

Company Registration No 5400677

BENSON BOX HOLDINGS LIMITED

Report and Financial Statements

31 May 2013

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BENSON BOX HOLDINGS LIMITED

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BENSON BOX HOLDINGS LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 May 2013

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

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 6, the consolidated turnover has increased by 5% 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 2014.

The consolidated balance sheet on page 7 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.

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.

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 are therefore exposed to currency movements on such sales. However these risks are not deemed to be material given the majority of trade 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 applicable, 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.

BENSON BOX HOLDINGS LIMITED

DIRECTORS' REPORT (continued)

EMPLOYEES

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, and employs them whenever suitable vacancies arise

DIVIDENDS

Dividends paid during the year comprise a final dividend of £1,500,000 in respect of the year ended 31 May 2013 (2012: £Nil)

DIRECTORS

The directors who held office during the year were as follows

N J Benson

J Durston

M G Kerridge

D A Devenport

DONATIONS

The group made political contributions during the year of £Nil (2012: £Nil). Donations to UK charities amounted to £Nil (2012: £Nil)

BENSON BOX HOLDINGS LIMITED

DIRECTORS' REPORT (Continued)

AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the company's auditor is unaware, and
- each of the directors has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Deloitte LLP were appointed during the year and have expressed their willingness to continue in office as auditor of the company and a resolution for that reappointment will be proposed at the forthcoming Annual General Meeting

By order of the Board



M G KERRIDGE
Director

BENSON BOX HOLDINGS LIMITED

DIRECTORS' REPORT (Continued)

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting 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 are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S 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 2013 which comprise the consolidated profit and loss account, the note of historical cost profits and losses, the consolidated and individual company balance sheets, the consolidated cash flow statement, and the related notes 1 to 28. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 May 2013 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

 FCA

Mark Doleman FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Nottingham
United Kingdom

19 November 2013

BENSON BOX HOLDINGS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT Year ended 31 May 2013

	Note	2013 £'000	2012 £'000 Restated (note 27)
TURNOVER	2	116,751	111,327
Cost of sales		(79,662)	(77,171)
Gross profit		37,089	34,156
Distribution costs		(4,088)	(3,670)
Administrative expenses		(25,080)	(24,741)
OPERATING PROFIT BEFORE DEPRECIATION, AMORTISATION AND NON-RECURRING ITEMS		13,380	12,115
Depreciation and amortisation		(4,909)	(5,209)
Non-recurring items	3	(550)	(1,161)
TOTAL OPERATING PROFIT		7,921	5,745
Profit on disposal of fixed assets		17	158
Interest payable and similar charges			
- other		(584)	(686)
- exceptional costs		-	(407)
Total interest payable and similar charges	5	(584)	(1,093)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	7,354	4,810
Tax on profit on ordinary activities	6	(1,118)	(1,156)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	16, 20	6,236	3,654

In both the current and preceding year, the company made no material acquisition 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 statement of total recognised gains and losses is presented

NOTE OF HISTORICAL COST PROFITS AND LOSSES Year ended 31 May 2013

	2013 £'000	2012 £'000 Restated (note 27)
REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	7,354	4,810
Historical cost profit on ordinary activities before taxation	7,354	4,810
Historical cost profit for the year retained after taxation and dividends	6,236	3,654

BENSON BOX HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEET

31 May 2013

	Note	2013 £'000	2012 £'000 Restated (note 27)
FIXED ASSETS			
Intangible assets	7	706	976
Tangible fixed assets	8	19,459	19,057
Investments	9	3	3
		<u>20,168</u>	<u>20,036</u>
CURRENT ASSETS			
Stocks	10	11,217	11,949
Debtors	11	22,684	19,304
Cash at bank and in hand		10,305	8,781
		<u>44,206</u>	<u>40,034</u>
CREDITORS: amounts falling due within one year	12	<u>(38,344)</u>	<u>(38,333)</u>
NET CURRENT ASSETS		<u>5,862</u>	<u>1,701</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		26,030	21,737
PROVISIONS FOR LIABILITIES	14	<u>(1,375)</u>	<u>(1,818)</u>
NET ASSETS		<u>24,655</u>	<u>19,919</u>
CAPITAL AND RESERVES			
Called up share capital	15	1	1
Share premium reserve	16	102	102
Profit and loss account	16	24,552	19,816
SHAREHOLDERS' FUNDS		<u>24,655</u>	<u>19,919</u>

