

ANNUAL RETURN

Company Registration No. 248918 (England and Wales)

BLACKBURN CORRUGATED PAPER COMPANY LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2003



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BLACKBURN CORRUGATED PAPER COMPANY LIMITED

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BLACKBURN CORRUGATED PAPER COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2003

The directors present their report and financial statements for the year ended 31 March 2003.

Principal activities and review of the business

The principal activities of the company in the year under review were the manufacture of corrugated paper products and corrugated paper containers.

No significant change in the nature of these activities occurred during the year.

The net profit after providing for taxation amounted to £343,722.

Results and dividends

The results for the year are set out on page 4.

No dividends have been paid or proposed during the year.

Future developments

The company continues its transition from commodity brown corrugated transit packaging to more specialised niche areas in the cosmetics and food industries. Further investment in to these areas is planned with development of innovative "fluted" insulating products.

Directors

The following directors have held office since 1 April 2002:

B C Jones
D L Jones
M C Jones
P Redhead

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 March 2003	1 April 2002
B C Jones	4,945	4,945
D L Jones	521	471
M C Jones	471	471
P Redhead	471	471

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Cowgill Holloway be reappointed as auditors of the company will be put to the Annual General Meeting.

BLACKBURN CORRUGATED PAPER COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 those 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;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

By order of the board



M O Pickup

Secretary

10 November 2003

BLACKBURN CORRUGATED PAPER COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO BLACKBURN CORRUGATED PAPER COMPANY LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 4 to 17 together with the financial statements of the company for the year ended 31 March 2003 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors


The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 17 are properly prepared in accordance with that provision.



Cowgill Holloway

Chartered Accountants
Registered Auditor

10 November 2003

Regency House
45 - 49 Chorley New Road
Bolton
BL1 4QR

BLACKBURN CORRUGATED PAPER COMPANY LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2003

	Notes	2003 £	2002 £
Gross profit		2,683,613	1,954,304
Administrative expenses		(2,266,356)	(1,799,237)
Operating profit	2	<u>417,257</u>	<u>155,067</u>
Other interest receivable and similar income		10,096	2,197
Interest payable and similar charges	3	(30,452)	(33,566)
Profit on ordinary activities before taxation		<u>396,901</u>	<u>123,698</u>
Tax on profit on ordinary activities	4	(53,179)	(765)
Profit on ordinary activities after taxation	13	<u><u>343,722</u></u>	<u><u>122,933</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

BLACKBURN CORRUGATED PAPER COMPANY LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MARCH 2003

	2003 £	2002 £
Profit for the financial year	343,722	122,933
Unrealised (deficit)/surplus on revaluation of properties	-	60,000
Total recognised gains and losses relating to the year	<u>343,722</u>	<u>182,933</u>

Note of historical cost profits and losses

	2003 £	2002 £
Reported profit on ordinary activities before taxation	396,901	123,698
Realisation of property revaluation gains of previous years	-	(52,255)
Historical cost profit on ordinary activities before taxation	<u>396,901</u>	<u>71,443</u>
Historical cost profit for the year retained after taxation, extraordinary items and dividends	<u>343,722</u>	<u>70,678</u>

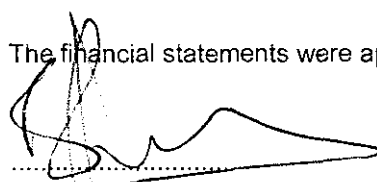
BLACKBURN CORRUGATED PAPER COMPANY LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 MARCH 2003

