Benson Box Holdings Limited

Directors' report and consolidated financial statements

Registered number 5400677

31 May 2008

Contents

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 May 2008.

Business review and principal activities

The company's principal activities are that of a holding company for operating companies involved in the manufacture and sale of cartons and patient information leaflets for the food and pharmaceutical 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.

All companies in the group invest in research and development activities appropriate to the nature and size of its operations with the aim of supporting the future development of that company, in the medium to long-term future.

As shown in the group profit and loss account on page five, the consolidated turnover has increased by 11% over the prior year based on a like for like basis and profit before tax has decreased by 4% on a like for like basis. The major factors resulting in the decrease in profit before tax were the dramatic rises in commodity prices in 2007/08 plus an increase in payroll costs. Distribution costs also increased due to raised export sales activity. The group acquired 100% of the share capital of Integrated Packaging Ltd in December 2007. The acquisition has been very successful, even allowing for the realignment of the acquired company's depreciation policy, and places the Group in a very strong position in the food packaging market.

The consolidated balance sheet on page six of the financial statements shows the group financial position at the year-end and is consistent with the prior year after allowing for the acquisition of Integrated Packaging Ltd in December 2007. There has been a reduction in the current asset / liability situation in the year as a result of the inclusion of the Integrated Packaging balance sheet and as a result of the method of financing the acquisition. The group is concentrating on the reduction of outstanding debtor balances and working capital management.

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.

Principal risks and uncertainties

Competitive pressure in the UK and Europe is a continuing risk for the group, which could result in it losing turnover. To manage this risk, the Group 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 group operating companies sell 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 group's businesses 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 operating businesses are financed by the use of loans which are generally variable rate loans. The business is therefore exposed to interest rate increases. In the opinion of the directors, this is not seen as a major risk to the business's ability to finance future operations.

Environment

Benson Box Holdings Limited recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to mitigate any adverse impact that might be caused by its, and the operating companies', activities. Initiatives aimed at minimising the Group's impact on the environment include safe disposal of manufacturing waste, recycling and reducing energy and materials consumption.

Directors' report *(continued)*

Employees *(continued)*

Details of the number of employees and related costs can be found in note 4 to the financial statements.

The Group has policies and practices to keep employees informed on matters relevant to them as employees through appropriate means, such as employee meetings and newsletters.

The directors wish to recognise and thank all employees for their outstanding effort and commitment to the company. Their continued support and dedication will be vital, at this time of rapid change, for the company and its industry.

The group has established systems for communicating information on its performance and other significant issues affecting the business.

The group's open management style encourages employees to contribute to the development of the business. When visiting the various company businesses, the directors meet informally with employees to discuss issues which affect the group.

The board remains committed to ensuring that the working environment within the group is one where differences in people are recognised and valued. Equality is the fundamental principle that determines how the group treats its employees and this is reflected in the group's employment policies.

The board understands its responsibilities to encourage and assist in the employment, training, personal and career development of disabled people. The group gives proper consideration to applications for employment when these are received from disabled people, and employs them whenever suitable vacancies arise.

Dividends

Dividends paid during the year comprise a final dividend on the ordinary shares of £180,000 in respect of the previous year ended 31 May 2007.

Directors

The directors, who held office during the year, were as follows:

AJ Benson
JW Benson
NJ Benson

Donations

The Group made no political contributions during the year. Donations to UK charities amounted to £180 (*2007: £165*).

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 are unaware; and each director has taken all 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 are aware of that information.

Auditors

KPMG LLP have been appointed auditors, and a resolution for their re-appointment is to be proposed at the forthcoming Annual General Meeting.

By order of the board

AJ Benson
Director
27 March 2009

Interlink Park
Bardon
Leicestershire
LE67 1PE

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).

The group and parent company financial statements are required by law to give a true and fair view of the state of affairs of the group and the parent company and of the profit or loss 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the parent company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

KPMG

KPMG LLP
1 Waterloo Way
Leicester
LE1 6LP
United Kingdom

Independent auditors' report to the members of Benson Box Holdings Limited

We have audited the group and parent company financial statements (the ''financial statements'') of Benson Box Holdings Limited for the year ended 31 May 2008 which comprise the Consolidated Profit and Loss Account, the Consolidated and Company Balance Sheets, the Consolidated Cash Flow Statement, the Consolidated Statement of Total Recognised Gains and Losses, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors

The directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 31 May 2008 and of the group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG LLP

Chartered Accountants
Registered Auditor

31st. March, 2009.