These financial statements were approved by the Board of Directors and authorised for issue on 19 November 2013 and signed on behalf of the Board of Directors by

M G Kerridge

M G KERRIDGE

Director

Company Registration number 5400677

BENSON BOX HOLDINGS LIMITED

COMPANY BALANCE SHEET

31 May 2013

	Note	2013 £'000	2012 £'000
FIXED ASSETS			
Investments	9	12,659	12,659
		<u>12,659</u>	<u>12,659</u>
CURRENT ASSETS			
Debtors	11	21	4
CREDITORS: amounts falling due within one year	12	(12,371)	(12,119)
NET CURRENT LIABILITIES		<u>(12,350)</u>	<u>(12,115)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		309	544
PROVISIONS FOR LIABILITIES	14	-	-
NET ASSETS		<u>309</u>	<u>544</u>
CAPITAL AND RESERVES			
Called up share capital	15	1	1
Share premium reserve	16	102	102
Profit and loss account	16	206	441
SHAREHOLDERS' FUNDS	20	<u>309</u>	<u>544</u>

These financial statements were approved by the Board of Directors and authorised for issue on 19 November 2013 and signed on behalf of the Board of Directors by

M G Kerridge

M G KERRIDGE

Director

Company Registration number 5400677

BENSON BOX HOLDINGS LIMITED

CONSOLIDATED CASH FLOW STATEMENT **Year ended 31 May 2013**

	Note	2013 £'000	2012 £'000 Restated (note 27)
Net cash inflow from operating activities	22	12,801	14,072
Returns on investments and servicing of finance	23	(584)	(1,108)
Capital expenditure and financial investments	24	(5,024)	(3,043)
Taxation paid		(1,800)	(2,709)
Equity dividend paid		(1,500)	
Cash inflow before financing		3,893	7,212
Financing	25	(2,369)	757
Increase in cash in the year		1,524	7,969

BENSON BOX HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 May 2013

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The principal accounting policies adopted are described below. Except for the change in accounting policy in respect of the capitalisation of die boards, these have been applied consistently during the current and preceding year.

Accounting convention

The financial statements are prepared under the historical cost convention rules.

Basis of consolidation

The consolidated financial statements include the financial statements of the company, and its subsidiary undertakings, made up to 31 May 2013.

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 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 to 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 in 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 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 improvements	-	50 years or amortised over the life of the lease if shorter
Plant & machinery	-	10 years
Computer equipment	-	5 years
Commercial motor vehicles	-	5 years
Motor cars	-	4 years
Fixtures & 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.

BENSON BOX HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 May 2013

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 the 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 (ie 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 by 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 agreements 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 FRS19.

BENSON BOX HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) Year ended 31 May 2013

1. ACCOUNTING POLICIES (Continued)

Cash and cash 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 markets 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. TURNOVER

Analysis of turnover by geographical sector is as follows

	2013 £'000	2012 £'000
United Kingdom	114,548	109,205
Overseas	2,203	2,122
	<u>116,751</u>	<u>111,327</u>

BENSON BOX HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 May 2013

3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

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

	2013 £'000	2012 £'000 Restated
Depreciation and other amounts written off tangible fixed assets (owned)	4,639	3,596
Depreciation of assets held under hire purchase and finance leases	-	923
Impairment of goodwill	-	350
Amortisation of goodwill	270	340
Amortisation of product development costs	-	-
Operating leases rentals	898	1,536
(Profit) on sale of fixed assets	(17)	(158)
Auditors' remuneration		
Fees payable to the Company's auditor for the audit of the Company's annual accounts	3	3
Amounts receivable by auditors and their associates in respect of audit of financial statements of subsidiaries pursuant to legislation	41	52
other services relating to taxation	16	15

Non recurring costs of £550,000 were incurred during the year and related to one off consultancy services and certain redundancy payments

Non-recurring costs of £1,161,000 were incurred in the prior year £260,000 of professional fees were incurred in respect of the acquisition of the Group by Shoo 553 Limited in the prior 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

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2013 £'000	2012 £'000
Directors' remuneration		
Emoluments	-	73
Company contribution to money purchase pension scheme	-	110
	-	183

All of the company's three directors (2013 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

BENSON BOX HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) Year ended 31 May 2013

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (Continued)