	Notes	2003 £	£	2002 £	£
Fixed assets					
Tangible assets	5		1,001,702		798,577
Current assets					
Stocks	6	307,458		249,429	
Debtors	7	497,579		502,631	
Cash at bank and in hand		524,625		452,075	
		1,329,662		1,204,135	
Creditors: amounts falling due within one year	8	(797,190)		(825,549)	
Net current assets			532,472		378,586
Total assets less current liabilities			1,534,174		1,177,163
Creditors: amounts falling due after more than one year	9		(8,333)		(40,347)
Provisions for liabilities and charges	10		(45,303)		-
			1,480,538		1,136,816
Capital and reserves					
Called up share capital	12		7,220		7,220
Revaluation reserve	13		151,860		151,860
Other reserves	13		325,000		325,000
Profit and loss account	13		996,458		652,736
Shareholders' funds - equity interests	14		1,480,538		1,136,816

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The financial statements were approved by the Board on 10 November 2003


B C Jones
Director

BLACKBURN CORRUGATED PAPER COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2003

	2003		2002	
	£	£	£	£
Net cash inflow from operating activities		481,340		356,296
Returns on investments and servicing of finance				
Interest received	10,096		2,197	
Interest paid	(12,225)		(15,224)	
Interest element of finance lease rentals	(18,227)		(18,342)	
Net cash outflow for returns on investments and servicing of finance		(20,356)		(31,369)
Capital expenditure				
Payments to acquire tangible assets	(325,470)		(70,763)	
Receipts from sales of tangible assets	10,177		283,553	
Net cash (outflow)/inflow for capital expenditure		(315,293)		212,790
Net cash inflow before management of liquid resources and financing		145,691		537,717
Financing				
Repayment of long term bank loan	-		(123,191)	
Capital element of hire purchase contracts	(73,141)		(29,014)	
Net cash outflow from financing		(73,141)		(152,205)
Increase in cash in the year		72,550		385,512

BLACKBURN CORRUGATED PAPER COMPANY LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2003

1	Reconciliation of operating profit to net cash inflow from operating activities	2003		2002	
		£		£	
	Operating profit	417,257		155,067	
	Depreciation of tangible assets	146,436		105,933	
	Profit on disposal of tangible assets	(6,768)		(16,253)	
	(Increase)/decrease in stocks	(58,029)		74,651	
	Decrease in debtors	2,770		354,827	
	Decrease in creditors within one year	(20,326)		(317,929)	
	Net cash inflow from operating activities	481,340		356,296	
2	Analysis of net funds	1 April 2002	Cash flow	Other non- 31 March 2003	
		£	£	cash changes	£
	Net cash:				
	Cash at bank and in hand	452,075	72,550	-	524,625
	Debt:				
	Finance leases	(80,571)	73,141	(27,500)	(34,930)
	Net funds	371,504	145,691	(27,500)	489,695
3	Reconciliation of net cash flow to movement in net funds	2003		2002	
		£		£	
	Increase in cash in the year	72,550		385,512	
	Cash outflow from decrease in debt and lease financing	73,141		152,205	
	Change in net debt resulting from cash flows	145,691		537,717	
	New finance lease	(27,500)		(30,000)	
	Movement in net funds in the year	118,191		507,717	
	Opening net funds/(debt)	371,504		(136,213)	
	Closing net funds	489,695		371,504	

BLACKBURN CORRUGATED PAPER COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2003

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

1.2 Turnover

Turnover represents the total invoice value, excluding value added tax, of goods and services rendered during the year.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	25% Straightline
Plant and machinery	20% Reducing balance
Fixtures & fittings	20% Reducing balance
Motor vehicles	25% Reducing balance

On the buildings the useful life is considered to be long and the residual value high and any depreciation would be immaterial. Therefore no depreciation is charged.

1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Stock and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost includes all direct expenditure and an appropriate portion of variable and fixed overheads.

1.6 Pensions

The company operates a money purchase (defined contribution) pension scheme for the benefit of certain directors and staff. Contributions payable to this scheme are charged to the profit and loss account in the period to which they relate. These contributions are invested separately from the company's assets.

BLACKBURN CORRUGATED PAPER COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

1 Accounting policies

(continued)

1.7 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

No provision has been made for deferred tax on gains recognised on revaluing property to its market value as the company does not intend to sell the revalued assets.

