5	4
	<u>70</u>	<u>63</u>

Employment costs

	2015 £	2014 £
Wages and salaries	2,260,194	1,997,463
Other pension costs	50,308	26,586
	<u>2,310,502</u>	<u>2,024,049</u>

22 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.

23 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 £
Mrs J Devine - Director's loan	-	20,000	-	-	20,000	-
		<u>20,000</u>	<u>-</u>	<u>-</u>	<u>20,000</u>	<u>-</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.