

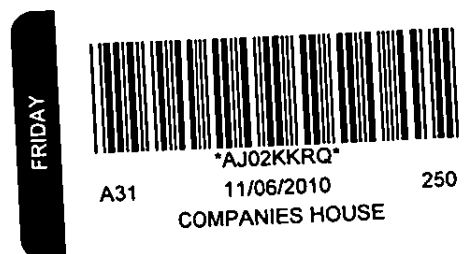


# Financial statements

## UFP (UK) Limited

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**For the Year Ended 31 December 2009**



**Company No. 2886891**

## Company information

<b>Company registration number</b>	2886891
<b>Registered office</b>	Enterprise House Roydsdale Way Euroway Trading Estate Bradford West Yorkshire BD4 6SE
<b>Directors</b>	C Zarka S Arshad
<b>Secretary</b>	N C Stokes
<b>Banker</b>	National Westminster Bank plc 7 Hustlergate Bradford BD1 1PP
<b>Solicitor</b>	Gordons LLP Riverside West Whitehall Road Leeds LS1 4AW
<b>Auditor</b>	Grant Thornton UK LLP Chartered Accountants Statutory Auditor No 1 Whitehall Riverside Leeds LS1 4BN

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## Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 December 2009

### **Principal activities and business review**

The principal activity of the company during the year was the provision of a computer printing and stationery supplies wholesaler

2009 was dominated by the effect of the global recession. Despite this we are pleased to report a 31% increase in turnover and a 117% increase in operating profit, a record for the company.

There was a profit for the year after taxation amounting to £4,034,779 (2008 £1,611,321)

### **Key Performance Indicators**

	2009	2008
Growth in sales (%)	31	18
Gross profit margin (%)	7	6
Capital expenditure (£)	54,382	29,022
Average head count (£)	121	112

### **Results and dividends**

The profit for the year, after taxation, amounted to £4,034,779. Particulars of dividends paid are detailed in note 9 to the financial statements. The principal business risk facing the company is the general economic environment in which it operates.

### **Financial risk management objectives and policies**

The company uses various financial instruments. These include loans, cash and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations.

The existence of these financial instruments exposes the company to a number of financial risks. In order to manage the company's exposure to these risks, in particular the company's exposure to currency risk, the company enters into a number of transactions including, but not limited to, forward foreign currency contracts.

All these transactions are undertaken to manage the risks arising from underlying business activities and no transactions of a speculative nature are undertaken.

The main risks arising from the company's financial instruments are market risk, cash flow, interest rate risk, credit risk and liquidity risk. The directors review and agree policies for managing each of these risks. These policies have remained unchanged from previous years.

## Report of the directors

### **Going concern**

The company has considerable financial resources and is expected to continue to generate positive cashflows for the foreseeable future. As a consequence the Directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. The Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

### **Directors**

The directors who served the company during the year were as follows

C Zarka  
S Arshad

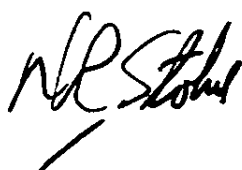
### **Directors' and Officers' insurance**

The company maintain an insurance policy covering directors and officers' liability.

### **Auditor**

Grant Thornton UK LLP offer themselves for reappointment in accordance with the Companies Act 2006.

BY ORDER OF THE BOARD



N C Stokes  
Secretary  
27 April 2010

## Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 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.

In so far as each of the directors are aware

- there is no relevant audit information of which the company'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.



## Report of the independent auditor to the members of UFP (UK) Limited

We have audited the financial statements of UFP (UK) Limited for the year ended 31 December 2009 which comprise the principal accounting policies, profit and loss account, balance sheet, cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.

### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

### **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 2009 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 matters prescribed by the Companies Act 2006**

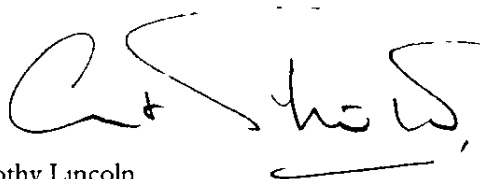
In our opinion the information given in the report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Report of the independent auditor to the members of UFP (UK) Limited (continued)

### **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



Timothy Lincoln  
Senior Statutory Auditor  
For and on behalf of Grant Thornton UK LLP  
Statutory Auditor  
Chartered Accountants  
**LEEDS**

27 April 2010

## Principal accounting policies

### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

The company has not prepared group accounts which consolidate the results of its subsidiary undertaking as, in the opinion of the directors, the effect would not be material. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The principal accounting policies of the company set out below are unchanged from the prior year.

