

**Benson Box Holdings Limited**

**Directors' report and consolidated  
financial statements**

**Registered number 5400677**

**31 May 2012**

WEDNESDAY



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## **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 31 May 2012

### **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 5, the consolidated turnover has increased by 3% over the prior year based on a like for like basis. This reflects the continued success in the food division of the group. The medical division generated a loss for the year, however the Directors are confident of turning this into a profit in 2013.

The consolidated balance sheet on page 6 of the financial statements shows the group financial position at the year-end. There has been an improvement in the current asset / liability situation in the year as a result of increased focus on working capital management.

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. Details of the performance of the three trading businesses can be seen in the individual financial statements.

### **Change in ownership**

In December 2011, Shoo 553 Limited purchased the entire share capital of Benson Box Holdings Limited and gained control of the company and its subsidiary undertakings. More details about the acquisition are included in the financial statements of Shoo 553 Limited.

### **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, with regular capital expenditure in state of the art equipment, 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 given that the majority of trade is within the UK.

The group's businesses are most affected by fluctuations in the price and supply of key raw materials, although purchasing policies and practices seek to mitigate, where practicable, such risks, through improved supplier management and by obtaining improved credit positions with key suppliers. This has resulted in the group ending the financial year in a stronger position than many of our competitors.

### **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. The company has developed a corporate social responsibility programme and is working with customers and suppliers on ways of protecting the environment, through design and innovation of new products that have an environmental benefit.

### **Employees**

Details of the number of employees and related costs can be found in note 3 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.

## **Directors' report** *(continued)*

### **Employees** *(continued)*

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**

The directors do not recommend the payment of a dividend (2011 £nil)

### **Directors**

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

AJ Benson	(appointed non-executive director on 5 April 2011 and resigned as a non-executive director on 19 December 2011)
JW Benson	(resigned 19 December 2011)
NJ Benson	
MG Kerridge	(appointed 19 December 2011)
DA Devenport	(appointed 19 December 2011)

### **Donations**

The Group made political contributions during the year of £nil (2011 £5,000). Donations to UK charities amounted to £nil (2011 £nil).

### **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**

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

*MG Kerridge*

**MG Kerridge**  
Director

Interlink Park  
Bardon  
Leicestershire  
LE67 1PE

Dated 12 October 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 group and parent company 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 group and parent company and of their profit or loss for that period. In preparing each of the group and parent company 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 adequate accounting records that are sufficient to show and explain the parent company's transactions and 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 2006. They have 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.

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 Benson Box Holdings Limited**

We have audited the financial statements of Benson Box Holdings Limited for the year ended 31 May 2012 set out on pages 5 to 22. 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](http://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 group's and the parent company's affairs as at 31 May 2012 and of the group's 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

Dated 12 October 2012

**Consolidated profit and loss account**  
*for the year ended 31 May 2012*

	<i>Note</i>	<b>2012</b> <b>£000</b>	<b>2011</b> <b>£000</b>
Turnover	1, 4	111,327	108,203
Cost of sales		<u>(78,054)</u>	<u>(75,915)</u>
<b>Gross profit</b>		<b>33,273</b>	<b>32,288</b>
Distribution costs		<u>(3,670)</u>	<u>(3,779)</u>
Administrative expenses		<u>(24,446)</u>	<u>(23,995)</u>
Operating profit before depreciation, amortisation and non-recurring items		<b>11,232</b>	<b>9,555</b>
Depreciation and amortisation		<u>(4,914)</u>	<u>(4,458)</u>
Non-recurring items	6	<u>(1,161)</u>	<u>(583)</u>
<b>Total operating profit</b>		<b>5,157</b>	<b>4,514</b>
Profit/(loss) on disposal of fixed assets		<b>158</b>	<b>(753)</b>
Interest payable and similar charges - other		<u>(686)</u>	<u>(571)</u>
- exceptional costs		<u>(407)</u>	<u>(720)</u>
Total interest payable and similar charges	5	<u>(1,093)</u>	<u>(1,291)</u>
<b>Profit on ordinary activities before taxation</b>	6	<b>4,222</b>	<b>2,470</b>
Tax on profit on ordinary activities	7	<u>(1,156)</u>	<u>(868)</u>
<b>Profit on ordinary activities after taxation</b>	18	<b>3,066</b>	<b>1,602</b>

