

REGISTRAR

**LOGSON INVESTMENTS (MIDLANDS) LIMITED
REPORT AND GROUP FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 DECEMBER 2008**

Company Registration Number 6474591

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LANGARD LIFFORD HALL LIMITED

**Accountants & Registered Auditors
Lifford Hall
Lifford Lane
Kings Norton
Birmingham
B30 3JN**

LOGSON INVESTMENTS (MIDLANDS) LIMITED

FINANCIAL STATEMENTS

Period from 16 January 2008 to 31 December 2008

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LOGSON INVESTMENTS (MIDLANDS) LIMITED
COMPANY INFORMATION

Incorporated	In England and Wales on 16 January 2008
The board of directors	J Loggie M Stephenson
Company secretary	M Stephenson
Registered office	Lifford Hall Lifford Lane Kings Norton Birmingham B30 3JN
Auditor	Langard Lifford Hall Limited Accountants & Registered Auditors Lifford Hall Lifford Lane Kings Norton Birmingham B30 3JN

LOGSON INVESTMENTS (MIDLANDS) LIMITED

DIRECTORS' REPORT

Period from 16 January 2008 to 31 December 2008

The directors present their report and financial statements of the group for the period from 16 January 2008 to 31 December 2008.

Principal activity and business review

The company was incorporated on 16 January 2008 under the name of Hallco 1593 Limited. The company changed its name by special resolution on 10 April 2008 to Board24 Ltd and then again on 14 May 2008 to Logson Investment (Midlands) Limited.

The principal activity of the company during the period was that of a holding company.

On the 12 May 2008 the company purchased the entire share capital of Mondi Board Limited, which changed its name on that date to Board24 Ltd, and Logson Property Investments (Northern) Limited. The freehold property owned by the former was, on that date, sold to Logson Property Investments (Northern) Limited.

Also on the 12 May 2008, Board24 Ltd acquired the manufacturing trade and assets of an operation based at Larkhall, Scotland and Logson Property Investments (Northern) Limited purchased the freehold property of that same operation.

With regards to both properties the directors draw attention to the note concerning valuation below.

Results for the period have been effected by the downturn in the economy experienced throughout the period and difficult trading conditions which are being experienced throughout the industry. However, since the point of acquisition the results of the group's main trading company has seen some improvement.

The directors use the following key performance indicators to monitor the performance of the business.

	2008
Gross profit %	20.60 %
EBITDA %	4.3 %

Future developments

The directors are optimistic of increasing the group's current market share during the forthcoming year through the group's expansion into new lines of production.

Results and dividends

The group profit for the period amounted to £1,340,480. The directors have not recommended a dividend.

Financial risk management objectives and policies

The directors continually review the risks to the group but believe that the quality of the group's products and customer service will mitigate these risks resulting in continued growth and satisfactory trading performance.

The group's credit risk is mainly attributable to trade receivables. The exposure is spread over a large number of customers, which limits exposure. In addition, credit insurance is in place.

The group's cash flow risk is dependant on the continued support of its financier Venture Finance Plc. The directors are confident that this support is on going for the forthcoming year.

LOGSON INVESTMENTS (MIDLANDS) LIMITED

DIRECTORS' REPORT *(Continued)*

Period from 16 January 2008 to 31 December 2008

Directors

The directors who served the company during the period together with their beneficial interests in the shares of the company were as follows:

		Ordinary Shares of £1 each
		At
		31 December 2008
J Loggie	(appointed 2 April 2008)	1
M Stephenson	(appointed 2 April 2008)	1
		<hr/>

Halliwell Directors Limited (appointed 16 January 2008, resigned 2 April 2008).

Land and buildings

Both properties owned by the group were valued at the date of acquisition, 12 May 2008, by Edward Symmonds LLP. The carrying value of the properties in the accounts reflects this valuation. Subsequently, a further revaluation carried out in November 2008 valued the properties at £8,750,000. The directors are confident that the values of the properties will recover and have no plans to sell in the foreseeable future.

Policy on the payment of creditors

The group does not follow any specified code or standard of payment practice but does endeavour to ensure all payments are made within mutually agreed terms. The creditor days are not given as they are distorted by the fact that the group has negotiated special terms with their major suppliers.

Donations

During the period the company made the following contributions:

	£
Charitable	<hr/> 2,473

Auditor

A resolution to re-appoint Langard Lifford Hall Limited as auditor for the ensuing year will be proposed at the annual general meeting in accordance with Section 385 of the Companies Act 1985.