Consolidated profit and loss account
for the year ended 31 May 2008

	Note	2008 £000	2007 £000
Turnover – Continuing operating	*1*	**65,273**	58,884
– Acquisitions		**7,868**	-
		73,141	58,884
Cost of sales		**(58,397)**	(46,179)
Gross profit		**14,744**	12,705
Distribution costs		**(2,259)**	(1,965)
Administrative expenses		**(8,514)**	(6,732)
Operating profit		**3,971**	4,008
Interest receivable		**71**	7
Interest payable and similar charges	*5*	**(1,308)**	(1,255)
Profit on ordinary activities before taxation	*2*	**2,734**	2,760
Tax on profit on ordinary activities	*6*	**(396)**	(872)
Profit on ordinary activities after taxation	*17*	**2,338**	1,888

All the group's activities relate to continuing activities.

Note of historical cost profits and losses
for the year ended 31 May 2008

	2008 £000	2007 £000
Reported profit on ordinary activities before taxation	**2,734**	2,760
Difference between a historical cost depreciation charge and the actual depreciation charge calculated on the revalued amount	**13**	13
Historical cost profit on ordinary activities before taxation	**2,747**	2,773
Historical cost profit for the year retained after taxation and dividends	**2,171**	1,779

Consolidated balance sheet
at 31 May 2008

	Note	2008 £000	2008 £000	2007 £000	2007 £000
Fixed assets					
Intangible assets	*8*		**2,235**		1,235
Tangible assets	*9*		**28,806**		20,917
Investments	*10*		**3**		3
			31,044		22,155
Current assets					
Stocks	*11*	**6,961**		5,006	
Debtors	*12*	**14,433**		11,949	
Cash at bank and in hand		**153**		47	
		21,547		17,002	
Creditors: amounts falling due within one year	*13*	**(29,323)**		(20,586)	
Net current liabilities			**(7,776)**		(3,584)
Total assets less current liabilities			**23,268**		18,571
Creditors: amounts falling due after more than one year	*14*		**(9,747)**		(7,428)
Provisions for liabilities and charges	*15*		**(2,382)**		(2,162)
Net assets			**11,139**		8,981
Capital and reserves					
Called up share capital	*16*		**1**		1
Revaluation reserve	*17*		**551**		564
Profit and loss account	*17*		**10,587**		8,416
			11,139		8,981

These financial statements were approved by the board of directors on 27 MARCH 2009 and were signed on its behalf by:

AJ Benson
Director

Company balance sheet
at 31 May 2008

	Note	2008 £000	2008 £000	2007 £000	2007 £000
Fixed assets					
Tangible assets	*9*		6,729		6,828
Investments	*10*		12,685		8,773
			19,414		15,601
Current assets					
Debtors	*12*	-		149	
		-		149	
Creditors: amounts falling due within one year	*13*	(6,324)		(2,185)	
Net current liabilities			(6,324)		(2,036)
Total assets less current liabilities			13,090		13,565
Creditors: amounts falling due after more than one year	*14*		(12,866)		(13,430)
Provisions for liabilities and charges	*15*		(1)		(97)
Net assets			223		38
Capital and reserves					
Called up share capital	*16*		1		1
Profit and loss account	*17*		222		37
			223		38

These financial statements were approved by the board of directors on 27 MARCH 2009 and were signed on its behalf by:

AJ Benson
Director

Consolidated cash flow statement
for the year ended 31 May 2008

Reconciliation of operating profit with net cash inflow from operating activities

	2008 £000	2007 £000
Operating profit	**3,971**	4,008
Depreciation and amortisation charges	**3,426**	2,598
(Increase)/decrease in stocks	**(529)**	(401)
(Increase) in debtors	**2,681**	(875)
Increase/(decrease) in creditors	**(641)**	498
Profit on disposal of fixed assets	**(146)**	(47)
Amortisation of costs of arranging loans	**55**	57
Net cash inflow from operating activities	**8,817**	5,838