2 Operating profit

2003

2002

£

£

Operating profit is stated after charging:

Depreciation of tangible assets

146,436

105,933

Hire of equipment

11,604

11,692

Operating lease rentals

- Plant and machinery

21,358

21,358

- Land and buildings

-

10,562

Auditors' remuneration

6,500

6,500

and after crediting:

Profit on disposal of tangible assets

(6,768)

(16,253)

3 Interest payable

2003

2002

£

£

On bank loans and overdrafts

33

8,719

Lease finance charges and hire purchase interest

30,419

24,847

30,452

33,566

BLACKBURN CORRUGATED PAPER COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

4	Taxation	2003 £	2002 £
	Domestic current year tax		
	U.K. corporation tax	7,876	765
	Current tax charge	7,876	765
	Deferred tax		
	Deferred tax charge credit current year	45,303	-
		53,179	765
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	396,901	123,698
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2002 : 20.00%)	75,411	24,740
	Effects of:		
	Non deductible expenses	(2,007)	5,154
	Depreciation add back	27,735	21,187
	Capital allowances	(34,182)	(16,806)
	Tax losses utilised	(59,081)	(33,225)
	Other tax adjustments	-	(285)
		(67,535)	(23,975)
	Current tax charge	7,876	765

The company has estimated losses of £ nil (2002 : £ 310,951) available for carry forward against future trading profits.

Other taxation adjustments relate to marginal relief.

BLACKBURN CORRUGATED PAPER COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

5 Tangible fixed assets

	Land and buildings Freehold	Computer equipment	Plant and machinery	Fixtures & fittings	Motor vehicles	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 April 2002	350,000	75,858	1,200,416	245,415	90,762	1,962,451
Additions	-	8,990	269,997	6,238	67,745	352,970
Disposals	-	(1,845)	(50,000)	(100)	(15,479)	(67,424)
At 31 March 2003	350,000	83,003	1,420,413	251,553	143,028	2,247,997
Depreciation						
At 1 April 2002	-	34,325	938,032	158,935	32,582	1,163,874
On disposals	-	(922)	(49,764)	(7)	(13,322)	(64,015)
Charge for the year	-	30,662	75,829	18,965	20,980	146,436
At 31 March 2003	-	64,065	964,097	177,893	40,240	1,246,295
Net book value						
At 31 March 2003	350,000	18,938	456,316	73,660	102,788	1,001,702
At 31 March 2002	350,000	41,533	262,384	86,480	58,180	798,577

Comparable historical cost for the land and buildings included at valuation:

	£
Cost	
At 1 April 2002 & at 31 March 2003	299,406
Depreciation based on cost	
At 1 April 2002	101,266
On disposals for the year	-
At 31 March 2003	101,266
Net book value	
At 31 March 2003	198,140
At 31 March 2002	198,140

The buildings were revalued by Taylor Weaver Chartered Surveyors in November 2001.

BLACKBURN CORRUGATED PAPER COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

5 Tangible fixed assets

(continued)

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery £	Motor vehicles £	Total £
Net book values			
At 31 March 2003	11,797	54,248	66,045
At 31 March 2002	101,523	46,909	148,432
Depreciation charge for the year			
31 March 2003	2,949	12,768	15,717
31 March 2002	25,381	5,526	30,907

6 Stocks and work in progress

2003
£

2002
£

Raw materials and consumables	196,881	154,904
Work in progress	20,952	27,989
Long term contract balances:		
- Net cost less foreseeable losses	7,944	5,672
Finished goods and goods for resale	81,681	60,864
	307,458	249,429

There is no material difference between the replacement cost of stocks and their balance sheet amounts.