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

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

**Note of historical cost profits and losses**  
*for the year ended 31 May 2012*

	<b>2012</b> <b>£000</b>	<b>2011</b> <b>£000</b>
<b>Reported profit on ordinary activities before taxation</b>	<b>4,222</b>	<b>2,470</b>
Realisation of property revaluation gains of prior years	<u>-</u>	<u>525</u>
<b>Historical cost profit on ordinary activities before taxation</b>	<b>4,222</b>	<b>2,995</b>
<b>Historical cost profit for the year retained after taxation and dividends</b>	<b>3,066</b>	<b>2,127</b>

**Consolidated balance sheet**  
at 31 May 2012

	Note	2012 £000	2011 £000
<b>Fixed assets</b>			
Intangible assets	9	976	1,701
Tangible assets	10	18,469	20,340
Investments	11	3	3
		<u>19,448</u>	<u>22,044</u>
<b>Current assets</b>			
Stocks	12	11,949	14,184
Debtors	13	19,304	22,466
Cash at bank and in hand		8,781	812
		<u>40,034</u>	<u>37,462</u>
<b>Creditors: amounts falling due within one year</b>	14	<u>(38,333)</u>	<u>(37,700)</u>
<b>Net current assets / (liabilities)</b>		<u>1,701</u>	<u>(238)</u>
<b>Total assets less current liabilities</b>		<u>21,149</u>	<u>21,806</u>
<b>Creditors: amounts falling due after more than one year</b>	15	-	(3,427)
<b>Provisions for liabilities and charges</b>	16	<u>(1,818)</u>	<u>(2,114)</u>
<b>Net assets</b>		<u><u>19,331</u></u>	<u><u>16,265</u></u>
<b>Capital and reserves</b>			
Called up share capital	17	1	1
Share premium reserve	18	102	102
Profit and loss account	18	19,228	16,162
<b>Shareholders' funds</b>		<u><u>19,331</u></u>	<u><u>16,265</u></u>

These financial statements were approved by the board of directors on 12 October 2012 and were signed on its behalf by

*MG Kerridge*

**MG Kerridge**  
Director

Companies House Number 5400677



**Company balance sheet**  
*at 31 May 2012*

	Note	2012	2011
		£000	£000
<b>Fixed assets</b>			
Intangible assets	9	-	35
Tangible assets	10	-	-
Investments	11	12,659	12,659
		<u>12,659</u>	<u>12,694</u>
<b>Current assets</b>			
Debtors	13	4	2,555
Creditors: amounts falling due within one year	14	(12,119)	(769)
<b>Net current (liabilities)/ assets</b>		<u>(12,115)</u>	<u>1,786</u>
<b>Total assets less current liabilities</b>		<u>544</u>	<u>14,480</u>
Creditors: amounts falling due after more than one year	15	-	(14,229)
Provisions for liabilities and charges	16	-	-
<b>Net assets</b>		<u><u>544</u></u>	<u><u>251</u></u>
<b>Capital and reserves</b>			
Called up share capital	17	1	1
Share premium account	18	102	102
Profit and loss account	18	441	148
<b>Shareholders' funds</b>		<u><u>544</u></u>	<u><u>251</u></u>

These financial statements were approved by the board of directors on 12 October 2012 and were signed on its behalf by

