

Integrated Packaging Limited

**Directors' report and financial
statements**

Registered number 1298663

31 May 2011

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 May 2011

Business review and principal activities

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

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

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

As shown in the company's profit and loss account on page 5, turnover has increased by nearly 14% over the prior year.

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

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

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

Subsequent events

Subsequent to the year end the majority shareholders of Benson Box Holdings Limited sold their interest in the Group to a new company Shoo 553 Limited. The Directors believe that this will enable the Group to continue its growth strategy through continued investment in capital expenditure and employees.

Principal risks and uncertainties

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

The company sells products into international markets, and it is therefore exposed to currency movements on such sales. However, these risks are not deemed to be material.

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

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

Environment

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

Directors' report *(continued)*

Employees

Details of the number of employees and related costs can be found in note 6 to the financial statements

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

Dividends

The directors do not propose the payment of a dividend

Directors

The following directors have held office during the year

AJ Benson (resigned 14 March 2011)

JW Benson (resigned 19 December 2011)

NJ Benson

M G Kerridge (appointed 19 December 2011)

D A Devenport (appointed 19 December 2011)

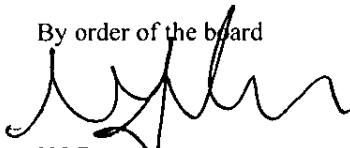
Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors is unaware and each director has taken all of the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors is aware of that information

Auditors

In accordance with Section 487 of the Companies Act 2006, a resolution for the re-appointment of KPMG LLP as auditors of the Company is to be proposed at the forthcoming Annual General Meeting

By order of the board



NJ Benson
Director

Interlink Park
Bardon Hill
Coalville
Leicestershire
LE67 1PE

9 February 2012

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the 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, they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



Independent auditors' report to the members of Integrated Packaging Limited

We have audited the financial statements of Integrated Packaging Limited for the year ended 31 May 2011 set out on pages 5 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 page 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion, the financial statements

- give a true and fair view of the state of the company's affairs as at 31 May 2011, and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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 of the information and explanations we require for our audit.

CN Parkin (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Waterloo Way
Leicester
LE1 6LP

9 February 2012

Profit and loss account
for the year ended 31 May 2011

	<i>Note</i>	2011 £000	2010 £000
Turnover	<i>1, 2</i>	44,091	38,776
Cost of sales		(30,656)	(26,629)
Gross profit		13,435	12,147
Distribution costs		(1,286)	(736)
Administrative expenses		(9,336)	(8,527)
Operating profit before depreciation and amortisation		4,902	4,889
Depreciation and amortisation		(2,089)	(2,005)
Total operating profit		2,813	2,884
Loss on disposal of fixed assets		(134)	-
Interest receivable	<i>3</i>	-	13
Interest payable and similar charges	<i>4</i>	(209)	(269)
Profit on ordinary activities before taxation	<i>5</i>	2,470	2,628
Tax on profit on ordinary activities	<i>8</i>	(591)	(715)
Profit for the financial year	<i>17</i>	1,879	1,913

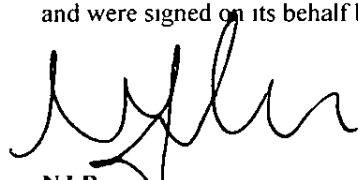
There were no recognised gains or losses in either the current or preceding year other than those disclosed in the profit and loss account, and therefore no separate statement of total recognised gains and losses has been presented

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

Balance sheet
as at 31 May 2011

	<i>Note</i>	2011	2010
		£000	£000
Fixed assets			
Intangible assets	<i>9</i>	200	278
Tangible assets	<i>10</i>	9,719	10,782
		<hr/>	<hr/>
		9,919	11,060
Current assets			
Stocks	<i>11</i>	7,054	4,157
Debtors	<i>12</i>	11,262	6,908
Cash at bank and in hand		390	423
		<hr/>	<hr/>
		18,706	11,488
Creditors amounts falling due within one year	<i>13</i>	(16,586)	(11,915)
		<hr/>	<hr/>
Net current assets/(liabilities)		2,120	(427)
		<hr/>	<hr/>
Total assets less current liabilities		12,039	10,633
Creditors amounts falling due after more than one year	<i>14</i>	(1,706)	(1,868)
Provisions for liabilities and charges	<i>15</i>	(1,164)	(1,475)
		<hr/>	<hr/>
Net assets		9,169	7,290
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	<i>16</i>	50	50
Profit and loss account	<i>17</i>	9,119	7,240
		<hr/>	<hr/>
Shareholders' funds	<i>18</i>	9,169	7,290
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 9 February 2012
and were signed on its behalf by


NJ Benson
Director

Companies House Number 1298663

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

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

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

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

Going concern

The company has generated significant profits in the year and are operating within the available facility The financial statements have therefore been prepared on a going concern basis

Fixed assets and depreciation

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

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

Goodwill

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

Government grants

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

Foreign currencies

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

Leases

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

Notes (continued)

1 Accounting policies (continued)

Post-retirement benefits

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

Stocks

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

Taxation

The charge or credit for taxation is based on the result for the year, and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen, but not reversed, by the balance sheet date, except as otherwise required by FRS 19.