	2013 £'000	2012 £'000
Staff costs (including directors) comprised:		
Wages and salaries	23,764	23,363
Social security costs	2,248	2,170
Other pension costs	177	457
	<u>26,189</u>	<u>25,990</u>
Average number of persons employed	Number	Number
Manufacturing	639	661
Sales and distribution	154	162
Administration	126	88
	<u>919</u>	<u>911</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2013 £'000	2012 £'000
Bank loans and overdrafts	-	205
Balances payable to parent undertaking	584	373
Loan from pension fund	-	11
Finance charges payable in respect of finance leases and hire purchase contracts	-	97
Exceptional items	-	407
	<u>584</u>	<u>1,093</u>

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

BENSON BOX HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) Year ended 31 May 2013

6 TAXATION ON ORDINARY ACTIVITIES

a) Analysis of charge in the year:

	2013 £'000	2012 £'000 Restated
Current tax		
UK corporation tax on income for the year	1,803	1,664
Adjustments in respect of prior years	(195)	(42)
Total current tax (note 6b)	1,608	1,622
Deferred taxation (see note 14)		
Credit for the current year	(407)	(309)
Effect of decrease in tax rate	(30)	(157)
Adjustments in respect of prior years	(53)	-
Total deferred tax	(490)	(466)
Total current tax for the year	1,118	1,156

b) Factors affecting current tax charge in the period:

The current tax charge for the year is higher (2012 higher) than the standard rate of corporation tax in the UK. The differences are explained below.

	2013 £'000	2012 £'000 Restated
Profit on ordinary activities before taxation	7,354	4,810
Current tax at 23.83% (2012: 25.67%)	1,752	1,235
Expenses not deductible for tax purposes	99	262
Disallowed adjustment	169	(151)
Depreciation for the year in excess of capital allowances	368	301
Short term timing differences	40	20
Tax rate lower than standard rate	-	(3)
Group relief claimed	(625)	-
Adjustments in respect of previous years	(195)	(42)
Current tax based on profit for the period (note 6(a))	1,608	1,622

c. Factors that may affect future tax charges

The 2013 Budget on 20 March 2013 announced that the UK corporation tax rate will reduce to 20% by 2015. A reduction in the rate from 25% to 23% (effective from 1 April 2013) was substantively enacted on 3 July 2012, and further reductions to 21% (effective from 1 April 2014) and to 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013 respectively.

This will reduce the group's future current tax charge accordingly and further reduce the deferred tax liability at 31 May 2013 by £151,000 (2012: £137,000) which was calculated based on the rate of 23% substantively enacted at the balance sheet date.

BENSON BOX HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) Year ended 31 May 2013

7. INTANGIBLE FIXED ASSETS

Group	Goodwill £'000	Total £'000
Cost		
At 1 June 2012 and 31 May 2013	3,617	3,617
Accumulated amortisation		
At 1 June 2012	2,641	2,641
Charged in the year	270	270
At 31 May 2013	2,911	2,911
Net book value		
At 31 May 2013	706	706
At 31 May 2012	976	976

The company has no intangible fixed assets (2012 £nil)

8. TANGIBLE FIXED ASSETS

Group	Long leasehold buildings £'000	Plant, machinery and equipment £'000	Total £'000
Cost			
At 1 June 2012 as restated	571	57,368	57,939
Additions	34	5,028	5,062
Disposals	-	(434)	(434)
At 31 May 2013	605	61,962	62,567
Accumulated depreciation			
At 1 June 2012 as restated	287	38,595	38,882
Charge for the year	41	4,598	4,639
Disposals	-	(413)	(413)
At 31 May 2013	328	42,780	43,108
Net book value			
At 31 May 2013	277	19,182	19,459
At 31 May 2012	284	18,773	19,057

The company has no fixed assets (2012 £nil)

BENSON BOX HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) Year ended 31 May 2013

9 FIXED ASSET INVESTMENTS

Group	Debentures £'000
Cost	
At 1 June 2012 and 31 May 2013	3
Provisions	
At 1 June 2012 and 31 May 2013	-
Net book value	
At 31 May 2013	3
At 31 May 2012	3

Shares in group undertakings £'000

Company	
Cost	
At 1 June 2012 and 31 May 2013	12,659

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

Principal activity

Subsidiary undertakings	
The Benson Box Company Limited	Packaging
Medica packaging Limited	Packaging
Integrated Packaging Limited	Packaging
Benson Distribution Limited	Distribution
Print Design & Graphic Limited	Non-trading