Cash flow statement

	Note	2008 £000	2007 £000
Cash inflow from operating activities		**8,817**	5,838
Returns on investments and servicing of finance	*21*	**(1,237)**	(1,248)
Capital expenditure and financial investment	*22*	**(1,286)**	(1,473)
Taxation paid		**(980)**	(455)
Acquisitions and disposals	*23*	**(4,581)**	-
Equity dividends paid		**(180)**	(122)
Cash inflow/(outflow) before financing		**553**	2,540
Financing	*24*	**(3,569)**	(2,263)
Increase/(decrease) in cash in the year		**(3,016)**	277

Reconciliation of net cash flow with movement in net debt

	Note	2008 £000	2007 £000
Increase/(decrease) in cash in the year		**(3,016)**	277
Cash outflow/(inflow) from movement in debt and lease financing		**3,569**	2,213
Change in net debt resulting from cash flows		**553**	2,490
New hire purchase contracts		**(4,353)**	(420)
Loans and finance leases acquired with subsidiary		**(2,562)**	-
Amortisation of costs of arranging loans		**(55)**	(57)
Movement in net debt in the year		**(6,417)**	2,013
Net debt at start of year		**(15,661)**	(17,674)
Net debt at end of year	*25*	**(22,078)**	(15,661)

Reconciliation of movements in shareholders' funds
for the year ended 31 May 2008

	Group 2008 £000	Company 2008 £000	Group 2007 £000	Company 2007 £000
Profit for the year	**2,338**	**365**	1,888	152
Dividends on shares classified in shareholders' funds	**(180)**	**(180)**	(122)	(122)
Retained profit	**2,158**	**185**	1,766	30
Opening shareholders' funds	**8,981**	**38**	7,215	8
Closing shareholders' funds	**11,139**	**223**	8,981	38

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 group'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, modified by the revaluation of freehold property.

Basis of consolidation

The consolidated financial statements include the financial statements of the company, and its subsidiary undertakings, made up to 31 May 2008.

Under Section 240 (4) of the Companies Act 1985, the company is exempt from the requirement to present its own profit and loss account.

The acquisition method of accounting has been adopted for acquisitions. Under this method, the results of subsidiary undertakings acquired in the year are included in the consolidated profit and loss account from the date of acquisition.

In the company's financial statements, investments in subsidiary undertakings are stated at cost.

Goodwill

Purchased goodwill (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired), arising on consolidation/business combinations, is capitalised, and is amortised to nil by equal annual instalments over its estimated useful life over periods of 3 to 10 years.

Fixed assets and depreciation

Depreciation is provided 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
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

No depreciation is provided on freehold land.

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.

Notes *(continued)*

1 Accounting policies *(continued)*

Classification of financial instruments issued by the company

Financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and

b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds, are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

Leases

Assets acquired 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.

Post-retirement benefits

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

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.

Cash and liquid resources

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand. Liquid resources are current asset investments which are disposable without curtailing or disrupting the business, and are either readily convertible into known amounts of cash at or close to their carrying values, or traded in an active market. Liquid resources comprise investments in money market managed funds.

Turnover

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

Notes *(continued)*

1 Accounting policies *(continued)*

Share based payments

The share option programme allows employees to acquire shares of the Company. The fair value of options granted after 7 November 2002 and those not yet vested as at the effective date of FRS 20 is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using an option pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where variations are due only to share prices not achieving the threshold for vesting.

For cash-settled share based payment transactions, the fair value of the amount payable to the employee is recognised as an expense with a corresponding increase in liabilities. The fair value is remeasured at grant date and spread over the period during which the employees become unconditionally entitled to payment. The fair value is initially measured at grant date and spread over the period during which the employees become unconditionally entitled to payment. The fair value is measured based on an option pricing model taking in to account the terms and conditions upon which the instruments were granted. The liability is revalued at each balance sheet date and settlement date with any changes to fair value being recognised in the profit and loss account.

Where the Company grants options over its own shares to the employees of its subsidiaries it recognises, in its individual financial statements, an increase in the cost of investment in its subsidiaries equivalent to the equity-settled share-based payment charge recognised in its consolidated financial statements with the corresponding credit being recognised directly in equity.