### **Turnover**

Turnover is the total amount receivable by the company for goods supplied and services provided, including trade discounts and management income but excluding VAT.

Income is recognised in the accounts when an invoice is raised. Invoices are normally raised on the date of despatch of goods to customers.

### **Fixed assets**

All fixed assets are stated at cost, net of depreciation and any provision for impairment.

### **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	- 2% straight line
Plant & machinery	- 25% reducing balance
Fixtures & fittings	- 25% reducing balance
Motor vehicles	- 25% reducing balance

### **Stocks**

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

### **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 company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

### **Deferred taxation**

Deferred tax is recognised on all timing differences where the transactions or events that give the company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

### **Foreign currencies**

Monetary 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 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 entity after deducting all of its financial liabilities.

## Profit and loss account

	Note	2009 £	2008 £
Turnover	1	164,727,706	125,604,734
Cost of sales		(153,628,852)	(117,667,241)
Gross profit		11,098,854	7,937,493
Other operating charges	2	(5,249,672)	(4,985,228)
<b>Operating profit</b>	3	5,849,182	2,952,265
Interest receivable	6	1,388	2,773
Interest payable and similar charges	7	(241,461)	(609,544)
<b>Profit on ordinary activities before taxation</b>		5,609,109	2,345,494
Tax on profit on ordinary activities	8	(1,574,330)	(734,173)
<b>Profit for the financial year</b>	23	4,034,779	1,611,321

All of the activities of the company are classed as continuing

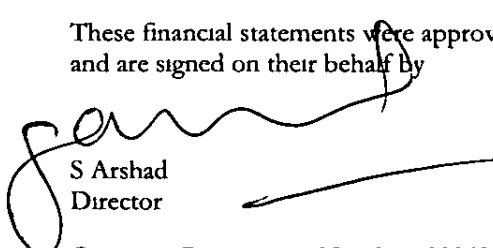
The company has no recognised gains or losses other than the results for the year as set out above

**The accompanying accounting policies and notes form part of these financial statements.**

## Balance sheet

	Note	2009 £	2008 £
<b>Fixed assets</b>			
Tangible assets	10	3,284,516	3,360,979
Investments	11	2	2
		<u>3,284,518</u>	<u>3,360,981</u>
<b>Current assets</b>			
Stocks	12	12,751,784	13,552,765
Debtors	13	20,241,910	19,246,112
Cash at bank		6	1
		<u>32,993,700</u>	<u>32,798,878</u>
<b>Creditors, amounts falling due within one year</b>	14	(22,133,282)	(25,524,079)
<b>Net current assets</b>		<u>10,860,418</u>	<u>7,274,799</u>
<b>Total assets less current liabilities</b>		<u>14,144,936</u>	<u>10,635,780</u>
<b>Creditors: amounts falling due after more than one year</b>	15	(1,286,322)	(1,489,681)
		<u>12,858,614</u>	<u>9,146,099</u>
<b>Capital and reserves</b>			
Called-up equity share capital	22	527,778	527,778
Profit and loss account	23	12,330,836	8,618,321
<b>Shareholders' funds</b>	24	<u>12,858,614</u>	<u>9,146,099</u>

These financial statements were approved by the directors and authorised for issue on **27 April 2010** and are signed on their behalf by

  
S Arshad  
Director

Company Registration Number 2886891

**The accompanying accounting policies and notes form part of these financial statements.**

## Cash flow statement

	Note	2009 £	2008 £
<b>Net cash inflow/(outflow) from operating activities</b>	25	5,029,646	(2,717,264)
<b>Returns on investments and servicing of finance</b>			
Income from group undertakings		1,353	2,061
Interest received		35	712
Interest paid		(241,461)	(609,544)
<b>Net cash outflow from returns on investments and servicing of finance</b>		(240,073)	(606,771)
<b>Taxation</b>		(1,214,132)	(522,271)
<b>Capital expenditure and financial investment</b>			
Payments to acquire tangible fixed assets		(54,382)	(29,022)
Receipts from sale of fixed assets		28,695	10,640
<b>Net cash outflow for capital expenditure and financial investment</b>		(25,687)	(18,382)
<b>Equity dividends paid</b>		(322,264)	(313,444)
<b>Cash inflow/(outflow) before financing</b>		3,227,490	(4,178,132)
<b>Financing</b>			
Repayment of bank financing		(2,787,346)	(105,125)
<b>Net cash outflow from financing</b>		(2,787,346)	(105,125)
<b>Increase/(decrease) in cash</b>	26	440,144	(4,283,257)

