

Strategic Report, Report of the Directors and
Audited Financial Statements for the Year Ended 31 December 2013
for
Connect Packaging Limited

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for the Year Ended 31 December 2013

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Connect Packaging Limited

Company Information
for the Year Ended 31 December 2013

DIRECTORS: Mr G R Leonhardt
Ms A Winder
Mr A S Sahota
Mr M S Sahota

SECRETARY: Mr P Gutteridge

REGISTERED OFFICE: 91 Soho Hill
Hockley
Birmingham
West Midlands
B19 1AY

REGISTERED NUMBER: 00582559 (England and Wales)

SENIOR STATUTORY AUDITOR: Mr Anil K Bhagi

INDEPENDENT AUDITORS: Anil K Bhagi Chartered Accountants
and Registered Auditors
91 Soho Hill
Hockley
Birmingham
West Midlands
B19 1AY

Strategic Report
for the Year Ended 31 December 2013

The directors present their strategic report for the year ended 31 December 2013.

REVIEW OF BUSINESS

The company's principal activities continued to be design, print and manufacture of corrugated cardboard packing. In a difficult economic climate 2013 proved to be a challenging year but with continued focus on margin improvement and overhead reduction the business was still able to produce satisfactory results. Gross profit margins have increased to 36.42% compared with 34.79% in the previous year.

The results for the year, as set out on page 6, show a profit on ordinary activities before tax of £826,800 (2012 - £256,110). The performance of the company has produced encouraging results.

The company's investment in Connect Archive and Mailing Products Limited was sold on 13 March 2013 for a handsome profit.

The company also sold its freehold land and building on 4 March 2013 to a fellow subsidiary, Writtle Property Limited.

On 31 December 2013 the company became a wholly owned subsidiary of Corrugated Box Supplies Limited who shall continue to identify growth markets for the business's products and will allocate resources prudently to develop these areas.

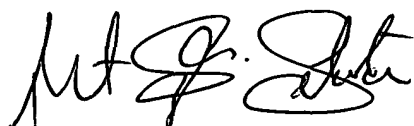
PRINCIPAL RISKS AND UNCERTAINTIES

The company's operations expose it to a variety of financial risks that include the effects of price risk and credit risk.

Price risk - the company is exposed to commodity price risk as a result of its operation. However, given the acquisition by Corrugated Box Supplies Limited, both companies with similar business activities, exposure will be reduced.

Credit risk - The company insures its debtors where possible to mitigate credit risk.

ON BEHALF OF THE BOARD:



Mr M S Sahota - Director

15 September 2014

Report of the Directors
for the Year Ended 31 December 2013

The directors present their report with the financial statements of the company for the year ended 31 December 2013.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the design, print and manufacture of corrugated cardboard packaging.

DIVIDENDS

Interim dividends per share were paid as follows:

1.92701	- 5 March 2013
.433	- 20 March 2013
<hr/>	
2.36001	
<hr/>	

The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 December 2013 will be £2,450,000.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2013 to the date of this report.

Mr G R Leonhardt
Ms A Winder

Other changes in directors holding office are as follows:

Mr R Davidson - deceased 23 February 2013

Mr A S Sahota and Mr M S Sahota were appointed as directors after 31 December 2013 but prior to the date of this report.

Mr C C Cahn , Mr D Digby , Mr R T T Essex , Mr R E Fowler and Mr P Gutteridge ceased to be directors after 31 December 2013 but prior to the date of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 judgements and accounting estimates that are reasonable and prudent;
- 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.

Report of the Directors
for the Year Ended 31 December 2013

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Anil K Bhagi Chartered Accountants, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'M S Sahota', is written over the printed name.

Mr M S Sahota - Director

15 September 2014

Report of the Independent Auditors to the Members of
Connect Packaging Limited

We have audited the financial statements of Connect Packaging Limited for the year ended 31 December 2013 on pages six to eighteen. 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 a Report of the Auditors 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 Statement of Directors' Responsibilities set out on page three, 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 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 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 Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 company's affairs as at 31 December 2013 and of its 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.

