

UFP (UK) Limited

Registered number 02886891

Directors' report and financial statements

For the year ended 31 December 2013

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UFP (UK) LIMITED

COMPANY INFORMATION

Directors	C Zarka S Arshad
Company secretary	N C Stokes
Registered number	02886891
Registered office	Enterprise House Roydsdale Way Euroway Trading Estate Bradford BD4 6SE
Independent auditors	Mazars LLP Chartered Accountants & Statutory Auditor The Lexicon Mount Street Manchester M2 5NT
Bankers	National Westminster Bank plc 7 Hustlergate Bradford BD1 1PP
Solicitors	Gordons LLP Riverside West Whitehall Road Leeds LS1 4AW

UFP (UK) LIMITED

CONTENTS

	Page
Strategic Report	1
Directors' Report	2 - 3
Independent Auditors' Report	4 - 5
Profit and Loss Account	6
Balance Sheet	7
Cash Flow Statement	8
Notes to the Financial Statements	9 - 20

UFP (UK) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their strategic report for UFP (UK) Limited for the year ended 31 December 2013

Business review

The company continued its principal activities throughout the current year

As reported in the company's profit and loss account, turnover has shown a strong increase of 18.8% from £114.3m to £135.8m and gross profit margin has increased from 5.5% to 5.7% in the current period. Profit before tax has increased from £1.5m to £3.6m.

The balance sheet shows that the net assets at the year end has increased from £15.9m to £17.8m.

The directors are pleased with the performance during the year and believe that UFP (UK) Limited is in a strong position to expand its market share.

Principal risks and uncertainties

Management continually monitor the key risks facing the company together with assessing the controls used for managing these risks.

Financial key performance indicators

The key performance indicators are considered to be turnover, gross profit margin, capital expenditure and head count.

This report was approved by the board on

23rd Jun 2014 and signed on its behalf



N C Stokes
Secretary

UFP (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

The directors present their report and the financial statements for the year ended 31 December 2013

Directors' responsibilities statement

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 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 judgments 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, and
- 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.

Results and dividends

The profit for the year, after taxation, amounted to £2,687,579 (2012 - £1,068,355)

A dividend of £814,282 (2012 - £411,680) was paid during the year.

Directors

The directors who served during the year were

C Zarka
S Arshad

Future developments

Overall the company is well placed in terms of strategic and market position to maximise its ability to generate sales and satisfy customer demand and the directors believe that the company is in a strong position to expand its market share.

Financial instruments

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

UFP (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

manage the company's exposure to those 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 the 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 risk, 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.

Matters covered in the Strategic report

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the Strategic Report.

Going concern

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 for accounting in preparing the annual financial statements.

For further information regarding the directors' assessment of the going concern status of the company, refer to the accounting policies note.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

The auditors, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 23rd June 2014 and signed on its behalf



N C Stokes
Secretary

UFP (UK) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UFP (UK) LIMITED

We have audited the financial statements of UFP (UK) Limited for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Balance Sheet, the 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).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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. 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 Auditors' 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the 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 the other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

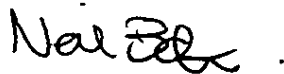
UFP (UK) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UFP (UK) LIMITED

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



Neil Barton (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

The Lexicon
Mount Street
Manchester
M2 5NT

Date 23 JUNE 2014

UFP (UK) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 £	2012 £
Turnover	1,2	135,790,212	114,287,053
Cost of sales		<u>(128,115,625)</u>	<u>(107,948,155)</u>
Gross profit		7,674,587	6,338,898
Distribution costs		<u>(2,853,892)</u>	<u>(2,804,332)</u>
Administrative expenses		<u>(993,539)</u>	<u>(1,877,120)</u>
Operating profit	3	3,827,156	1,657,446
Interest receivable and similar income	7	652	300
Interest payable and similar charges	8	<u>(239,492)</u>	<u>(164,501)</u>
Profit on ordinary activities before taxation		3,588,316	1,493,245
Tax on profit on ordinary activities	9	<u>(900,737)</u>	<u>(424,890)</u>
Profit for the financial year	17	<u><u>2,687,579</u></u>	<u><u>1,068,355</u></u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2013 or 2012 other than those included in the Profit and Loss Account