**The accompanying accounting policies and notes form part of these financial statements.**

## Notes to the financial statements

### **1 Turnover**

In the opinion of the directors, disclosure of the particulars of turnover required by the Companies Act 1985 (Schedule 4, paragraph 55) would be seriously prejudicial to the interests of the company and has therefore not been disclosed

### **2 Other operating charges**

	2009 £	2008 £
Distribution costs	3,208,198	2,968,377
Administrative expenses	2,041,474	2,016,851
	<u>5,249,672</u>	<u>4,985,228</u>

### **3 Operating profit**

Operating profit is stated after charging/(crediting)

	2009 £	2008 £
Depreciation of owned fixed assets	101,534	117,043
Loss/(Profit) on disposal of fixed assets	616	(7,756)
Operating lease costs		
- Plant and equipment	121,488	105,206
Net profit on foreign currency translation	(746,928)	(887,454)
Auditor's remuneration - audit of the financial statements	40,850	39,700
Auditor's remuneration - other fees	7,700	7,450
	<u>40,850</u>	<u>39,700</u>
	2009 £	2008 £
Auditor's remuneration - audit of the financial statements	<u>40,850</u>	<u>39,700</u>
Auditor's remuneration - other fees		
- Taxation services	<u>7,700</u>	<u>7,450</u>

**4 Directors and employees**

The average number of staff employed by the company during the financial year amounted to

	2009 No	2008 No
Distribution staff	45	41
Management and administration	34	32
Sales	42	39
	<u>121</u>	<u>112</u>

The aggregate payroll costs of the above were

	2009 £	2008 £
Wages and salaries	3,200,729	2,757,971
Social security costs	337,272	284,161
Other pension costs	50,956	50,731
	<u>3,588,947</u>	<u>3,092,863</u>

**5 Directors**

Remuneration in respect of directors was as follows

	2009 £	2008 £
Remuneration receivable	316,863	182,705
Value of company pension contributions to money purchase schemes	7,200	7,200
	<u>324,063</u>	<u>189,905</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2009 No	2008 No
Money purchase schemes	<u>1</u>	<u>1</u>

The aggregate emoluments of the highest paid director were £316,863 (2008 £182,705) and contributions of £7,200 (2008 £7,200) were made to the defined contribution pension scheme in his respect

**6 Interest receivable**

	2009 £	2008 £
Bank interest receivable	35	712
Interest from group undertakings	1,353	2,061
	<u>1,388</u>	<u>2,773</u>

**7 Interest payable and similar charges**

	2009 £	2008 £
Interest payable on bank borrowing	229,571	590,322
Interest on amounts owed to group undertakings	8,920	17,698
On overdue tax	2,970	1,524
	<u>241,461</u>	<u>609,544</u>

**8 Taxation on ordinary activities**

(a) Analysis of charge in the year

	2009 £	2008 £
Current tax		
UK Corporation tax based on the results for the year at 28% (2008 - 28%)	1,576,200	736,000
Over provision in prior year	(1,870)	(1,827)
Total current tax	<u>1,574,330</u>	<u>734,173</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28% (2008 - 28%)

	2009 £	2008 £
Profit on ordinary activities before taxation	<u>5,609,109</u>	<u>2,345,494</u>
Profit on ordinary activities by rate of tax	1,570,551	656,738
Expenses not deductible for tax purposes	5,702	25,120
Capital allowances for period in excess of depreciation	(310)	(3,377)
Adjustment in respect of prior periods	(1,870)	(1,827)
Rate difference	-	12,837
Other timing differences	257	44,682
Total current tax (note 8(a))	<u>1,574,330</u>	<u>734,173</u>

**9 Dividends**

**Dividends on shares classed as equity**

	2009 £	2008 £
Paid during the year		
Equity dividends on ordinary shares	<u>322,264</u>	<u>313,444</u>

**10 Tangible fixed assets**

	Freehold property £	Plant & machinery £	Fixtures & fittings £	Motor vehicles £	Total £
Cost					
At 1 January 2009	3,221,916	434,160	616,574	19,400	4,292,050
Additions	—	—	25,071	29,311	54,382
Disposals	—	—	—	(29,311)	(29,311)
At 31 December 2009	<u>3,221,916</u>	<u>434,160</u>	<u>641,645</u>	<u>19,400</u>	<u>4,317,121</u>
Depreciation					
At 1 January 2009	178,265	280,148	458,298	14,360	931,071
Charge for the year	27,120	34,703	38,523	1,188	101,534
At 31 December 2009	<u>205,385</u>	<u>314,851</u>	<u>496,821</u>	<u>15,548</u>	<u>1,032,605</u>
Net book value					
At 31 December 2009	<u>3,016,531</u>	<u>119,309</u>	<u>144,824</u>	<u>3,852</u>	<u>3,284,516</u>
At 31 December 2008	<u>3,043,651</u>	<u>154,012</u>	<u>158,276</u>	<u>5,040</u>	<u>3,360,979</u>