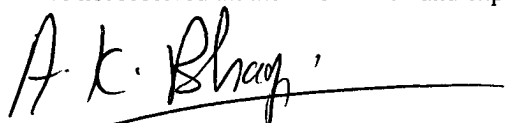
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Report of the Directors 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 the information and explanations we require for our audit.



Mr Anil K Bhagi (Senior Statutory Auditor)
for and on behalf of Anil K Bhagi Chartered Accountants
and Registered Auditors
91 Soho Hill
Hockley
Birmingham
West Midlands
B19 1AY

15 September 2014

Profit and Loss Account
for the Year Ended 31 December 2013

	Notes	31.12.13 £	31.12.12 £
TURNOVER	2	7,285,289	7,290,350
Cost of sales		4,631,861	4,754,333
GROSS PROFIT		2,653,428	2,536,017
Administrative expenses		2,275,427	2,277,388
		378,001	258,629
Other operating income		433,128	-
OPERATING PROFIT	4	811,129	258,629
Interest receivable and similar income		16,942	3,200
		828,071	261,829
Interest payable and similar charges	6	1,271	5,719
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		826,800	256,110
Tax on profit on ordinary activities	7	200,183	(876)
PROFIT FOR THE FINANCIAL YEAR		626,617	256,986
Retained profit brought forward		979,474	969,375
		1,606,091	1,226,361
Dividends	8	(2,450,000)	(250,000)
Transfer between revaluation reserve and P/L account		1,155,185	3,113
RETAINED PROFIT CARRIED FORWARD		311,276	979,474

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year.

Balance Sheet
31 December 2013

	Notes	31.12.13 £	31.12.12 £
FIXED ASSETS			
Tangible assets	9	280,823	2,575,898
Investments	10	-	10,200
		<u>280,823</u>	<u>2,586,098</u>
CURRENT ASSETS			
Stocks	11	275,443	303,904
Debtors	12	1,954,308	1,694,989
Cash at bank and in hand		280,187	74,020
		<u>2,509,938</u>	<u>2,072,913</u>
CREDITORS			
Amounts falling due within one year	13	1,412,814	1,444,993
NET CURRENT ASSETS		<u>1,097,124</u>	<u>627,920</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,377,947</u>	<u>3,214,018</u>
CREDITORS			
Amounts falling due after more than one year	14	(4,959)	(16,857)
PROVISIONS FOR LIABILITIES	18	(14,712)	(15,502)
NET ASSETS		<u><u>1,358,276</u></u>	<u><u>3,181,659</u></u>
CAPITAL AND RESERVES			
Called up share capital	19	1,038,000	1,038,000
Share premium	20	9,000	9,000
Revaluation reserve	20	-	1,155,185
Profit and loss account		311,276	979,474
SHAREHOLDERS' FUNDS	24	<u><u>1,358,276</u></u>	<u><u>3,181,659</u></u>

The financial statements were approved by the Board of Directors on 15 September 2014 and were signed on its behalf by:



Mr A S Sahota - Director

Cash Flow Statement
for the Year Ended 31 December 2013

	Notes	31.12.13 £	£	31.12.12 £	£
Net cash inflow from operating activities	1		548,150		1,073,464
Returns on investments and servicing of finance	2		15,671		(2,519)
Taxation			(190,874)		8,871
Capital expenditure and financial investment	2		2,330,814		(133,682)
Equity dividends paid			(2,450,000)		(250,000)
			<u>253,761</u>		<u>696,134</u>
Financing	2		(11,899)		(11,900)
Increase in cash in the period			<u>241,862</u>		<u>684,234</u>
<hr/>					
Reconciliation of net cash flow to movement in net funds	3				
Increase in cash in the period		241,862		684,234	
Cash outflow from decrease in debt and lease financing		<u>11,899</u>		<u>11,900</u>	
Change in net funds resulting from cash flows			<u>253,761</u>		<u>696,134</u>
Movement in net funds in the period			253,761		696,134
Net funds/(debt) at 1 January			9,381		(686,753)
Net funds at 31 December			<u>263,142</u>		<u>9,381</u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 December 2013

