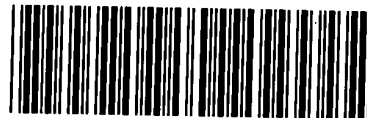


Company Registration No. 02611234 (England and Wales)

BUFAB (UK) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

THURSDAY



A72RVSO1

A25

29/03/2018

#173

COMPANIES HOUSE

BUFAB (UK) LIMITED

COMPANY INFORMATION

Directors	Mr W Einungbrekke Mrs K Fisher (Appointed 30 May 2017)
Secretary	Mr W Einungbrekke
Company number	02611234
Registered office	Unit 49 Washford Industrial Estate Heming Road Redditch Worcestershire B98 0EA
Auditor	Ormerod Rutter Limited The Oakley Kidderminster Road Droitwich Worcestershire WR9 9AY

BUFAB (UK) LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditor's report	3 - 4
Statement of comprehensive income	5
Balance sheet	6
Statement of changes in equity	7
Notes to the financial statements	8 - 18

BUFAB (UK) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their annual report and financial statements for the year ended 31 December 2017.

Principal activities

The principal activity of the company in the year under review was that of the sourcing of machine parts in the UK for export to group companies in Scandinavia and Europe. The secondary activity is the purchase and sales of machine parts in the UK to a non-group customer base.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

C Koumides	(Resigned 6 February 2017)
Mr W Einungbrekke	
Mrs K Fisher	(Appointed 30 May 2017)

Results and dividends

The results for the year are set out on page 5.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Financial instruments

Financial Risk Management Objectives and Policies

Treasury activities are managed centrally by the Director under a framework of policies and procedures approved by and monitored by Bufab Group. The objectives are to protect the assets of the company and to identify and then manage financial risk.

The company uses various financial instruments. These include cash and various items such as trade debtors and trade creditors that arise from its operations. Their existence exposes the company to a number of financial risks which are described below.

Liquidity risk

The Director regularly reviews liquidity ratios and uses cash flow forecasts to ensure the company has sufficient liquid resources to meet the operating needs of the business.

Interest rate risk

The company finances its operations through a retained profits therefore the Director feels that interest rate risk is minimal.

Currency risk

The company trades mainly in the United Kingdom and Europe with a minority proportion of trade relating to countries spread across the rest of the world. The company sources its supplies from a mixture of sterling suppliers and a range of foreign currency suppliers predominantly invoiced in US dollar. The company manages its currency risk by invoicing all sales in sterling and requesting all purchases are in sterling. The remaining supplies quoted in foreign currency are not considered a material risk.

Credit risk

Credit risk arises on financial instruments such as trade debtors. Policies and procedures exist to ensure that customers have an appropriate credit history and suitable credit limits are met and monitored. This is not considered to be a significant risk area to the company.

Future developments

The company plans to continue to trade as normal for the foreseeable future.

BUFAB (UK) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

Auditor

The auditor, Ormerod Rutter Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

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:

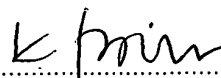
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



Mrs K Fisher

Director

16/3/18

BUFAB (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BUFAB (UK) LIMITED

Opinion

We have audited the financial statements of Bufab (UK) Limited (the 'company') for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

BUFAB (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BUFAB (UK) LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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; or
- the company is entitled to claim exemption in preparing a strategic report due to it being a member of an ineligible group.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Ormerod Rutter Ltd

Colm McGrory FCA (Senior Statutory Auditor)
for and on behalf of Ormerod Rutter Limited

19/3/18

Chartered Accountants
Statutory Auditor

The Oakley
Kidderminster Road
Droitwich
Worcestershire
WR9 9AY

BUFAB (UK) LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

		Year ended 31 December 2017 £	Year ended 31 December 2016 £
	Notes		
Turnover	3	3,911,634	3,354,760
Cost of sales		(2,993,924)	(2,608,105)
Gross profit		917,710	746,655
Administrative expenses		(778,748)	(828,422)
Operating profit/(loss)	4	138,962	(81,767)
Interest payable and similar expenses	7	(1,346)	(2,034)
Profit/(loss) before taxation		137,616	(83,801)
Taxation	8	(30,646)	14,374
Profit/(loss) for the financial year	18	106,970	(69,427)