Included within freehold land and buildings is land amounting to £500,000 which is not depreciated

**11 Investments**

	Shares in subsidiary undertakings £
Cost	
At 1 January 2009 and 31 December 2009	<u>2</u>
Net book value	
At 31 December 2009 and 31 December 2008	<u>2</u>

The company holds more than 20% of the share capital of the following companies

Aggregate capital and reserves	2009	2008
OfficeXpress International Limited (dormant)	1	1
E-Tech Supplies Limited (dormant)	1	1

**12 Stocks**

	2009	2008
	£	£
Finished goods	<u>12,751,784</u>	<u>13,552,765</u>

**13 Debtors**

	2009	2008
	£	£
Trade debtors (factored)	20,098,235	18,750,988
Amounts owed by group undertakings	56,357	398,014
Other debtors	318	—
Prepayments and accrued income	87,000	97,110
	<u>20,241,910</u>	<u>19,246,112</u>

**14 Creditors: amounts falling due within one year**

	2009	2008
	£	£
Bank loans and overdrafts	12,049,833	15,073,960
Trade creditors	3,907,055	5,994,260
Amounts owed to group undertakings	726,861	109,308
Corporation tax	826,200	466,001
VAT	2,460,903	2,262,214
Other creditors	58,920	54,516
Accruals and deferred income	2,103,510	1,563,820
	<u>22,133,282</u>	<u>25,524,079</u>

The bank holds the following securities

A First Legal Mortgage dated 7 November 2002 over the freehold property of the company

An Unscheduled Mortgage Debenture dated 18 November 1998 incorporating a fixed and floating charge over all current and future assets of the company

Included within the figure for bank loans and overdrafts is £10,066,852 (2008 £12,676,248) regarding amounts advanced to the company from the invoice discounter

The following liabilities disclosed under creditors falling due within one year are secured by the company

	2009	2008
	£	£
Bank loans and overdrafts	<u>12,049,833</u>	<u>15,073,960</u>

**15 Creditors: amounts falling due after more than one year**

	2009	2008
	£	£
Bank loans and overdrafts	<u>1,286,322</u>	<u>1,489,681</u>

**15 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 the company

	2009	2008
	£	£
Bank loan and overdraft	<u>1,286,322</u>	<u>1,489,681</u>

**16 Creditors - capital instruments**

Creditors include a loan which is due for repayment as follows

	2009	2008
	£	£
Amounts repayable		
In one year or less or on demand	185,628	160,217
In more than one year but not more than two years	188,240	164,832
In more than two years but not more than five years	580,723	523,446
In more than five years	517,359	801,403
	<u>1,471,950</u>	<u>1,649,898</u>

**17 Pensions**

Defined Contribution Scheme

The company operates a defined contribution pension scheme for the benefit of all the employees. The assets of the scheme are administered by trustees in a fund independent from those of the company.

**18 Derivatives**

The fair values of derivatives held by the company at 31 December 2009, not recognised in the financial statements is set out below

	2009	2008
	£	£
Forward foreign currency contracts	<u>(33,395)</u>	<u>79,843</u>

## **19 Leasing commitments**

At 31 December 2009 the company had annual commitments under non-cancellable operating leases as set out below

	<b>Assets other than land and buildings</b>	
	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Operating leases which expire		
Within 1 year	27,738	52,614
Within 2 to 5 years	9,804	26,142
After more than 5 years	2,451	-
	<u>39,993</u>	<u>78,756</u>

## **20 Contingent assets/liabilities**

The bank holds a set-off arrangement in the form of a Composite Guarantee dated 3 August 2002 between the company and the related group company OfficeXpress Europe Limited

At the year end the maximum liability payable to the bank was £1,797,354 (2008 £2,237,494)

## **21 Related party transactions**

During the year a company entered into the following group related party transactions

OfficeXpress Europe Limited, a fellow group company The transactions comprised purchases totalling £282,148 and sales totalling £8,365,238 At the balance sheet date, the amount of £567,523 was payable to OfficeXpress Europe Limited At the balance sheet date, the amount of £622,496 was due from OfficeXpress Europe Limited

UFP International SA, the parent company The transactions comprised purchases totalling £6,908,071 and sales totalling £523,889 At the balance sheet date, the amount of £683,019 was payable to UFP International SA