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	31.12.13	31.12.12
	£	£
Operating profit	811,129	258,629
Depreciation charges	63,003	149,624
Profit on disposal of fixed assets	(88,542)	-
Movement in group debtor	92,895	705,845
Movement in group creditor	(46,124)	19,090
Decrease in stocks	28,461	1,119
(Increase)/decrease in debtors	(352,214)	305,033
Increase/(decrease) in creditors	39,542	(365,876)
Net cash inflow from operating activities	548,150	1,073,464

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	31.12.13	31.12.12
	£	£
Returns on investments and servicing of finance		
Interest received	16,942	3,200
Interest paid	(1,271)	(5,719)
Net cash inflow/(outflow) for returns on investments and servicing of finance	15,671	(2,519)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(22,965)	(133,682)
Sale of tangible fixed assets	2,343,579	-
Sale of fixed asset investments	10,200	-
Net cash inflow/(outflow) for capital expenditure and financial investment	2,330,814	(133,682)
Financing		
Capital repayments in year	(11,899)	(11,900)
Net cash outflow from financing	(11,899)	(11,900)

Notes to the Cash Flow Statement
for the Year Ended 31 December 2013

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.13 £	Cash flow £	At 31.12.13 £
Net cash:			
Cash at bank and in hand	74,020	206,167	280,187
Bank overdraft	(35,883)	35,695	(188)
	<u>38,137</u>	<u>241,862</u>	<u>279,999</u>
Debt:			
Hire purchase	(28,756)	11,899	(16,857)
	<u>(28,756)</u>	<u>11,899</u>	<u>(16,857)</u>
Total	<u>9,381</u>	<u>253,761</u>	<u>263,142</u>

Notes to the Financial Statements
for the Year Ended 31 December 2013

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Preparation of consolidated financial statements

The financial statements contain information about Connect Packaging Limited as an individual company and as a subsidiary is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 2% on cost
Plant and machinery	- at varying rates on cost
Fixtures and fittings	- at varying rates on cost

Stocks

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

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

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 transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	31.12.13	31.12.12
	£	£
United Kingdom	7,010,325	7,290,350
Europe	274,964	-
	<u>7,285,289</u>	<u>7,290,350</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2013

3. STAFF COSTS

	31.12.13	31.12.12
	£	£
Wages and salaries	1,681,185	1,663,411
Social security costs	155,653	154,704
Other pension costs	41,660	41,374
	<u>1,878,498</u>	<u>1,859,489</u>

The average monthly number of employees during the year was as follows:

	31.12.13	31.12.12
Management	5	5
Administration	18	19
Production	53	55
	<u>76</u>	<u>79</u>

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	31.12.13	31.12.12
	£	£
Depreciation - owned assets	56,830	143,451
Depreciation - assets on hire purchase contracts	6,173	6,173
Profit on disposal of fixed assets	(88,542)	-
Auditors' remuneration	7,000	7,600
Foreign exchange differences	(3,786)	8,260
	<u>272,436</u>	<u>324,217</u>

The number of directors to whom retirement benefits were accruing was as follows:

Defined benefit schemes	<u>5</u>	<u>5</u>
-------------------------	----------	----------

Information regarding the highest paid director is as follows:

	31.12.13	31.12.12
	£	£
Emoluments etc	75,469	89,485
Accrued pension at 31 December 2013	<u>352</u>	<u>3,461</u>

5. EXCEPTIONAL ITEMS

The exceptional item relates to the sale of its interest in its subsidiary company, Connect Archive And Mailing Products Limited, sold on 13 March 2013 at a profit of £433,128. The company being purchased at the start of 2012 for £10,200.