*MG Kerridge*

**MG Kerridge**  
Director

Companies House Number. 5400677

**Consolidated cash flow statement**  
*for the year ended 31 May 2012*

		<b>2012</b> <b>£000</b>	<b>2011</b> <b>£000</b>
Cash inflow from operating activities	22	13,189	6,027
Returns on investments and servicing of finance	23	(1,108)	(971)
Capital expenditure and financial investment	24	(2,160)	2,647
Taxation paid		(2,709)	(953)
Cash inflow before financing		<u>7,212</u>	<u>6,750</u>
Financing	25	757	(6,516)
Increase in cash in the year		<u><u>7,969</u></u>	<u><u>234</u></u>

**Reconciliation of net cash flow with movement in net debt**  
*for the year ended 31 May 2012*

		<b>2012</b> <b>£000</b>	<b>2011</b> <b>£000</b>
Increase in cash in the year		7,969	234
Cash flow from movement in debt and lease financing		(757)	6,516
Change in net debt resulting from cash flows		<u>7,212</u>	<u>6,750</u>
Non cash movements – new finance leases		-	(1,245)
Arrangement fees written off in the year		-	(320)
Movement in net debt in the year		<u>7,212</u>	<u>5,185</u>
Net debt at start of year		<u>(14,446)</u>	<u>(19,631)</u>
Net debt at end of year	26	<u><u>(7,234)</u></u>	<u><u>(14,446)</u></u>

**Reconciliation of movements in shareholders' funds**  
*for the year ended 31 May 2012*

	Group 2012 £000	Company 2012 £000	Group 2011 £000	Company 2011 £000
<b>Profit for the year</b>	<b>3,066</b>	<b>293</b>	<b>1,602</b>	<b>122</b>
Net movement in shareholders' funds	3,066	293	1,602	122
Opening shareholders' funds	16,265	251	14,663	129
<b>Closing shareholders' funds</b>	<b>19,331</b>	<b>544</b>	<b>16,265</b>	<b>251</b>

## **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 2012

Under Section 408 of the Companies Act 2006, the company is exempt from the requirement to present its own profit and loss account

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

#### ***Going concern***

The group is profitable and cash generative with significant net assets. The company has net current liabilities due to amounts owed to the parent company. The company has the support of its parent undertaking which has confirmed it will not seek repayment of amounts owed within the next twelve months. The financial statements have therefore been prepared on a going concern basis.

#### ***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.

#### ***Intangible fixed assets and amortisation***

Intangible fixed assets purchased separately from a business are capitalised at their cost.

Development costs for new products, including associated patent costs, are amortised to nil by equal annual instalments over their useful economic lives, commencing as these products enter commercial production. Generally, their useful economic lives are deemed to be 3 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.

## Notes (continued)

### 1 Accounting policies (continued)

#### *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.

#### *Interest bearing borrowings*

Immediately after issue, debt is stated at the fair value of the consideration received on the issue of the capital instrument after deduction of issue costs. The finance cost of the debt is allocated to periods over the term of the debt at a constant rate on the carrying amount.

#### *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.

## Notes (continued)

### 1 Accounting policies (continued)

#### *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.

#### *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 Remuneration of directors

	2012 £000	2011 £000
Directors' emoluments	73	282
Company contributions to money purchase pension schemes	110	125
	<u>183</u>	<u>407</u>

All of the company's three directors (2011 three) are members of a money purchase pension scheme. Following the acquisition of Benson Box Holdings Limited by Shoo 553 Limited in December 2012 the directors were all remunerated by the parent company.

	2012 £000	2011 £000
<i>The amounts paid in respect of the highest paid director are as follows</i>		
Directors' emoluments	-	165
Company contributions to money purchase pension scheme	90	-
	<u>90</u>	<u>165</u>

### 3 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 2012	2011
Manufacturing	661	703
Sales and distribution	162	139
Administration	88	92
	<u>911</u>	<u>934</u>

*The aggregate payroll costs of these persons were as follows*

	£000	£000
Wages and salaries	23,363	24,949
Social security costs	2,170	2,370
Other pension costs	457	539
	<u>25,990</u>	<u>27,858</u>