Turnover

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

Dividends on shares presented within shareholders' funds

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

2 Segment analysis

All turnover originated in the United Kingdom, and relates to sales of printed packaging. Turnover split by destination is as follows:

	2011 £000	2010 £000
United Kingdom	43,187	38,035
Overseas	904	741
	<u>44,091</u>	<u>38,776</u>

3 Interest receivable

	2011 £000	2010 £000
Interest receivable	-	13
	<u>-</u>	<u>13</u>

4 Interest payable and similar charges

	2011 £000	2010 £000
Interest payable on bank borrowings	53	79
Finance charges under finance leases and hire purchase contracts	156	190
	<u>209</u>	<u>269</u>

Notes (continued)

5 Profit on ordinary activities before taxation

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

	2011 £000	2010 £000
Amortisation of government grants	(27)	(27)
Amortisation on intangible assets	78	78
Depreciation of tangible fixed assets		
– Owned	1,280	1,191
– Held under finance leases and hire purchase contracts	731	735
Operating lease rentals	445	430
Loss/(profit) on disposal of fixed assets	134	(34)
	<u> </u>	<u> </u>

Auditors' remuneration

	2011 £000	2010 £000
Audit of these financial statements	22	20
Other services relating to taxation	5	5
	<u> </u>	<u> </u>

6 Staff costs

Particulars of employees (including directors) are as shown below

	2011 £000	2010 £000
Employee costs during the year amounted to		
Wages and salaries	8,301	7,920
Social security costs	681	541
Other pension costs	106	96
	<u> </u>	<u> </u>
	9,088	8,557
	<u> </u>	<u> </u>

The average monthly number of persons employed by the company during the year was as follows

	2011 Number	2010 Number
Directors	-	-
Manufacturing	309	292
Sales and distribution	45	57
Administration	32	28
	<u> </u>	<u> </u>
	386	377
	<u> </u>	<u> </u>

The directors of the company were employed by Benson Box Company Limited

Notes (continued)

7 Directors' remuneration

Directors' remuneration was paid in respect of directors of the company as follows

	2011 £000	2010 £000
Emoluments	-	-

The directors of the company were paid by Benson Box Company Limited, a fellow subsidiary of Benson Box Holdings Limited

8 Tax on profit on ordinary activities

Analysis of tax charge in the year

	2011 £000	2010 £000
<i>UK corporation tax</i>		
Current tax on income for the year	904	796
Adjustments in respect of prior periods	(2)	(19)
Total current tax	902	777
<i>Deferred taxation (see note 15)</i>		
Origination of timing differences	(229)	(57)
Effect of decrease in tax rate	(90)	
Adjustments in respect of previous years	8	(62)
Total tax	591	715

Factors affecting the tax charge for the current year

The tax assessed for the period is different to that resulting from applying the standard rate of corporation tax in the UK. The differences are explained below

	2011 £000	2010 £000
Profit on ordinary activities before tax	2,470	2,628
Tax at 27.67% (2010: 28%)	683	736
Expenses not deductible for tax purposes	6	3
Capital allowances less than depreciation	228	57
Balancing charge on disposal of property	(9)	-
Tax rate lower than standard	(4)	-
Adjustments in respect of prior periods	(2)	(19)
Current tax charge for year	902	777

Notes (continued)

8 Taxation (continued)

Factors that may affect future tax charges

The 2011 Budget on 23 March 2011 announced that the UK corporation tax rate will reduce to 23% over a period of 4 years from 2011. The first reduction in the UK corporation tax rate from 28% to 27% (effective from 1 April 2011) was substantively enacted on 20 July 2010, and further reductions to 26% (effective from 1 April 2011) and 25% (effective from 1 April 2012) were substantively enacted on 29 March 2011 and 5 July 2011 respectively.

This will reduce the company's future current tax charge accordingly and further reduce the deferred tax liability at 31 May 2011 (which has been calculated based on the rate of 26% substantively enacted at the balance sheet date).

It has not yet been possible to quantify the full anticipated effect of the announced further 2% rate reduction, although this will further reduce the company's future current tax charge and reduce the company's deferred tax liability accordingly.