6. INTEREST PAYABLE AND SIMILAR CHARGES

	31.12.13	31.12.12
	£	£
Bank interest	<u>1,271</u>	<u>5,719</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2013

7. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit on ordinary activities for the year was as follows:

	31.12.13	31.12.12
	£	£
Current tax:		
UK corporation tax	200,973	2,399
Deferred tax	(790)	(3,275)
Tax on profit on ordinary activities	<u>200,183</u>	<u>(876)</u>

Factors affecting the tax charge/(credit)

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.13	31.12.12
	£	£
Profit on ordinary activities before tax	<u>826,800</u>	<u>256,110</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23.249% (2012 - 24%)	192,223	61,466
Effects of:		
Expenses not deductible for tax purposes	10,514	2,794
Income not taxable for tax purposes	(121,289)	-
Depreciation in excess of capital allowances	3,542	10,981
Adjustments to tax charge in respect of previous periods	107,753	(74,401)
S455 unrecoverable	8,230	-
Change in tax rate	-	1,559
Current tax charge/(credit)	<u>200,973</u>	<u>2,399</u>

8. DIVIDENDS

	31.12.13	31.12.12
	£	£
Ordinary shares of £1 each		
Interim	<u>2,450,000</u>	<u>250,000</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2013

9. TANGIBLE FIXED ASSETS

	Freehold property £	Short leasehold £	Plant and machinery £	Fixtures and fittings £	Totals £
COST					
At 1 January 2013	2,305,000	39,855	3,698,607	536,102	6,579,564
Additions	-	-	13,035	9,930	22,965
Disposals	(2,305,000)	(39,855)	(363,270)	(69,352)	(2,777,477)
At 31 December 2013	-	-	3,348,372	476,680	3,825,052
DEPRECIATION					
At 1 January 2013	78,600	19,785	3,458,766	446,515	4,003,666
Charge for year	-	3,984	31,999	27,020	63,003
Eliminated on disposal	(78,600)	(23,769)	(356,335)	(63,736)	(522,440)
At 31 December 2013	-	-	3,134,430	409,799	3,544,229
NET BOOK VALUE					
At 31 December 2013	-	-	213,942	66,881	280,823
At 31 December 2012	2,226,400	20,070	239,841	89,587	2,575,898

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £
COST	
At 1 January 2013 and 31 December 2013	92,550
DEPRECIATION	
At 1 January 2013	28,807
Charge for year	6,173
At 31 December 2013	34,980
NET BOOK VALUE	
At 31 December 2013	57,570
At 31 December 2012	63,743

Notes to the Financial Statements - continued
for the Year Ended 31 December 2013

10. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2013	10,200
Disposals	(10,200)
	<hr/>
At 31 December 2013	-
	<hr/>
NET BOOK VALUE	
At 31 December 2013	-
	<hr/>
At 31 December 2012	10,200
	<hr/>

11. STOCKS

	31.12.13 £	31.12.12 £
Stock and work in progress	275,443	303,904
	<hr/>	<hr/>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.13 £	31.12.12 £
Trade debtors	1,824,631	1,378,859
Amounts owed by group undertakings	57,216	150,111
Other debtors	23,875	113,949
Prepayments and accrued income	48,586	52,070
	<hr/>	<hr/>
	1,954,308	1,694,989
	<hr/>	<hr/>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.13 £	31.12.12 £
Bank loans and overdrafts (see note 15)	188	35,883
Hire purchase contracts (see note 16)	11,898	11,899
Trade creditors	1,007,898	952,794
Amounts owed to group undertakings	-	46,124
Tax	54,313	44,214
Social security and other taxes	234,421	181,927
Other creditors	7,008	85,830
Accruals and deferred income	97,088	86,322
	<hr/>	<hr/>
	1,412,814	1,444,993
	<hr/>	<hr/>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.12.13 £	31.12.12 £
Hire purchase contracts (see note 16)	4,959	16,857
	<hr/>	<hr/>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2013

15. LOANS

An analysis of the maturity of loans is given below:

	31.12.13	31.12.12
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	188	35,883
	<u>188</u>	<u>35,883</u>

16. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts	
	31.12.13	31.12.12
	£	£
Net obligations repayable:		
Within one year	11,898	11,899
Between one and five years	4,959	16,857
	<u>16,857</u>	<u>28,756</u>