## Notes (continued)

### 4 Turnover

Analysis of turnover by geographical sector is as follows

	2012 £000	2011 £000
United Kingdom	109,205	104,456
Overseas	2,122	3,747
	<u>111,327</u>	<u>108,203</u>

### 5 Interest payable and similar charges

	2012 £000	2011 £000
On bank loans and overdrafts	205	265
On balances payable to parent undertaking	373	-
On loan from pension fund	11	22
Finance charges payable in respect of finance leases and hire purchase contracts	97	269
Finance costs on shares classified as liabilities	-	15
Exceptional items	407	720
	<u>1,093</u>	<u>1,291</u>

Exceptional finance costs of £407,000 were incurred following early settlement of the hire purchase contracts in December 2011

Exceptional finance costs of £720,000 were incurred in the prior year. The amount comprised £400,000 of costs to terminate the bank loan on early repayment and £320,000 relating to the write off of arrangement fees following repayment of the loan.

### 6 Profit on ordinary activities before taxation

	2012 £000	2011 £000
<i>Profit on ordinary activities before taxation is stated after charging/(crediting).</i>		
Depreciation and other amounts written off tangible fixed assets (owned)	3,301	2,635
Depreciation of assets held under hire purchase and finance leases	923	1,442
Impairment of goodwill	350	-
Amortisation of goodwill	340	366
Amortisation of product development costs	-	15
Operating leases rentals	1,536	1,723
(Profit)/loss on sale of fixed assets	(158)	753

Non-recurring costs of £1,161,000 were incurred in the year, £260,000 of professional fees were incurred in respect of the acquisition of the Group by Shoo 553 Limited in the year, £558,000 relates to restructuring costs in Medica Packaging largely for redundancy costs with a further £28,000 of redundancy costs incurred in Integrated Packaging. The remaining £315,000 relates to utilities costs dating back to 2009 that were identified in the year.

Non-recurring costs of £583,000 were incurred in the prior year, £244,000 related to redundancy costs in Medica Packaging Limited, £158,000 professional fees relating to the sale of the Bardon and Newburn properties in the prior year and £181,000 professional fees incurred to advise on the sale of the business.

## Notes (continued)

### 6 Profit on ordinary activities before taxation (continued)

#### Auditors' remuneration

	2012 £000	2011 £000
Audit of these financial statements	3	5
Amounts receivable by auditors and their associates in respect of		
Audit of financial statements of subsidiaries pursuant to legislation	52	51
Other services relating to taxation	15	18
	<u>          </u>	<u>          </u>

### 7 Taxation

#### Analysis of charge in period

	2012 £000	2011 £000
<i>UK corporation tax</i>		
Current tax on income for the year	1,664	1,295
Adjustments in respect of prior years	(42)	(18)
	<u>          </u>	<u>          </u>
Current tax on income for the period	1,622	1,277
<i>Deferred taxation (see note 16)</i>		
Credit for the current year	(309)	(241)
Effect of decrease in tax rate	(157)	(180)
Adjustments in respect of prior years	-	12
	<u>          </u>	<u>          </u>
Total tax charge	<u>1,156</u>	<u>868</u>

#### Factors affecting the tax charge for the current period

The current tax charge for the period is higher (2011 higher) than the standard rate of corporation tax in the UK  
The differences are explained below

	2012 £000	2011 £000
<i>Current tax reconciliation</i>		
Profit on ordinary activities before tax	4,222	2,470
	<u>          </u>	<u>          </u>
Current tax at 25.67% (2011 27.67%)	1,084	683
Expenses not deductible for tax purposes	262	160
Capital allowances for year less than depreciation	301	280
Short term timing differences	20	(23)
Tax rate lower than standard rate	(3)	(4)
Ineligible loss on disposal of fixed assets	-	199
Adjustments in respect of previous years	(42)	(18)
	<u>          </u>	<u>          </u>
Total current tax charge	<u>1,622</u>	<u>1,277</u>



## Notes (continued)

### 7 Taxation (continued)

#### *Factors that may affect future tax charges*

The 2012 Budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014. A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively.