BENSON BOX HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) Year ended 31 May 2013

10. STOCKS

	2013 £'000	2012 £'000
Group		
Raw materials and consumables	2,728	3,088
Work in progress	1,611	2,468
Finished goods and goods for resale	6,878	6,393
	<u>11,217</u>	<u>11,949</u>

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

The company holds no stock at the year end (2012 £Nil)

11. DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2013 £'000	Company 2013 £'000	Group 2012 £'000	Company 2012 £'000
Trade debtors	19,533	-	17,627	-
Other debtors	701	18	-	-
Corporation tax debtor	235	-	43	-
Prepayments and accrued income	2,215	-	1,634	-
Deferred tax asset (note 14)	-	3	-	4
	<u>22,684</u>	<u>21</u>	<u>19,304</u>	<u>4</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2013 £'000	Company 2013 £'000	Group 2012 £'000	Company 2012 £'000
Trade creditors	19,717	-	17,158	-
Amounts owed to group undertakings	13,646	12,351	16,015	12,099
Other taxes and social security	2,138	-	2,813	-
Other creditors	293	-	225	-
Accruals and deferred income	2,550	20	2,122	20
	<u>38,344</u>	<u>12,371</u>	<u>38,333</u>	<u>12,119</u>

BENSON BOX HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Year ended 31 May 2013

13 BORROWINGS

	Group 2013 £'000	Company 2013 £'000	Group 2012 £'000	Company 2012 £'000
Analysis of debt				
Falling due:				
In one year or less or on demand	13,646	12,351	16,015	12,099

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 2013 are included in the financial statements of Shoo 553 Limited.

14 PROVISIONS FOR LIABILITIES

	Other provisions £'000	Deferred taxation £'000	Total 2013 £'000	Total 2012 £'000
At the beginning of the year	170	1,648	1,818	2,114
Charge/(credit) for the year	47	(490)	(443)	(296)
At the end of the year	217	1,158	1,375	1,818
Company			2013 £'000	2012 £'000
Deferred taxation				
At the beginning of the year			(4)	(5)
Credit for the year			1	1
At the end of the year			(3)	(4)
The elements of deferred taxation are as follows:				
	Group 2013 £'000	Company 2013 £'000	Group 2012 £'000	Company 2012 £'000
Difference between accumulated depreciation and capital allowances	1,239	(3)	1,690	(4)
Other timing differences	(81)	-	(42)	-
	1,158	(3)	1,648	(4)

Other provisions relate to an employee claim that was ongoing at the year end and has yet to be resolved. It is expected that the provision will be utilised within a year from the balance sheet date.

BENSON BOX HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) Year ended 31 May 2013

15. CALLED UP SHARE CAPITAL

Group and company	2013 £	2012 £
Called up, allotted and fully paid		
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>

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

16. RESERVES

	Share premium account £'000	Profit and loss account £'000
Group		
At 31 May 2012 as previously stated	102	19,228
Prior year adjustment	-	588
	<u>102</u>	<u>19,816</u>
At 1 June 2012 as restated	-	6,236
Profit for the year	-	(1,500)
Dividends paid	-	
	<u>102</u>	<u>24,552</u>
At 31 May 2013	<u>102</u>	<u>24,552</u>
Company		
At 1 June 2012	102	441
Profit for the year	-	1,265
Dividends paid	-	(1,500)
	<u>102</u>	<u>206</u>
At 31 May 2013	<u>102</u>	<u>206</u>

17. COMMITMENTS

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

	Group	
	2013 £'000	2012 £'000
Contracted	<u>223</u>	<u>2,054</u>

BENSON BOX HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) Year ended 31 May 2013

18. OPERATING LEASE COMMITMENTS

	2013 Land and buildings £'000	2013 Other £'000	Group Land and buildings 2012 £'000	Other 2012 £'000
Leases which expire.				
- Within one year	-	22	-	14
- Within two to five years	823	92	1,000	89
- Over five years	826	-	422	21
	<u>1,649</u>	<u>114</u>	<u>1,422</u>	<u>124</u>

The company has no operating lease commitments (2012 £nil)

19. PENSION SCHEME

The group operates defined contribution pension schemes. The charge for the year represents contributions payable by the group, and amounted to £177,000 (2012 £457,000)

20. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	Group 2013 £'000	Company 2013 £'000	Group 2012 £'000	Company 2012 £'000
Profit for the year	6,236	1,265	3,654	293
Dividends Paid	(1,500)	(1,500)	-	-
Net movement in shareholders' funds	<u>4,736</u>	<u>(235)</u>	<u>3,654</u>	<u>293</u>
Reported opening shareholders' funds	19,331	544	16,265	251
Prior year adjustment	588	-	-	-
Restated opening shareholders' funds	<u>19,919</u>	<u>544</u>	<u>16,265</u>	<u>251</u>
Closing shareholders' funds	<u>24,655</u>	<u>309</u>	<u>19,919</u>	<u>544</u>

BENSON BOX HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) Year ended 31 May 2013

21 RECONCILIATION OF NET CASH FLOW WITH MOVEMENT IN NET DEBT

	Notes	2013 £'000	2012 £'000
Increase in cash in the year		1,524	7,969
Cash flow from movement in debt and lease financing		2,369	(757)
Changes in net debt resulting from cash flows		3,893	7,212
Movement in net debt in the year		3,893	7,212
Net debt at start of year		(7,234)	(14,446)
Net debt at end of year	26	(3,341)	(7,234)

22. RECONCILIATION OF OPERATING PROFIT WITH NET CASH INFLOW FROM OPERATING ACTIVITIES

	2013 £'000	2012 £'000 Restated
Operating profit	7,921	5,745
Depreciation and amortisation charges	4,909	4,859
Impairment	-	350
Decrease in stocks	732	2,235
(Increase)/decrease in debtors	(3,188)	3,206
Increase/(decrease) in creditors	2,427	(2,323)
Net cash inflow from operating activities	12,801	14,072

23. RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2013 £'000	2012 £'000
Interest paid	(584)	(578)
Interest on pension fund loan	-	(11)
Dividends paid on shares classified as liabilities	-	(15)
Interest element of finance lease payments	-	(97)
Break fees on settlement of finance leases	-	(407)
	(584)	(1,108)

BENSON BOX HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) Year ended 31 May 2013

24. CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2013 £'000	2012 £'000 Restated
Sale of intangible fixed assets	-	35
Purchase of tangible fixed assets	(5,062)	(3,367)
Sales of tangible fixed assets	38	289
	<u>(5,024)</u>	<u>(3,043)</u>

25. FINANCING

	2013 £'000	2012 £'000
Capital element of hire purchase repayments	-	(5,585)
Repayment of pension loan	-	(630)
Repayment of invoice discounting facility	-	(9,043)
Cash inflow from parent undertaking	(2,369)	16,015
	<u>(2,369)</u>	<u>757</u>

26. ANALYSIS OF NET DEBT

	1 June 2012 £'000	Cash flow £'000	31 May 2013 £'000
Cash at bank and in hand	8,781	1,524	10,305
Net cash	<u>8,781</u>	<u>1,524</u>	<u>10,305</u>
Debt due within one year	(16,015)	2,369	(13,646)
Hire purchase contracts	-	-	-
Total	<u>(7,234)</u>	<u>3,893</u>	<u>(3,341)</u>

BENSON BOX HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) Year ended 31 May 2013

27 PRIOR YEAR ADJUSTMENT

The group has, in the past, immediately expensed purchased die board costs to the profit and loss account in the period incurred. Following the appointment of new auditors the directors have reviewed the appropriateness of this accounting policy and have revised their opinion of this treatment, and now consider that it is more appropriate to capitalise the expenditure in accordance with FRS15, and to depreciate the resulting asset values over their expected useful economic lives being 3 years. The adjustment has been made from 1 June 2011 due to the availability of information and the comparative figures in the primary statements and notes have been restated to reflect the new policy. The effect of the change is as shown below:

	2013 £'000	2012 £'000
Profit and Loss Account		
Decrease in cost of sales	919	883
Increase in depreciation charge	(601)	(295)
	<hr/>	<hr/>
Balance Sheet		
Increase in tangible fixed assets	907	588
	<hr/>	<hr/>
Increase in net assets	907	588
	<hr/>	<hr/>

The prior year adjustment has no impact on the company only numbers.

28 ULTIMATE PARENT COMPANY

The company's immediate and ultimate parent undertaking is Shoo 553 Limited, a company incorporated in England. The smallest group that produces consolidated accounts is Benson Box Holdings Limited and the largest group that produces consolidated accounts is Shoo 553 Limited.