Registered office:
Lifford Hall
Lifford Lane
Kings Norton
Birmingham
B30 3JN

Signed by order of the directors



M Stephenson
Company Secretary
14 May 2009

LOGSON INVESTMENTS (MIDLANDS) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Period from 16 January 2008 to 31 December 2008

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). The financial statements are required by law to give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 will continue in business.

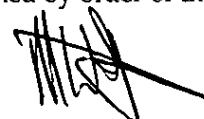
The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the group's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Registered office:
Lifford Hall
Lifford Lane
Kings Norton
Birmingham
B30 3JN

Signed by order of the directors



M Stephenson
Company Secretary
14 May 2009

LOGSON INVESTMENTS (MIDLANDS) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS

Period from 16 January 2008 to 31 December 2008

We have audited the group and parent company financial statements ("the financial statements") of Logson Investments (Midlands) Limited for the period from 16 January 2008 to 31 December 2008, which have been prepared on the basis of the accounting policies set out on pages 11 to 12. This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities. 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 judgements 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 United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 31 December 2008 and of the group's profit for the period 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.


LANGARD LIFFORD HALL LIMITED
 Accountants and Registered Auditors
 Lifford Hall, Lifford Lane, Kings Norton,
 Birmingham, B30 3JN
 14 May 2009

LOGSON INVESTMENTS (MIDLANDS) LIMITED

PROFIT AND LOSS ACCOUNT

Period from 16 January 2008 to 31 December 2008

	Note	£
Group turnover	2	44,242,283
Cost of sales		(35,126,923)
Gross profit		9,115,360
Distribution costs		(4,050,438)
Administrative expenses		(5,908,723)
Other operating income	3	97,406
Operating loss	4	(746,395)
Write back of depreciation on acquisition		2,654,164
		1,907,769
Interest receivable		10,960
Interest payable and similar charges	6	(578,249)
Profit on ordinary activities before taxation		1,340,480
Tax on profit on ordinary activities		-
Profit for the financial period	7	1,340,480

All of the activities of the group are classed as continuing.

The company has taken advantage of Section 230 of the Companies Act 1985 not to publish its own Profit and Loss Account.

The notes on pages 11 to 22 form part of these financial statements

LOGSON INVESTMENTS (MIDLANDS) LIMITED
GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
Period from 16 January 2008 to 31 December 2008

	£
Profit for the financial period attributable to the shareholders of the parent company	1,340,480
Unrealised profit on revaluation of certain fixed assets	<u>254,395</u>
Total gains and losses recognised for the period	<u><u>1,594,875</u></u>

The notes on pages 11 to 22 form part of these financial statements

LOGSON INVESTMENTS (MIDLANDS) LIMITED

GROUP BALANCE SHEET

31 December 2008

	Note	£	£
Fixed assets			
Intangible assets	8		(1,595,526)
Tangible assets	9		17,232,467
			<u>15,636,941</u>
Current assets			
Stocks	11	1,740,217	
Debtors	12	12,389,773	
Cash at bank and in hand		1,175,343	
		<u>15,305,333</u>	
Creditors: amounts falling due within one year	13	21,993,386	
Net current liabilities			<u>(6,688,053)</u>
Total assets less current liabilities			<u>8,948,888</u>
 Creditors: amounts falling due after more than one year	 14		 (7,354,011)
			<u>1,594,877</u>
 Capital and reserves			
Called-up equity share capital	19		2
Revaluation reserve	20		254,395
Profit and loss account	20		1,340,480
Shareholders' funds	21		<u>1,594,877</u>

These financial statements were approved by the directors on 14 May 2009, and are signed on their behalf by:



J Loggie
Director



M W Stephenson
Director

The notes on pages 11 to 22 form part of these financial statements

LOGSON INVESTMENTS (MIDLANDS) LIMITED

COMPANY BALANCE SHEET

31 December 2008

	Note	£	£
Fixed assets			
Investments	10		113,832
Current assets			
Debtors	12		2
Net current assets			2
Total assets less current liabilities			113,834
Creditors: amounts falling due after more than one year	14		113,832
			2
Capital and reserves			
Called-up equity share capital	19		2
Shareholders' funds			2

These financial statements were approved by the directors on 14 May 2009, and are signed on their behalf by:



J Loggie
Director



M W Stephenson
Director

The notes on pages 11 to 22 form part of these financial statements

LOGSON INVESTMENTS (MIDLANDS) LIMITED

GROUP CASH FLOW CASH FLOW STATEMENT

Period from 16 January 2008 to 31 December 2008

	Note	£	£
Net cash outflow from operating activities	22		(47,510)
Returns on investments and servicing of finance			
Interest received		10,960	
Interest paid		(578,249)	
Net cash outflow from returns on investments and servicing of finance			(567,289)
Capital expenditure			
Payments to acquire subsidiaries		(10,952,634)	
Payments to acquire Larkhall		(2,221,409)	
Payments to acquire intangible fixed assets		(34,309)	
Payments to acquire tangible fixed assets		(204,645)	
Net cash outflow from capital expenditure			(13,412,997)
Cash outflow before financing			(14,027,796)
Financing			
Issue of equity share capital		2	
Increase in bank loans		8,418,011	
Increase in directors' long-term loans		100,000	
Net cash inflow from financing			8,518,013
Decrease in cash	22		(5,509,783)

The notes on pages 11 to 22 form part of these financial statements

LOGSON INVESTMENTS (MIDLANDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 16 January 2008 to 31 December 2008

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and in accordance with applicable accounting standards.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over ten years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of Section 230 of the Companies Act 1985.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the period, exclusive of Value Added Tax.

Goodwill

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its estimated useful life up to a maximum of 20 years. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill	- 100% straight line basis
Negative goodwill	- 10% straight line basis

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold property	- Nil
Plant and machinery	- 5 - 8.34% straight line basis
Fixtures and fitting	- 10% straight line basis
Computer equipment	- 33.33% straight line basis

LOGSON INVESTMENTS (MIDLANDS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS****Period from 16 January 2008 to 31 December 2008****1. Accounting policies *(continued)*****Investment properties**

Freehold properties are included in the balance sheet at market value. The valuations were undertaken by Edward Symmons LLP, specialist property valuers.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Finished goods are valued at net realisable value.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged against profit represents the contributions payable to the scheme in the accounting period.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

LOGSON INVESTMENTS (MIDLANDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 16 January 2008 to 31 December 2008

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the group. An analysis of turnover is given below:

	£
United Kingdom	42,486,318
Overseas	1,755,965
	<u>44,242,283</u>

3. Other operating income

	£
Management charges receivable	82,610
Other operating income	14,796
	<u>97,406</u>

4. Operating loss

Operating loss is stated after charging:

	£
Directors' emoluments	-
Amortisation of intangible assets	(74,488)
Depreciation of owned fixed assets	759,103
Loss on disposal of fixed assets	20,416
Auditor's remuneration	
- as auditor (parent)	1,125
- as auditor (subsidiaries)	36,616
- for other services	19,000
Operating lease costs:	
- Plant and equipment	318,954
- Other	1,204,686
Net loss on foreign currency translation	<u>593,476</u>

LOGSON INVESTMENTS (MIDLANDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 16 January 2008 to 31 December 2008

5. Particulars of employees

The average number of staff employed by the group during the financial period amounted to:

	No
Number of production staff	159
Number of administrative staff	63
	<u>222</u>

The aggregate payroll costs of the above were:

	£
Wages and salaries	5,548,996
Social security costs	539,157
Other pension costs	208,864
	<u>6,297,017</u>

6. Interest payable and similar charges

	£
Interest payable on bank borrowing	218,028
Other similar charges payable	360,221
	<u>578,249</u>

7. Profit attributable to members of the parent company

The profit dealt with in the financial statements of the company was £Nil. The company is a non trading holding company.

LOGSON INVESTMENTS (MIDLANDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 16 January 2008 to 31 December 2008

8. Intangible fixed assets

Group	Goodwill £	Negative Goodwill £	Total £
Cost			
Additions	34,309	(1,704,323)	(1,670,014)
At 31 December 2008	34,309	(1,704,323)	(1,670,014)
Amortisation			
Charge for the period	34,309	(108,797)	(74,488)
At 31 December 2008	34,309	(108,797)	(74,488)
Net book value			
At 31 December 2008	-	(1,595,526)	(1,595,526)