This will reduce the company's future current tax charge accordingly and further reduce the deferred tax liability at 31 May 2012 by £137,000 (which has been calculated based on the rate of 24% substantively enacted at the balance sheet date).

### 8 Dividends

The aggregate amount of dividends comprises

	2012 £000	2011 £000
Final dividends paid in respect of prior year but not recognised as liabilities in that year	-	-

### 9 Intangible fixed assets

Group	Goodwill £000	Product development costs £000	Total £000
<i>Cost</i>			
At beginning of year	3,617	50	3,667
Disposal	-	(50)	(50)
At end of year	3,617	-	3,617
<i>Accumulated amortisation</i>			
At beginning of year	1,951	15	1,966
Impairment charge	350	-	350
Charged in year	340	-	340
Disposal	-	(15)	(15)
At end of year	2,641	-	2,641
<i>Net book value</i>			
At 31 May 2012	976	-	976
At 31 May 2011	1,666	35	1,701

Goodwill held in relation to the acquisition of Medica Packaging Limited has been impaired during the year as the directors considered the carrying value of this goodwill was not supported by recent performance of the business.

## Notes (continued)

### 9 Intangible fixed assets (continued)

Company	Product development costs £000
<i>Cost</i>	
At beginning of year	50
Disposal	(50)
	<hr/>
At end of year	-
	<hr/>
<i>Amortisation</i>	
At beginning of year	15
Disposal	(15)
	<hr/>
At end of year	-
	<hr/>
<i>Net book value</i>	
At 31 May 2012	-
	<hr/>
At 31 May 2011	35
	<hr/>

### 10 Tangible fixed assets

Group	Long leasehold buildings £000	Plant, machinery and equipment £000	Total £000
<i>Cost or valuation</i>			
At beginning of year	728	55,618	56,346
Additions	30	2,454	2,484
Disposals	-	(1,279)	(1,279)
	<hr/>	<hr/>	<hr/>
At end of year	758	56,793	57,551
	<hr/>	<hr/>	<hr/>
<i>Accumulated depreciation</i>			
At beginning of year	436	35,570	36,006
Charge for year	36	4,188	4,224
Eliminated on disposals	-	(1,148)	(1,148)
	<hr/>	<hr/>	<hr/>
At end of year	472	38,610	39,082
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31 May 2012	286	18,183	18,469
	<hr/>	<hr/>	<hr/>
At 31 May 2011	292	20,048	20,340
	<hr/>	<hr/>	<hr/>

Included in the net book value of plant, machinery and equipment is £nil (2011: £10,086,000), in respect of assets held under finance lease, hire purchase and similar contracts. All finance leases were repaid during the year.

The company has no fixed assets (2011: £nil)

## Notes (continued)

### 11 Fixed asset investments

Group	Debentures £000
<i>Cost</i>	
At beginning and end of year	3
	<hr/>
<i>Provisions</i>	
At beginning and end of year	-
	<hr/>
<i>Net book value</i>	
At 31 May 2012	3
	<hr/> <hr/>
At 31 May 2011	3
	<hr/> <hr/>
	<b>Shares in group undertakings £000</b>
<i>Company</i>	
<i>Cost</i>	
At beginning and end of the year	12,659
	<hr/> <hr/>

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

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

\* = held through indirect holdings

### 12 Stocks

Group	2012 £000	2011 £000
Raw materials and consumables	3,088	4,449
Work in progress	2,468	2,632
Finished goods and goods for resale	6,393	7,103
	<hr/>	<hr/>
	11,949	14,184
	<hr/> <hr/>	<hr/> <hr/>

The company holds no stock at the year end (2011 £nil)