The notes on pages 9 to 20 form part of these financial statements

UFP (UK) LIMITED

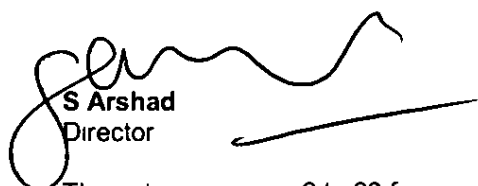
Registered number 02886891

BALANCE SHEET

AS AT 31 DECEMBER 2013

	Note	£	2013 £	£	2012 £
Fixed assets					
Tangible assets	10		3,276,528		3,269,048
Investments	11		2		2
			<u>3,276,530</u>		<u>3,269,050</u>
Current assets					
Stocks	12	18,653,601		12,772,016	
Debtors	13	18,334,241		13,943,699	
Cash at bank and in hand		1,356		10,512	
		<u>36,989,198</u>		<u>26,726,227</u>	
Creditors amounts falling due within one year	14	(22,408,966)		(13,714,718)	
Net current assets			14,580,232		13,011,509
Total assets less current liabilities			<u>17,856,762</u>		<u>16,280,559</u>
Creditors: amounts falling due after more than one year	15		(59,358)		(356,452)
Net assets			<u>17,797,404</u>		<u>15,924,107</u>
Capital and reserves					
Called up share capital	16		527,778		527,778
Profit and loss account	17		17,269,626		15,396,329
Shareholders' funds	18		<u>17,797,404</u>		<u>15,924,107</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

23rd June 2014


S Arshad
Director

The notes on pages 9 to 20 form part of these financial statements

UFP (UK) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 £	2012 £
Net cash flow from operating activities	20	(6,179,776)	2,756,344
Returns on investments and servicing of finance	21	(238,840)	(164,201)
Taxation		(735,647)	(472,079)
Capital expenditure and financial investment	21	(133,647)	(85,319)
Equity dividends paid		(814,282)	(411,680)
Cash (outflow)/inflow before financing		(8,102,192)	1,623,065
Financing	21	6,850,431	(2,005,274)
Decrease in cash in the year		(1,251,761)	(382,209)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 £	2012 £
Decrease in cash in the year	(1,251,761)	(382,209)
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(6,850,431)	2,005,274
Change in net debt resulting from cash flows	(8,102,192)	1,623,065
New finance lease	-	(35,400)
Movement in net debt in the year	(8,102,192)	1,587,665
Net debt at 1 January 2013	(5,665,036)	(7,252,701)
Net debt at 31 December 2013	(13,767,228)	(5,665,036)

The notes on pages 9 to 20 form part of these financial statements

UFP (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1. Accounting Policies

1.1 Basis of preparation of financial statements

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

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Going concern

The company's business activities, together with the factors likely to affect its future development, performance, and position, are set out in the Directors' report. The Directors are confident that the company's relations with its customers and suppliers leave the company well placed to manage its business risks successfully despite the current economic difficulties. The company is able to meet its day to day working capital requirements. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that it will be able to operate within the level of its current facilities for the foreseeable future.

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.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Revenue is recognised in the accounts when an invoice is raised. Invoices are normally raised on the date of despatch of goods to customers, as this is the point the risks and rewards of ownership of the goods are deemed to transfer.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% straight line
Plant & machinery	-	25% reducing balance
Motor vehicles	-	25% reducing balance
Fixtures & fittings	-	25% reducing balance

1.5 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

UFP (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1 Accounting Policies (continued)

1 6 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. 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.

1 7 Operating leases

Rentals under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

1 8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs.

1 9 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and Loss Account.

1 10 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1 11 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.

2 Turnover

The whole of the turnover is attributable to the company's principle activity.

All turnover arose within the United Kingdom.

UFP (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

3 Operating profit

The operating profit is stated after charging

	2013 £	2012 £
Depreciation of tangible fixed assets		
- owned by the company	119,750	111,564
- held under finance leases	6,417	588
Operating lease rentals		
- plant and machinery	19,203	24,548
Difference on foreign exchange	(369,357)	(128,955)

4 Auditors' remuneration

	2013 £	2012 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	37,500	47,500
Fees payable to the company's auditor and its associates in respect of		
Taxation compliance services	7,000	9,600
All other non-audit services not included above	2,000	-

5. Staff costs

Staff costs, including directors' remuneration, were as follows

	2013 £	2012 £
Wages and salaries	2,388,401	2,331,525
Social security costs	231,755	230,425
Other pension costs	37,173	40,066
	2,657,329	2,602,016

The average monthly number of employees, including the directors, during the year was as follows