9. Tangible fixed assets

Group	Freehold Property £	Plant & Machinery £	Fixtures & Fittings £	Equipment £	Total £
Cost or valuation					
At acquisition	8,978,196	33,728,983	569,418	201,236	43,477,833
Additions	2,121,409	299,175	-	5,470	2,426,054
Reclassification on acquisition	767,409	(2,111,011)	-	-	(1,343,602)
Revaluation on acquisition	254,395	-	-	-	254,395
At 31 December 2008	12,121,409	31,917,147	569,418	206,706	44,814,680
Depreciation					
At acquisition	2,654,164	27,507,145	480,793	178,773	30,820,875
Charge for the period	-	735,559	21,677	1,867	759,103
On reclassification	-	(1,343,601)	-	-	(1,343,601)
Write back on acquisition	(2,654,164)	-	-	-	(2,654,164)
At 31 December 2008	-	26,899,103	502,470	180,640	27,582,213
Net book value					
At 31 December 2008	12,121,409	5,018,044	66,948	26,066	17,232,467

LOGSON INVESTMENTS (MIDLANDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 16 January 2008 to 31 December 2008

10. Investments

Company	Group companies £
Cost	
Additions	113,832
At 31 December 2008	<u>113,832</u>
Net book value	
At 31 December 2008	<u>113,832</u>

Subsidiary undertakings

Name and Activity	Proportion of shares held	Country of incorporation
Logson Property Investments (Northern) Limited Property investments and rental	100%	England
Board24 Ltd Manufacture of corrugated fibreboard	100%	England
Board24 (Preston) Ltd Non-trading	100%	England
Board24 (Scotland) Ltd Non-trading	100%	England

11. Stocks

	Group £	Company £
Raw materials	1,516,077	-
Finished goods	224,140	-
	<u>1,740,217</u>	<u>-</u>

LOGSON INVESTMENTS (MIDLANDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 16 January 2008 to 31 December 2008

12. Debtors

	Group £	Company £
Trade debtors	11,769,687	-
Other debtors	63,528	2
Prepayments and accrued income	556,558	-
	<u>12,389,773</u>	<u>2</u>

13. Creditors: amounts falling due within one year

	Group £	Company £
Bank loans	1,164,000	-
Amounts due to invoice discounter	6,685,126	-
Trade creditors	11,847,288	-
Other creditors including taxation and social security:		
Other taxation and social security	829,907	-
Other creditors	377,509	-
Accruals and deferred income	1,089,556	-
	<u>21,993,386</u>	<u>-</u>

The following liabilities disclosed under creditors falling due within one year are secured by a legal charge on certain assets of the company:

	Group £	Company £
Bank loans	1,164,000	-
Amounts due to invoice discounter	6,685,126	-
	<u>7,849,126</u>	<u>-</u>

14. Creditors: amounts falling due after more than one year

	Group £	Company £
Bank loans	7,254,011	-
Amounts owed to group undertakings	-	113,832
Directors' loans	100,000	-
	<u>7,354,011</u>	<u>113,832</u>

LOGSON INVESTMENTS (MIDLANDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 16 January 2008 to 31 December 2008

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

The following liabilities disclosed under creditors falling due after more than one year are secured by a legal charge on certain assets of the company:

	Group £	Company £
Bank loans	<u>7,254,011</u>	<u>-</u>

The bank and invoice discounting borrowings are secured against the freehold properties in Logson Property Investments (Northern) Limited and by a debenture including a fixed and floating charge over the group's other assets.

15. Deferred taxation

The elements of the group's deferred taxation, which result in a nil balance at the end of the period, together with details of other amounts not provided for, are as follows:

	Provided	Un provided £
Excess of taxation allowances over depreciation on fixed assets	226,774	-
Tax losses available	(99,706)	-
Other timing differences	(127,068)	-
	<u>-</u>	<u>-</u>

The deferred tax asset has not been recognised on the basis that there is uncertainty regarding whether taxable profits will arise in future periods against which this asset could be recovered.

LOGSON INVESTMENTS (MIDLANDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 16 January 2008 to 31 December 2008

16. Commitments under operating leases

At 31 December 2008 the group had annual commitments under non-cancellable operating leases as set out below:

Group	31 December 2008	
	Land and buildings £	Other items £
Operating leases which expire:		
Within 1 year	-	32,732
Within 2 to 5 years	-	279,159
After more than 5 years	1,170,894	-
	<u>1,170,894</u>	<u>311,891</u>

17. Contingencies

There is a composite guarantee and debenture in place between Logson Investments (Midlands) Limited and Logson Property Investments (Northern) Limited and Board24 Ltd in favour of Venture Finance Plc.

18. Related party transactions

Control relationships

The company is controlled by J Loggie and M W Stephenson by virtue of their directorships and shareholdings.