## Notes (continued)

### 13 Debtors

	Group 2012 £000	Company 2012 £000	Group 2011 £000	Company 2011 £000
Trade debtors	17,627	-	17,911	-
Other debtors	-	-	2,747	2,550
Corporation tax debtor	43	-	-	-
Prepayments and accrued income	1,634	-	1,808	-
Deferred tax asset (note 16)	-	4	-	5
	<u>19,304</u>	<u>4</u>	<u>22,466</u>	<u>2,555</u>

### 14 Creditors: amounts falling due within one year

	Group 2012 £000	Company 2012 £000	Group 2011 £000	Company 2011 £000
Bank borrowings	-	-	9,043	-
Obligations under finance leases, hire purchase and similar contracts	-	-	2,158	-
Trade creditors	17,158	-	19,382	-
Amounts owed to group undertakings	16,015	12,099	-	563
Corporation tax	-	-	1,043	-
Other taxation and social security	2,813	-	2,568	-
Other creditors	225	-	762	206
Accruals and deferred income	2,122	20	1,652	-
Loan from retirement benefit scheme	-	-	630	-
Dividends payable on preference shares classified as liabilities	-	-	15	-
Capital creditors	-	-	447	-
	<u>38,333</u>	<u>12,119</u>	<u>37,700</u>	<u>769</u>

In the prior year the finance leases and hire purchase loans were secured on the assets to which they related. During the year bank borrowings and all finance leases were fully repaid.

## Notes (continued)

### 15 Creditors: amounts falling due after more than one year

	Group 2012 £000	Company 2012 £000	Group 2011 £000	Company 2011 £000
Obligations under finance lease, hire purchase and similar contracts	-	-	3,427	-
Amounts owed to group undertakings	-	-	-	14,229
	<u>-</u>	<u>-</u>	<u>3,427</u>	<u>14,229</u>
	<u>-</u>	<u>-</u>	<u>3,427</u>	<u>14,229</u>

### Analysis of debt

	Group 2012 £000	Company 2012 £000	Group 2011 £000	Company 2011 £000
Debt can be analysed as falling due				
In one year or less, or on demand	16,015	12,099	11,831	-
Between one and two years	-	-	1,665	-
Between two and five years	-	-	1,762	-
In more than five years	-	-	-	-
	<u>16,015</u>	<u>12,099</u>	<u>15,258</u>	<u>-</u>

The company and fellow subsidiaries have undertaken to guarantee a loan taken out by the ultimate parent company, Shoo 553 Limited. Details of the debt outstanding at 31 May 2012 are included in the financial statements of Shoo 553 Limited. In the prior year the cross guarantee across the group amounted to £9,043,000.

### 16 Provisions for liabilities and charges

	Other provisions £000	Deferred taxation £000	Total 2012 £000	Total 2011 £000
At beginning of year	-	2,114	2,114	2,523
Charge/(credit) for the year	170	(466)	(296)	(409)
	<u>170</u>	<u>(466)</u>	<u>(296)</u>	<u>(409)</u>
At end of year	<u>170</u>	<u>1,648</u>	<u>1,818</u>	<u>2,114</u>

Company	2012 £000	2011 £000
<b>Deferred taxation</b>		
At beginning of year	(5)	12
(Credit)/charge for the year	1	(17)
	<u>1</u>	<u>(17)</u>
At end of year	<u>(4)</u>	<u>(5)</u>

## Notes (continued)

### 16 Provisions for liabilities and charges (continued)

The elements of deferred taxation are as follows

	Group 2012 £000	Company 2012 £000	Group 2011 £000	Company 2011 £000
Difference between accumulated depreciation and capital allowances	1,690	(4)	2,138	(5)
Other timing differences	(42)	-	(24)	-
	<u>1,648</u>	<u>(4)</u>	<u>2,114</u>	<u>(5)</u>

Other provisions relate to an employee claim that was ongoing at the year end and has yet to be resolved