9 Intangible fixed assets

	Goodwill £000
Cost	
At 1 June 2010	388
Additions in year	-
	<hr/>
At 31 May 2011	388
	<hr/>
Accumulated depreciation	
At 1 June 2010	110
Charge for year	78
	<hr/>
At 31 May 2011	188
	<hr/>
Net book value	
At 31 May 2011	200
	<hr/> <hr/>
At 31 May 2010	278
	<hr/> <hr/>

Notes (continued)

10 Tangible fixed assets

	Leasehold property £000	Freehold property £000	Plant and machinery £000	Fixtures and fittings £000	Motor vehicles £000	Total £000
Cost						
At 1 June 2010	1 433	43	14,074	1,191	298	17,039
Additions	-	-	2,251	75	62	2,388
Disposals	(1,433)	-	(333)	-	(39)	(1,805)
At 31 May 2011	-	43	15,992	1,266	321	17 622
Accumulated depreciation						
At 1 June 2010	32	29	5,383	659	154	6 257
Charge for year	3	1	1,757	172	78	2,011
Eliminated on disposals	(35)	-	(291)	-	(39)	(365)
At 31 May 2011	-	30	6,849	831	193	7 903
Net book value						
At 31 May 2011	-	13	9,143	435	128	9,719
At 31 May 2010	1,401	14	8,691	532	144	10,782

Included in the net book value is £4,819,000 (2010 £4,412,000) in respect of assets held under finance lease, hire purchase and similar contracts

11 Stocks

	2011 £000	2010 £000
Raw materials	2,036	1,004
Work in progress	1,945	1,285
Finished goods and goods for resale	3,073	1,868
	<u>7,054</u>	<u>4,157</u>

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

12 Debtors

	2011 £000	2010 £000
<i>Amounts falling due within one year</i>		
Trade debtors	6,944	5,918
Amounts owed by group undertakings	3,451	563
Other debtors	39	-
Prepayments and accrued income	828	427
	<u>11,262</u>	<u>6,908</u>

Notes (continued)

13 Creditors: amounts falling due within one year

	2011 £000	2010 £000
Bank borrowings	3,144	2,412
Obligations under finance leases, hire purchase and similar contracts	850	967
Capital creditors	447	-
Trade creditors	8,482	6,340
Amounts owed to group undertakings	1,936	-
Corporation tax	27	469
Taxation and social security	1,111	830
Other creditors	159	518
Accruals and deferred income	430	379
	<u>16,586</u>	<u>11,915</u>

14 Creditors: amounts falling due after more than one year

	2011 £000	2010 £000
Obligations under finance leases and hire purchase contract	1,706	1,868

Analysis of debt

	2011 £000	2010 £000
<i>Debt can be analysed as falling due</i>		
In one year or less or on demand	3,994	3,379
Between one and two years	800	568
Between two and five years	906	1,178
Over five years	-	122
	<u>5,700</u>	<u>5,247</u>

The finance leases and hire purchase loans are secured on the assets to which they relate

The bank borrowings are secured by a fixed charge over the book debts and a floating charge over the assets of the company

Notes (continued)

15 Provisions for liabilities and charges

Deferred taxation

	2011 £000	2010 £000
At beginning of year	1,475	609
(Credit) to the profit and loss account	(311)	(62)
Transfer from PDG Limited	-	928
	<hr/>	<hr/>
At end of year	1,164	1,475
	<hr/>	<hr/>

The elements of deferred taxation are

	2011 £000	2010 £000
Capital allowances in advance of depreciation	1,164	547
Short term timing differences	-	928
	<hr/>	<hr/>
Total deferred tax	1,164	1,475
	<hr/>	<hr/>

16 Called up share capital

	2011 £000	2010 £000
Allotted, called up and fully paid 50,000 ordinary shares of £1 each	50	50
	<hr/>	<hr/>

17 Reserves

	Profit and loss account £000
At start of period	7 240
Profit for the year	1,879
	<hr/>
At end of period	9,119
	<hr/>

18 Reconciliation of movements in shareholders' funds

	2011 £000	2010 £000
Profit for the financial year	1,879	1,913
Reserves brought in from PDG Limited	-	1 766
	<hr/>	<hr/>
Net movement in shareholders' funds	1,879	3,679
Opening shareholders' funds	7,290	3,611
	<hr/>	<hr/>
Closing shareholders' funds	9,169	7 290
	<hr/>	<hr/>

Notes (continued)

19 Obligations under non-cancellable operating leases

Annual commitments under non-cancellable operating leases as follows

	2011		2010	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Operating leases which expire				
Within one year	-	-	-	-
In the second to fifth years inclusive	403	42	392	38
	<u>403</u>	<u>42</u>	<u>392</u>	<u>38</u>

20 Capital commitments

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

	2011 £000	2010 £000
Contracted	-	110

21 Contingent liability

The company has guaranteed the bank borrowings of other group companies, the total cross guarantee across the group amounted to £9,043,000 (2010 £10,424,000) at the end of the year

22 Related party disclosures

At the year end, Mr AJ Benson was the company's controlling party by virtue of his majority shareholding in the parent company

23 Ultimate parent company

The company is a subsidiary undertaking of Benson Box Holdings Limited, which is the ultimate parent company, incorporated in England and Wales

24 Post balance sheet event

Subsequent to the year end the majority shareholders of Benson Box Holdings Limited sold their interest in the Group to a new company Shoo 553 Limited. The Directors believe that this will enable the Group to continue its growth strategy through continued investment in capital expenditure and employees