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 Profit on ordinary activities before taxation

	2008 £000	2007 £000
Profit on ordinary activities before taxation is stated after charging:		
Depreciation and other amounts written off tangible fixed assets (owned)	**1,883**	1,137
Depreciation of assets held under hire purchase and finance leases	**1,295**	1,143
Amortisation of goodwill	**248**	318
Hire of plant and machinery – rentals payable under operating leases	**220**	191
Hire of other assets – rentals paid under operating leases	**459**	293
And after crediting:		
Profit on sale of fixed assets	**146**	47
Amortisation of capital based government grants	**14**	-

Auditors' remuneration:

	2008 £000	2007 £000
Audit of these financial statements	**7**	6
Amounts receivable by auditors and their associates in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	**58**	43
Other services relating to taxation	**25**	36

Notes *(continued)*

2 Profit on ordinary activities before taxation *(continued)*

Amounts paid to the Company's auditor in respect of services to the Company, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis.

Analysis of turnover by geographical sector is as follows:

	2008	2007
	£000	£000
United Kingdom	**71,998**	58,505
Overseas	**1,143**	379
	73,141	58,884

3 Remuneration of directors

	2008	2007
	£000	£000
Directors' emoluments	**349**	203
Company contributions to money purchase pension schemes	**35**	30

All of the company's three directors are members of a money purchase pension scheme. No contributions were made in the year or in the previous year.

	2008	2007
	£000	£000
Highest paid director:		
Total remuneration excluding pension contributions	**144**	123

4 Staff numbers and costs

The average number of persons, including directors, employed by the company during the year, analysed by category, was as follows:

	Number of employees	
	2008	2007
Manufacturing	**730**	513
Sales and distribution	**57**	24
Administration	**100**	69
	887	606

The aggregate payroll costs of these persons were as follows:	**2008**	2007
	£000	£000
Wages and salaries	**19,681**	16,368
Social security costs	**1,941**	1,543
Other pension costs	**365**	290
	21,987	18,201

Notes *(continued)*

5 Interest payable and similar charges

	2008 £000	2007 £000
On bank loans and overdrafts	**818**	909
On loan from pension fund	**58**	58
Finance charges payable in respect of finance leases and hire purchase contracts	**417**	273
Finance costs on shares classified as liabilities	**15**	15
	1,308	1,255

6 Taxation

Analysis of charge in period

	2008 £000	2008 £000	2007 £000	2007 £000
UK corporation tax				
Current tax on income for the year	**645**		920	
Adjustments in respect of prior years	**(4)**		(11)	
Current tax on income for the period		**641**		909
Deferred taxation (see note 15)				
(Credit)/charge for the current year	**(245)**		(7)	
Adjustments relating to prior years	**-**	**(245)**	(30)	(37)
		396		872

Factors affecting the tax charge for the current period

The current tax charge for the period is lower *(2007:higher)* than the standard rate of corporation tax in the UK. The differences are explained below.

	2008 £000	2007 £000
Current tax reconciliation		
Profit on ordinary activities before tax	**2,734**	2,760
Current tax at 29.6% *(2007: 30%)*	**811**	828
Expenses not deductible for tax purposes	**75**	85
Capital allowances for year (in excess of)/less than depreciation	**(68)**	(33)
Short term timing differences	**(25)**	40
Tax losses utilised	**(148)**	-
Adjustments to tax charge in respect of previous years	**(4)**	(11)
Total current tax charge	**641**	909

Notes *(continued)*

7 Dividends

The aggregate amount of dividends comprises:

	2008	2007
	£000	£000
Final dividends paid in respect of prior year but not recognised as liabilities in that year	**180**	122

8 Intangible fixed assets

Group	**Goodwill**
	£000
Cost	
At beginning of year	1,909
Additions	1,248
At end of year	3,157
Amortisation	
At beginning of year	674
Charged in year	248
At end of year	922
Net book value	
At 31 May 2008	**2,235**
At 31 May 2007	1,235

During the year, the group carried out a detailed review of the depreciation policies applied to the tangible fixed assets and to bring all of the groups' subsidiaries into line.

The additions for the year relates to the acquisition of Integrated Packaging Limited.