### 17 Called up share capital

Group and Company	2012 £	2011 £
<i>Allotted, called up and fully paid</i>		
Equity 133,375 ordinary shares of 1p each	1,334	1,334
15,000 preferred ordinary shares of 1p each	150	150
	<u>1,484</u>	<u>1,484</u>
Shares classified as liabilities	150	150
Shares classified in shareholders' funds	1,334	1,334
	<u>1,484</u>	<u>1,484</u>

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

### 18 Reserves

Group	Share premium account £000	Profit and loss account £000
At beginning of year	102	16,162
Profit for the year	-	3,066
At end of year	<u>102</u>	<u>19,228</u>
Company	Share premium account £000	Profit and loss account £000
At beginning of year	102	148
Profit for the year	-	293
At end of year	<u>102</u>	<u>441</u>

## Notes (continued)

### 19 Commitments

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

	Group 2012 £000	2011 £000
Contracted	2,054	654

### 20 Operating lease commitments

	2012 Land and buildings £000	Group 2012 Other £000	2011 Land and buildings £000	2011 Other £000
Leases which expire				
- within one year	-	14	-	15
- within two to five years	1,000	89	1,047	135
- over five years	422	21	379	-
	<u>1,422</u>	<u>124</u>	<u>1,426</u>	<u>150</u>

### 21 Pension scheme

The group operates defined contribution pension schemes. The charge for the year represents contributions payable by the group, and amounted to £457,000 (2011 £539,000)

### 22 Reconciliation of operating profit with net cash inflow from operating activities

	2012 £000	2011 £000
Operating profit	5,157	4,514
Depreciation and amortisation charges	4,564	4,458
Impairment	350	-
Decrease/(increase) in stocks	2,235	(4,597)
Decrease/(increase) in debtors	3,206	(3,544)
(Decrease)/increase in creditors	(2,323)	5,196
Net cash inflow from operating activities	<u>13,189</u>	<u>6,027</u>

### 23 Returns on investments and servicing of finance

	2012 £000	2011 £000
Interest paid	578	265
Interest on pension fund loan	11	22
Dividends paid on shares classified as liabilities	15	15
Interest element of finance lease payments	97	269
Break fees on repayment of loan	-	400
Break fees on settlement of finance leases	407	-
	<u>1,108</u>	<u>971</u>

## Notes (continued)

### 24 Capital expenditure and financial investment

	2012 £000	2011 £000
Sale of intangible fixed assets	35	-
Purchase of tangible fixed assets	(2,484)	(2,329)
Sales of tangible fixed assets	289	4,976
	<u>(2,160)</u>	<u>2,647</u>

### 25 Financing

	2012 £000	2011 £000
Capital element of hire purchase repayments	(5,585)	(2,616)
Bank loan repayments	-	(3,900)
Repayment of pension loan	(630)	-
Repayment of invoice discounting facility	(9,043)	-
Cash inflow from parent undertaking	16,015	-
	<u>757</u>	<u>(6,516)</u>

### 26 Analysis of net debt

	At beginning of year £000	Cash flow £000	At end of year £000
Cash at bank and in hand	812	7,969	8,781
Overdrafts	(9,043)	9,043	-
Net cash/(overdrafts)	<u>(8,231)</u>	<u>17,012</u>	<u>8,781</u>
Debt due after one year	-	-	-
Debt due within one year	(630)	(15,385)	(16,015)
Hire purchase contracts	(5,585)	5,585	-
Total	<u>(14,446)</u>	<u>7,212</u>	<u>(7,234)</u>

### 27 Related party disclosures

During the year to 31 May 2008 loan of £147,000 was advanced to Mr N Benson, a director of the group. The loan was fully repaid following acquisition of the company by Shoo 553 Limited during the year.

The group has a loan of £nil (2011 £630,000) from the retirement benefit scheme, of which AJ Benson, JW Benson and NJ Benson, who were directors of this company during the year, are trustees. The loan has also been fully repaid during the year.

### 28 Ultimate parent company

The company's immediate parent undertaking is Shoo 553 Limited, a company incorporated in England.