UFP Espana SA, a fellow group company The transactions comprised sales totalling £234,260 At the balance sheet date, the amount of £1,384 was due from UFP Espana SA

UFP Deutschland GmbH, a fellow group company The transactions comprised purchases totalling £326,138 and sales totalling £1,496,723 At the balance sheet date, the amount of £50,237 was payable to UFP Deutschland GmbH At the balance sheet date, the amount of £6,434 was due from UFP Deutschland GmbH

The company have taken advantage of the transitional relief not to provide comparatives for transactions with other members of the group headed by UFP International SA as the company was previously exempt from the requirement of FRS8 to disclose transactions as it is a 90% subsidiary of UFP International SA

During the year the company also entered into transactions under normal commercial terms with Easy Supplies Limited, a company owned by a brother of one of the directors The transactions comprised purchases totalling £700,844 (2008 £528,893) and sales totalling £9,876 (2008 £10,762) At the balance sheet date, the amount of £234,691 (2008 £151,942) was payable to Easy Supplies Limited At the balance sheet date, the amount of £240 (2008 £765) was due from Easy Supplies Limited

**22 Share capital**

Authorised share capital

	2009	2008
	£	£
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

Allotted, called up and fully paid

	2009		2008	
	No	£	No	£
527,778 Ordinary shares of £1 each	<u>527,778</u>	<u>527,778</u>	<u>527,778</u>	<u>527,778</u>

**23 Profit and loss account**

	2009	2008
	£	£
Balance brought forward	8,618,321	7,320,444
Profit for the financial year	4,034,779	1,611,321
Equity dividends	(322,264)	(313,444)
Balance carried forward	<u>12,330,836</u>	<u>8,618,321</u>

**24 Reconciliation of movements in shareholders' funds**

	2009	2008
	£	£
Profit for the financial year	4,034,779	1,611,321
Equity dividends	(322,264)	(313,444)
Net addition to shareholders' funds	<u>3,712,515</u>	<u>1,297,877</u>
Opening shareholders' funds	9,146,099	7,848,222
Closing shareholders' funds	<u>12,858,614</u>	<u>9,146,099</u>

**25 Reconciliation of operating profit to net cash inflow/(outflow) from operating activities**

	2009	2008
	£	£
Operating profit	5,849,182	2,952,265
Depreciation	101,534	117,043
Loss/(Profit) on disposal of fixed assets	616	(7,756)
Decrease/(increase) in stocks	800,981	(3,710,149)
Increase in debtors	(995,798)	(4,274,911)
(Decrease)/increase in creditors	(726,869)	2,206,244
Net cash inflow/(outflow) from operating activities	<u>5,029,646</u>	<u>(2,717,264)</u>

**26 Reconciliation of net cash flow to movement in net debt**

	2009 £	2008 £
Increase/(decrease) in cash in the period	440,144	(4,283,257)
Net cash (inflow) from/outflow from bank loans	2,787,346	105,125
	<u>3,227,490</u>	<u>(4,178,132)</u>
Change in net debt	3,227,490	(4,178,132)
Net debt at 1 January 2009	(16,563,640)	(12,385,508)
Net debt at 31 December 2009	<u>(13,336,150)</u>	<u>(16,563,640)</u>

**27 Analysis of changes in net debt**

	At 1 Jan 2009 £	Cash flows £	At 31 Dec 2009 £
Net cash			
Cash in hand and at bank	1	5	6
Overdrafts	(2,237,495)	440,139	(1,797,356)
	<u>(2,237,494)</u>	<u>440,144</u>	<u>(1,797,350)</u>
Debt			
Debt due within 1 year	(12,836,465)	2,583,987	(10,252,478)
Debt due after 1 year	(1,489,681)	203,359	(1,286,322)
	<u>(14,326,146)</u>	<u>2,787,346</u>	<u>(11,538,800)</u>
Net debt	<u>(16,563,640)</u>	<u>3,227,490</u>	<u>(13,336,150)</u>

**28 Capital commitments**

The directors have confirmed that there were no capital commitments at 31 December 2009 or 31 December 2008

**29 Ultimate parent company**

The parent and ultimate parent undertaking of the company is UFP International SA, incorporated in France

The directors consider that the company's ultimate controlling related party is Mr C Zarka, a director of the company, and his family by virtue of shareholdings

The smallest and largest group of undertakings for which group accounts have been drawn up is that headed by UFP International SA, incorporated in France. Copies of the group accounts can be obtained from 17 Rue Francaise Pressense BP72, 93210 St Denis, La Plaine, France