	£000
Net assets acquired:	
Fixed assets	5,282
Stock	1,426
Debtors	5,128
Bank overdrafts	(669)
Creditors	(5,476)
Finance lease liabilities	(2,562)
Deferred taxation	(465)
	2,664
Goodwill	1,248
	3,912
Satisfied by:	
Cash	3,912

Notes *(continued)*

8 Intangible fixed assets *(continued)*

The company was acquired in December 2007. During the period between acquisition and 31 May 2008, the company had a turnover of £7,868,000 and operating profit of £97,000 which is included within the group results.

In the period from 1 March 2007 up to the acquisition, the company had turnover of £14,646,000 and a profit before tax of £489,000.

9 Tangible fixed assets

	Freehold land and buildings £000	Long leasehold buildings £000	Plant, machinery and equipment £000	Total £000
Group				
Cost or valuation				
At beginning of year	6,958	2,000	35,191	44,149
Additions	31	19	5,903	5,953
On acquisition	43	-	8,857	8,900
Disposals	-	-	(1,628)	(1,628)
At end of year	7,032	2,019	48,323	57,374
Depreciation				
At beginning of year	130	243	22,859	23,232
Charge for year	130	54	2,994	3,178
On acquisitions (note 8)	24	-	3,594	3,618
Eliminated on disposals	-	-	(1,460)	(1,460)
At end of year	284	297	27,987	28,568
Net book value				
At 31 May 2008	**6,748**	**1,722**	**20,336**	**28,806**
At 31 May 2007	6,828	1,757	12,332	20,917

Included in the net book value of plant, machinery and equipment is £8,427,000 *(2007: £6,941,000)*, in respect of assets held under finance lease, hire purchase and similar contracts.

The freehold land and buildings were professionally valued by Lambert Smith Hampton, Chartered Surveyors at £6,875,000 in September 2005, on the basis of market value with vacant possession. Subsequent additions and acquisitions of £157,000 are stated at cost.

If the group sold its freehold land and buildings at the revalued amount, the tax liability would be approximately £68,000 *(2007: £235,000)*.

Notes *(continued)*

9 Tangible fixed assets *(continued)*

	Freehold land and buildings £000
Company	
Cost	
At beginning of year	6,958
Additions	31
At end of year	6,989
Depreciation	
At beginning of year	130
Charge for year	130
At end of period	260
Net book value	
At 31 May 2008	**6,729**
At 31 May 2007	6,828

10 Fixed asset investments

	Debentures £000	Other investments £000	Total £000
Group			
Cost			
At beginning and end of year	3	8	11
Provisions			
At beginning and end of year	-	8	8
Net book value			
At 31 May 2008	**3**	**-**	**3**
At 31 May 2007	3	-	3

Other investments represent 25% of the allotted ordinary share capital of Nubox Limited. The investment is not treated as a participating interest because it is not considered that the company exercises a significant influence over Nubox Limited, by virtue of its shareholding. During the year ended 31 July 2008, Nubox Limited made a profit after tax of £17,174, and the aggregate of share capital and reserves was £35,623 at that date. Full provision has been made against the investment.

Notes *(continued)*

10 Fixed asset investments *(continued)*

	Shares in group undertakings £000
Company	
Cost	
At beginning of year	8,773
Additions	3,912
At end of year	12,685

Benson Box Holdings Limited has the following investments in subsidiary undertakings, all of which are wholly owned and incorporated in England:

Subsidiary undertakings	Principal activity	
The Benson Box Company Limited	Packaging	
Medica Packaging Limited	Packaging	
Print Design & Graphics Limited	Packaging	
Integrated Packaging Limited	Packaging	
Lembrite Limited	Non-trading	*
Parabrook Limited	Non-trading	*

* = held through indirect holdings

11 Stocks

	Group 2008 £000	Group 2007 £000
Raw materials and consumables	**1,604**	1,229
Work in progress	**1,685**	907
Finished goods and goods for resale	**3,672**	2,870
	6,961	5,006

12 Debtors

	Group 2008 £000	Company 2008 £000	Group 2007 £000	Company 2007 £000
Trade debtors	**13,296**	-	11,143	-
Other debtors	**625**	-	156	-
Amounts owed by group undertakings	-	-	-	149
Prepayments and accrued income	**512**	-	650	-
	14,433	-	11,949	149