J Loggie and M W Stephenson are directors and shareholders of the following companies:

Related party transactions

Name	Nature of control	Details	Related party transactions 31 Dec 2008 £	Related party transactions 31 Dec 2007 £
Boxes and Packaging (Birmingham) Limited	Related company	Sales	593,564	-
		Trade debtor balance	126,808	-
Boxes and Packaging (Bristol) Limited	Related company	Sales	228,492	-
		Trade debtor balance	121,911	-

LOGSON INVESTMENTS (MIDLANDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 16 January 2008 to 31 December 2008

18. Related party transactions (continued)

Name	Nature of control	Details	Related party transactions 31 Dec 2008 £	Related party transactions 31 Dec 2007 £
Boxes and Packaging (Cambridge) Limited	Related company	Sales	22,908	-
		Trade debtor balance	4,005	-
Boxes and Packaging (Doncaster) Limited	Related company	Sales	1,295,618	-
		Trade debtor balance	303,974	-
		Purchases	510	-
		Trade creditor balance	586	-
Boxes and Packaging (Grimsby) Limited	Related company	Sales	579,688	-
		Trade debtor balance	145,578	-
Boxes and Packaging (Leicester) Limited	Related company	Sales	546,006	-
		Trade debtor balance	186,192	-
Boxes and Packaging (Manchester) Limited	Related company	Sales	1,447,958	-
		Trade debtor balance	381,890	-
Boxes and Packaging (Merseyside) Limited	Related company	Sales	1,725,371	-
		Trade debtor balance	477,261	-
Boxes and Packaging (Oxford) Limited	Related company	Sales	48,009	-
		Trade debtor balance	16,703	-
Boxes and Packaging (UK) Limited	Related company	Purchases	1,019,946	-
		Trade creditor balance	242,715	-
CSP (GB) Limited	Related company	Purchases rebates	454,489	-
		Trade debtor balance	147,932	-
Cases24 Limited	Related company	Interest free loan	63,526	-

All trading transactions were made on normal commercial terms.

LOGSON INVESTMENTS (MIDLANDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 16 January 2008 to 31 December 2008

19. Share capital

Authorised share capital:

	£
1,000 Ordinary shares of £1 each	<u>1,000</u>

Allotted, called up and fully paid:

	No	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>

During the period the company issued two ordinary shares at par value.

20. Reserves

Group	Revaluation reserve £	Profit and loss account £
Profit for the period	-	1,340,480
Revaluation of freehold property	<u>254,395</u>	<u>-</u>
Balance carried forward	<u>254,395</u>	<u>1,340,480</u>

Company	Profit and loss account £
Balance carried forward	<u>-</u>

21. Reconciliation of movements in shareholders' funds

	£
Profit for the financial period	1,340,480
Other net recognised gains and losses	254,395
New ordinary share capital subscribed	<u>2</u>
Net addition to shareholders' funds	<u>1,594,877</u>
Closing shareholders' funds	<u>1,594,877</u>

LOGSON INVESTMENTS (MIDLANDS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 16 January 2008 to 31 December 2008

22. Notes to the statement of cash flows

Reconciliation of operating profit to net cash inflow from operating activities

	£
Operating loss	(746,395)
Amortisation	(74,488)
Depreciation	759,103
Increase in stocks	(1,740,217)
Increase in debtors	(12,389,773)
Increase in creditors	14,144,260
Net cash inflow from operating activities	<u>(47,510)</u>

Reconciliation of net cash flow to movement in net debt

	31 Dec 08	£
Decrease in cash in the period	(5,509,783)	
Net cash inflow from bank loans	(8,418,011)	
Cash inflow from directors' long-term loans	(100,000)	
	<u>(14,027,794)</u>	
Change in net debt	(14,027,794)	
Net funds at 16 January 2008	-	
Net debt at 31 December 2008	<u>(14,027,794)</u>	

Analysis of changes in net debt

	At 16 Jan 2008 £	Cash flows £	At 31 Dec 2008 £
Net cash:			
Cash in hand and at bank	-	1,175,343	1,175,343
Invoice discounting	-	(6,685,126)	(6,685,126)
	-	<u>(5,509,783)</u>	<u>(5,509,783)</u>
Debt:			
Debt due within 1 year	-	(1,164,000)	(1,164,000)
Debt due after 1 year	-	(7,354,011)	(7,354,011)
	-	<u>(8,518,011)</u>	<u>(8,518,011)</u>
Net debt	-	<u>(14,027,794)</u>	<u>(14,027,794)</u>