The following operating lease payments are committed to be paid within one year:

	Land and buildings		Other operating leases	
	31.12.13	31.12.12	31.12.13	31.12.12
	£	£	£	£
Expiring:				
Within one year	184,000	-	39,576	7,311
Between one and five years	184,000	-	12,624	52,616
In more than five years	-	-	-	69,000
	<u>368,000</u>	<u>-</u>	<u>52,200</u>	<u>128,927</u>

17. SECURED DEBTS

The following secured debts are included within creditors:

	31.12.13	31.12.12
	£	£
Bank overdraft	188	-
Hire purchase contracts	16,857	-
	<u>17,045</u>	<u>-</u>

18. PROVISIONS FOR LIABILITIES

	31.12.13	31.12.12
	£	£
Deferred tax	14,712	15,502
	<u>14,712</u>	<u>15,502</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2013

18. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 1 January 2013	15,502
Credit to profit and loss account during year	(790)
	<hr/>
Balance at 31 December 2013	14,712
	<hr/>

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value: £1	31.12.13 £	31.12.12 £
1,038,000	Ordinary		1,038,000	1,038,000
			<hr/>	<hr/>

20. RESERVES

	Share premium £	Revaluation reserve £	Totals £
At 1 January 2013	9,000	1,155,185	1,164,185
Transfer between revaluation reserve and P/L account	-	(1,155,185)	(1,155,185)
	<hr/>	<hr/>	<hr/>
At 31 December 2013	9,000	-	9,000
	<hr/>	<hr/>	<hr/>

21. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31 December 2013 and 31 December 2012:

	31.12.13 £	31.12.12 £
Mr R Davidson		
Balance outstanding at start of year	31,177	-
Amounts advanced	-	31,177
Amounts repaid	(31,177)	-
Balance outstanding at end of year	-	31,177
	<hr/>	<hr/>

On 23 February 2013 Mr R Davidson sadly passed away, and his outstanding balance was written off by the company.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2013

22. RELATED PARTY DISCLOSURES

During the year sales to group companies were as follows:

Writtle Holdings Ltd	£29,685.33 (2012 £Nil)
Magnet Harlequin Ltd	£7,250.00 (2012 £Nil)
Creo Print and Production Ltd	£274,176.91 (2012 £189,169)
The less Packaging Co Ltd	£ 69,702.76 (2012 £Nil)
The less Packaging (Asia) Co Ltd	£6,000.00 (2012 £Nil)
Arken POP International Ltd	£274,729.14 (2012 - £253,924)
Connect Archive & Mailing Products Ltd	£196,457.01 (2012 - £261,688)

and purchases from group companies were as follows:

Writtle Holdings Ltd	£83,054.77 (2012 £Nil)
Creo Print and Production Ltd	£172,020.76 (2012 £Nil)
Connect Archive Ltd	£9,239.52 (2012 £Nil)
Creo Retail Marketing Ltd	£ Nil (2012 - £195,023)

During the year the company incurred management charges of £24,000 (2012 - £182,259) from Writtle Holdings Limited.

Rent of £184,000 (2012 - £Nil) was paid to Writtle Property Limited.

Included within DEBTORS : AMOUNTS FALLING WITHIN ONE YEAR: Amounts owed to group undertakings of £57,216 (2012 - £Nil) relate to Corrugated Box Supplies Limited.

23. ULTIMATE CONTROLLING PARTY

The ultimate parent undertaking was Writtle Holdings Limited up until the 30 December 2013 when Connect Packaging Limited was acquired by Corrugated Box Supplies Limited, a company whose registered office is at Brandon Way, West Bromwich, West Midlands. B70 8JF.

24. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.12.13	31.12.12
	£	£
Profit for the financial year	626,617	256,986
Dividends	(2,450,000)	(250,000)
Net (reduction)/addition to shareholders' funds	(1,823,383)	6,986
Opening shareholders' funds	3,181,659	3,174,673
Closing shareholders' funds	1,358,276	3,181,659