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

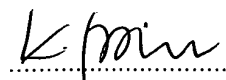
BUFAB (UK) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	9		57,687		106,368
Current assets					
Stocks	10	611,622		621,301	
Debtors	11	815,313		693,626	
Cash at bank and in hand		135,567		93,972	
		<u>1,562,502</u>		<u>1,408,899</u>	
Creditors: amounts falling due within one year	12	<u>(821,609)</u>		<u>(818,091)</u>	
Net current assets			740,893		590,808
Total assets less current liabilities			<u>798,580</u>		<u>697,176</u>
Provisions for liabilities	14		(9,915)		(15,481)
Net assets			<u>788,665</u>		<u>681,695</u>
Capital and reserves					
Called up share capital	17		2		2
Profit and loss reserves	18		788,663		681,693
Total equity			<u>788,665</u>		<u>681,695</u>

The financial statements were approved by the board of directors and authorised for issue on 16/3/18 and are signed on its behalf by:



Mrs K Fisher
Director

Company Registration No. 02611234

BUFAB (UK) LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 January 2016	2	751,120	751,122
Period ended 31 December 2016:			
Loss and total comprehensive income for the period	-	(69,427)	(69,427)
Balance at 31 December 2016	2	681,693	681,695
Year ended 31 December 2017:			
Profit and total comprehensive income for the year	-	106,970	106,970
Balance at 31 December 2017	2	788,663	788,665

BUFAB (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

Company information

Bufab (UK) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 49, Washford Industrial Estate, Heming Road, Redditch, Worcestershire, B98 0EA.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

BUFAB (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Plant and equipment	25% on reducing balance
Fixtures and fittings	25% on reducing balance
Computers	25% on reducing balance
Motor vehicles	25% on reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Stocks

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

The cost of the Company's stocks are calculated as a weighted average purchase price and includes expenses arising from the acquisition of stocks and bringing them to their existing location and condition.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

BUFAB (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

BUFAB (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.8 Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Profit & Loss Account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

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

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1.9 Employee benefits

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

1.10 Retirement benefits

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

BUFAB (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.11 Leases

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 profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

1.12 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2017 £	2016 £
Turnover		
Sales of goods	3,737,356	3,180,038
Gross mark up charged	174,278	174,722
	<u>3,911,634</u>	<u>3,354,760</u>

BUFAB (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

3 Turnover and other revenue (Continued)

Turnover analysed by geographical market

	2017 £	2016 £
United Kingdom	2,138,289	1,748,532
Europe	1,664,479	1,483,441
Rest of the World	108,866	122,787
	<u>3,911,634</u>	<u>3,354,760</u>

4 Operating profit/(loss)

	2017 £	2016 £
Operating profit/(loss) for the year is stated after charging/(crediting):		
Exchange losses	15,880	26,004
Fees payable to the company's auditor for the audit of the company's financial statements	4,800	4,500
Depreciation of owned tangible fixed assets	18,859	24,480
Depreciation of tangible fixed assets held under finance leases	1,522	12,178
Profit on disposal of tangible fixed assets	(989)	(617)
Cost of stocks recognised as an expense	<u>2,993,924</u>	<u>2,608,105</u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2017 Number	2016 Number
Administration and Warehouse	<u>13</u>	<u>14</u>

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	350,613	351,754
Social security costs	46,862	41,836
Pension costs	16,416	6,305
	<u>413,891</u>	<u>399,895</u>

BUFAB (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

6 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	39,108	60,000
Company pension contributions to defined contribution schemes	1,119	350
	<u>40,227</u>	<u>60,350</u>

7 Interest payable and similar expenses

	2017 £	2016 £
Interest on finance leases and hire purchase contracts	1,346	2,034
	<u>1,346</u>	<u>2,034</u>

8 Taxation

	2017 £	2016 £
Current tax		
UK corporation tax on profits for the current period	36,212	(7,491)
Adjustments in respect of prior periods	-	462
Total current tax	<u>36,212</u>	<u>(7,029)</u>
Deferred tax		
Origination and reversal of timing differences	(5,566)	(7,345)
Total tax charge/(credit)	<u>30,646</u>	<u>(14,374)</u>