Notes *(continued)*

13 Creditors: amounts falling due within one year

	Group 2008 £000	Company 2008 £000	Group 2007 £000	Company 2007 £000
Bank loan and overdrafts	9,802	593	6,680	593
Trade creditors	11,341	-	8,095	-
Obligations under finance leases, hire purchase and similar contracts	2,632	-	1,600	-
Amounts owed to group undertakings	-	5,702	-	1,571
Corporation tax	541	-	645	-
Other taxation and social security	1,641	-	1,341	-
Other creditors	520	-	516	-
Accruals and deferred income	2,781	14	1,644	6
Loan from retirement benefit scheme	50	-	50	-
Dividends payable on preference shares classified as liabilities	15	15	15	15
	29,323	6,324	20,586	2,185

The bank loan of £593,000 *(2007: £593,000)* is repayable over 10 years from 1 June 2007, and bears interest at 1.5% over base rate.

The bank loan and overdrafts are secured by fixed charges over certain properties and the book debts of the group, and a floating charge over the assets of the group.

Included in other creditors are loans from two directors amounting to £3,209 *(2007: £80,000)*. The loan is interest free and repayable on demand.

14 Creditors: amounts falling due after more than one year

	Group 2008 £000	Company 2008 £000	Group 2007 £000	Company 2007 £000
Loan from retirement benefit scheme	580	-	630	-
Bank loan	4,177	4,177	4,772	4,772
Obligations under finance lease, hire purchase and similar contracts	4,990	-	1,976	-
Amounts owed to group undertakings	-	8,689	-	8,658
Other creditors	-	-	50	-
	9,747	12,866	7,428	13,430

The bank loan bears interest at 1.5% over base rate and is repayable over 10 years from June 2007.

Notes *(continued)*

14 Creditors: amounts falling due after more than one year *(continued)*

Analysis of debt

Debt can be analysed as falling due:	**Group 2008 £000**	**Company 2008 £000**	Group 2007 £000	Company 2007 £000
In one year or less, or on demand	**12,484**	**593**	8,330	593
Between one and two years	**3,354**	**593**	2,429	593
Between two and five years	**4,588**	**1,779**	2,549	1,779
In more than five years	**1,805**	**1,805**	2,400	2,400
	22,231	**4,770**	15,708	5,365

The company has guaranteed the bank borrowings of other group companies, which amounted to £9,209,000 *(2007: £6,087,000)* at the end of the year.

15 Provisions for liabilities and charges

	Group 2008 £000	**Company 2008 £000**	Group 2007 £000	Company 2007 £000
Deferred taxation				
At beginning of year	**2,162**	**97**	2,291	113
On acquisition (note 8)	**465**	**-**	(92)	-
(Credit)/charge for the year	**(245)**	**(96)**	(37)	(16)
At end of year	**2,382**	**1**	2,162	97

The elements of deferred taxation are as follows:

	Group 2008 £000	**Company 2008 £000**	Group 2007 £000	Company 2007 £000
Difference between accumulated depreciation and capital allowances	**2,683**	**1**	2,649	97
Other timing differences	**(105)**	**-**	(117)	-
Losses carried forward	**(196)**	**-**	(370)	-
	2,382	**1**	2,162	97

Notes (continued)

16 Called up share capital

	2008 £	2007 £
Authorised		
Equity: 135,000 ordinary shares of 1p each	**1,350**	1,350
15,000 preferred ordinary shares of 1p each	**150**	150
	1,500	1,500
Allotted, called up and fully paid		
Equity: 122,500 ordinary shares of 1p each	**1,225**	1,225
15,000 preferred ordinary shares of 1p each	**150**	150
	1,375	1,375
Shares classified as liabilities	**150**	150
Shares classified in shareholders' funds	**1,225**	1,225
	1,375	1,375

The preferred ordinary shares rank *pari passu* with the ordinary shares except that they carry the right to receive a dividend each year of £1 per share.