7 Debtors

2003
£

2002
£

Trade debtors	390,778	439,927
ACT recoverable	-	2,282
Other debtors	7,611	1,109
Prepayments and accrued income	99,190	59,313
	497,579	502,631

BLACKBURN CORRUGATED PAPER COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

8 Creditors: amounts falling due within one year	2003 £	2002 £
Net obligations under finance leases and hire purchase contracts	26,597	40,224
Trade creditors	385,533	388,681
Corporation tax	5,594	-
Other taxes and social security costs	144,081	107,439
Other creditors	3,629	829
Accruals and deferred income	231,756	288,376
	<u>797,190</u>	<u>825,549</u>

9 Creditors: amounts falling due after more than one year	2003 £	2002 £
Net obligations under finance leases and hire purchase contracts	<u>8,333</u>	<u>40,347</u>
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	26,597	40,224
Repayable between one and five years	<u>8,333</u>	<u>40,347</u>
	34,930	80,571
Included in liabilities falling due within one year	<u>(26,597)</u>	<u>(40,224)</u>
	<u>8,333</u>	<u>40,347</u>

10 Provisions for liabilities and charges

	Deferred tax liability £
Profit and loss account	<u>45,303</u>
Balance at 31 March 2003	<u>45,303</u>

The deferred tax liability is made up as follows:

	2003 £	2002 £
Accelerated capital allowances	<u>45,303</u>	<u>-</u>

BLACKBURN CORRUGATED PAPER COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

11 Pension costs

Defined contribution

	2003 £	2002 £
Contributions payable by the company for the year	8,186	28,817

The company has previously operated a defined benefit pension scheme. Contributions ceased in November 2002 in advance of the winding up of the scheme. On this basis the full requirements of FRS 17 have not been adhered to. This approach has been taken in order to ensure a true and fair view of the company's position as at 31 March 2003.

12 Share capital

	2003 £	2002 £
Authorised		
50,000 Ordinary shares of £ 1 each	50,000	50,000
500,000 Preference shares of £ 1 each	500,000	500,000
Allotted, called up and fully paid		
7,220 Ordinary shares of £ 1 each	7,220	7,220

13 Statement of movements on reserves

	Revaluation reserve £	Other reserves (see below) £	Profit and loss account £
Balance at 1 April 2002	151,860	325,000	652,736
Retained profit for the year	-	-	343,722
Balance at 31 March 2003	151,860	325,000	996,458
Other reserves			
Capital redemption reserve			
Balance at 1 April 2002 & at 31 March 2003		325,000	

BLACKBURN CORRUGATED PAPER COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

14 Reconciliation of movements in shareholders' funds	2003 £	2002 £
Profit for the financial year	343,722	122,933
Other recognised gains and losses	-	60,000
Net addition to shareholders' funds	343,722	182,933
Opening shareholders' funds	1,136,816	953,883
Closing shareholders' funds	1,480,538	1,136,816

15 Financial commitments

At 31 March 2003 the company had annual commitments under non-cancellable operating leases as follows:

	2003 £	2002 £
Expiry date:		
Within one year	26,234	26,234

16 Directors' share options

During the year D L Jones, M C Jones & P Redhead were granted equal options over a total of 846 ordinary shares in the capital of the company. The options can be exercised at the price of £10 per share at any time on or before 31 October 2007. There is no time or performance criteria attached to the options.

17 Directors' emoluments

	2003 £	2002 £
Emoluments for qualifying services	318,685	194,712
Company pension contributions to money purchase schemes	5,574	1,430
	324,259	196,142

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2002 - 1).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	116,107	-
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BLACKBURN CORRUGATED PAPER COMPANY LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2003

18 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2003 Number	2002 Number
Production	47	46
Sales & distribution	10	10
Administration	8	8
Maintenance	4	4
	<u>69</u>	<u>68</u>

Employment costs

	£	£
Wages and salaries	1,476,270	1,122,383
Social security costs	131,126	102,413
Other pension costs	8,186	28,817
	<u>1,615,582</u>	<u>1,231,573</u>