The actual charge/(credit) for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	2017 £	2016 £
Profit/(loss) before taxation	<u>137,616</u>	<u>(83,801)</u>
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.25% (2016: 20.00%)	26,487	(16,760)
Tax effect of expenses that are not deductible in determining taxable profit	801	1,907
Adjustments in respect of prior years	-	462
Depreciation in excess of capital allowance	8,924	7,362
Timing differences	(5,566)	(7,345)
Taxation charge/(credit) for the year	<u>30,646</u>	<u>(14,374)</u>

BUFAB (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

9 Tangible fixed assets

	Plant and equipment £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost					
At 1 January 2017	14,285	123,697	18,671	87,712	244,365
Additions	-	5,926	785	-	6,711
Disposals	-	-	-	(71,502)	(71,502)
At 31 December 2017	14,285	129,623	19,456	16,210	179,574
Depreciation and impairment					
At 1 January 2017	9,191	74,268	11,720	42,818	137,997
Depreciation charged in the year	1,273	13,687	1,809	3,612	20,381
Eliminated in respect of disposals	-	-	-	(36,491)	(36,491)
At 31 December 2017	10,464	87,955	13,529	9,939	121,887
Carrying amount					
At 31 December 2017	3,821	41,668	5,927	6,271	57,687
At 31 December 2016	5,094	49,429	6,951	44,894	106,368

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2017 £	2016 £
Motor vehicles	-	36,533
Depreciation charge for the year in respect of leased assets	1,522	12,178

10 Stocks

	2017 £	2016 £
Finished goods and goods for resale	611,622	621,301

An impairment loss of £58,216 (2016: £11,784) was recognised in cost of sales against stock during the year due to slow moving and obsolete stock.

BUFAB (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

11 Debtors

	2017	2016
	£	£
Amounts falling due within one year:		
Trade debtors	533,895	425,044
Amounts due from group undertakings	259,166	194,117
Other debtors	14,108	67,003
Prepayments and accrued income	8,144	7,462
	<u>815,313</u>	<u>693,626</u>

12 Creditors: amounts falling due within one year

	Notes	2017	2016
		£	£
Obligations under finance leases	13	-	14,948
Trade creditors		462,470	440,449
Amounts due to group undertakings		238,421	262,304
Corporation tax		28,721	(7,032)
Other taxation and social security		12,828	14,143
Other creditors		40,400	1,766
Accruals and deferred income		38,769	91,513
		<u>821,609</u>	<u>818,091</u>

13 Finance lease obligations

	2017	2016
	£	£
Future minimum lease payments due under finance leases:		
Within one year	<u>-</u>	<u>14,948</u>

14 Provisions for liabilities

	Notes	2017	2016
		£	£
Deferred tax liabilities	15	9,915	15,481
		<u>9,915</u>	<u>15,481</u>

BUFAB (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

15 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2017 £	Liabilities 2016 £
Balances:		
Balance at 1st January 2016	15,481	22,826
Accelerated capital allowances	(5,566)	(7,345)
	<u>9,915</u>	<u>15,481</u>
Movements in the year:		2017 £
Liability at 1 January 2017		15,481
Credit to profit or loss		(5,566)
Liability at 31 December 2017		<u>9,915</u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

16 Retirement benefit schemes

	2017 £	2016 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>16,416</u>	<u>6,305</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

17 Share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
2 Ordinary of £1 each	<u>2</u>	<u>2</u>

BUFAB (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

18 Profit and loss reserves

	2017 £	2016 £
At the beginning of the year	681,693	751,120
Profit/(loss) for the year	106,970	(69,427)
At the end of the year	<u>788,663</u>	<u>681,693</u>

19 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017 £	2016 £
Within one year	(28,923)	(58,395)
Between two and five years	(11,468)	(56,566)
	<u>(40,391)</u>	<u>(114,961)</u>

20 Controlling party

The company is a 100% owned subsidiary of Bult Finnveden AB, a company incorporated in Sweden.

The company's ultimate parent undertaking is Bufab Holding AB incorporated in Luxembourg which was listed on the NASDAQ stock exchange on 21st February 2014.

Financial statements of Bufab Holding AB are available from: Box 2266, SE-331 02, Värnamo, Sweden.

The ultimate controlling party is not known.