17 Reserves

	Group revaluation reserve £000	Group profit and loss account £000	Company profit and loss account £000
At beginning of year	564	8,416	37
Profit for the year	-	2,338	365
Dividends	-	(180)	(180)
Transfers	(13)	13	-
At end of year	**551**	**10,587**	**222**

18 Commitments

Capital commitments at the end of the financial year, for which no provision has been made, are as follows:

	Group 2008 £	2007 £
Contracted	**113**	1,670

Notes *(continued)*

19 Operating lease commitments

	Group			
	2008	**2008**	2007	2007
	Land & Buildings	**Other**	Land & Buildings	Other
	£000	**£000**		£000
Leases which expire:				
- within one year	**33**	**-**	-	2
- within one to five years	**260**	**-**	-	8
- over five years	**525**	**-**	426	22

20 Pension scheme

The group operates defined contribution pension schemes. The charge for the year represents contributions payable by the group, and amounted to £365,000 *(2007: £290,000)*.

21 Returns on investments and servicing of finance

	2008	2007
	£000	£000
Interest received	**(71)**	-
Interest paid	**818**	903
Interest on pension fund loan	**58**	57
Dividends paid on shares classified as liabilities	**15**	15
Interest element of finance lease payments	**417**	273
	1,237	1,248

22 Capital expenditure and financial investment

	2008	2007
	£000	£000
Purchase of tangible fixed assets	**(1,600)**	(1,712)
Sales of tangible fixed assets	**314**	239
	1,286	(1,473)

23 Acquisitions and disposals

	2008	2007
	£000	£000
Purchase of subsidiary undertakings	**3,912**	-
Net overdrafts acquired with subsidiary	**669**	-
	4,581	-

Notes *(continued)*

24 Financing

	2008 £000	2007 £000
Capital element of hire purchase repayments	**(2,869)**	(1,513)
Bank loan repayments	**(650)**	(650)
Pension fund loan repayments	**(50)**	(50)
Purchase of own shares	**-**	(50)
	(3,569)	(2,263)

25 Analysis of net debt

	At beginning of year £000	Cash flow £000	Acquisition (excluding cash and overdrafts) £000	Other non cash changes £000	At end of year £000
Cash at bank and in hand	47	106	-	-	**153**
Overdrafts	(6,087)	(3,122)	-	-	**(9,209)**
Overdrafts	(6,040)	(3,016)	-	-	**(9,056)**
Debt due after one year	(5,402)	700	-	(55)	**(4,757)**
Debt due within one year	(643)	-	-	-	**(643)**
Hire purchase contracts	(3,576)	2,869	(2,562)	(4,353)	**(7,622)**
Total	(15,661)	553	(2,562)	(4,408)	**(22,078)**

26 Related party disclosures

Mr AJ Benson is the company's controlling party, by virtue of his majority shareholding.

During the year to 31 May 2003, a loan of £4,000 was advanced to an officer of The Benson Box Company Limited Limited. The amount outstanding at the end of the year was £8,000 *(2007: £28,000).*

During the year a loan of £147,000 was advanced to Mr N Benson, a director of he group. The amount outstanding at the end of the year amounted to £147,000 (2007: nil).

The group has a loan of £630,000 *(2007: £680,000)* from the retirement benefit scheme, of which AJ Benson, JW Benson and NJ Benson, directors of this company, are trustees. The loan bears interest at 3% over bank base rate.

Notes *(continued)*

27 Employee share schemes

Share based payments (Group)

The terms and conditions of grants are as follows, whereby all options are settled by physical delivery of shares:

Grant date	Number of instruments	Vesting conditions	Contractual life of options
23 December 2006	7,236	The earlier of the change of control, listing date or 23 December 2006	23 December 2015
25 May 2007	2,894	The earlier of the change of control, listing date or predefined performance conditions	May 2016

The number and weighted average exercise prices of share options in are as follows:

	2008 Weighted average exercise price £	**2008 Number of options £000**	2007 Weighted average exercise price £	2007 Number of options £000
Outstanding at the beginning of the period	**5.88**	**10**	5.88	10
Granted during the period	-	-	-	-
Outstanding at the end of the period	**5.88**	**10**	5.88	10
Exercisable at the end of the period	**0. 01**	**7**	0. 01	7

No share options were exercised during the period.

The options outstanding at the year end have an exercise price in the range of £0.01 to £20.55 and a weighted average contractual life of 10 years.

No share options were granted during the period.