	2013 No	2012 No
Distribution	36	37
Management and administration	27	26
Sales	30	36
	93	99

UFP (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

6 Directors' remuneration

	2013 £	2012 £
Remuneration	152,262	141,332
Company pension contributions to defined contribution pension schemes	7,200	7,200

During the year retirement benefits were accruing to 1 director (2012 - 1) in respect of defined contribution pension schemes

7 Interest receivable

	2013 £	2012 £
Interest receivable from group companies	66	95
Other interest receivable	586	205
	652	300

8 Interest payable

	2013 £	2012 £
On bank loans and overdrafts	9,085	14,043
Invoice discounting interest	228,292	149,773
On loans from group undertakings	2,050	327
Other interest payable	65	358
	239,492	164,501

9 Taxation

	2013 £	2012 £
Analysis of tax charge in the year		
UK corporation tax charge on profit for the year	891,400	406,100
Adjustments in respect of prior periods	9,337	18,790
Tax on profit on ordinary activities	900,737	424,890

UFP (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

9 Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2012 - higher than) the standard rate of corporation tax in the UK of 23 25% (2012 - 24%) The differences are explained below

	2013 £	2012 £
Profit on ordinary activities before tax	3,588,316	1,493,245
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23 25% (2012 - 24%)	834,161	358,379
Effects of		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	22,899	48,564
Capital allowances for year in excess of depreciation	(9,871)	898
Adjustments to tax charge in respect of prior periods	9,337	18,790
Short term timing difference leading to an increase (decrease) in taxation	215	(50)
Other timing differences leading to an increase (decrease) in taxation	43,996	(1,691)
Current tax charge for the year (see note above)	900,737	424,890

Factors that may affect future tax charges

There were no factors that may affect future tax charges

10 Tangible fixed assets

	Freehold property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
Cost					
At 1 January 2013	3,221,916	486,935	19,400	875,673	4,603,924
Additions	-	120,584	-	13,063	133,647
At 31 December 2013	3,221,916	607,519	19,400	888,736	4,737,571
Depreciation					
At 1 January 2013	286,745	388,707	17,596	641,828	1,334,876
Charge for the year	27,120	37,957	403	60,687	126,167
At 31 December 2013	313,865	426,664	17,999	702,515	1,461,043
Net book value					
At 31 December 2013	2,908,051	180,855	1,401	186,221	3,276,528
At 31 December 2012	2,935,171	98,228	1,804	233,845	3,269,048

UFP (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

10 Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

	2013 £	2012 £
Fixtures & fittings	20,383	26,242

11 Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2013 and 31 December 2013	2
Net book value	
At 31 December 2013	2
At 31 December 2012	2

Subsidiary undertakings

The following were dormant subsidiary undertakings of the company

Name	Class of shares	Holding
OfficeXpress International Limited	Ordinary	100 %
E-Tech Supplies Limited	Ordinary	100 %

The aggregate of the share capital and reserves as at 31 December 2013 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows

Name	Aggregate of share capital and reserves £	Profit/(loss) £
OfficeXpress International Limited	1	-
E-Tech Supplies Limited	1	-

12 Stocks

	2013 £	2012 £
Finished goods and goods for resale	18,653,601	12,772,016

UFP (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

13 Debtors

	2013 £	2012 £
Trade debtors	16,436,091	12,613,470
Amounts owed by group undertakings	435,927	99,724
Other debtors	1,040	12,394
Prepayments and accrued income	1,461,183	1,218,111
	<u>18,334,241</u>	<u>13,943,699</u>

14 Creditors Amounts falling due within one year

	2013 £	2012 £
Bank loans and overdrafts	1,930,039	683,430
Amounts owed on invoice discounting	11,770,335	4,600,266
Net obligations under finance leases and hire purchase contracts	8,850	35,400
Trade creditors	4,303,490	3,639,877
Amounts owed to group undertakings	815,952	1,378,228
Corporation tax	361,548	196,458
Other taxation and social security	2,483,036	2,128,106
Other creditors	47,152	71,013
Accruals and deferred income	688,564	981,940
	<u>22,408,966</u>	<u>13,714,718</u>

The bank holds the following securities

A First Legal Mortgage Debenture 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

A Mortgage Debenture dated 28 June 2004 incorporating a fixed and floating charge over all current and future assets of the company

A Guarantee dated 3 August 2004, relating to amounts owed to the invoice discounting company, incorporates a fixed and floating charge over all current and future assets of the company

Net obligations under finance leases and hire purchase contracts are secured on the assets to which they relate

UFP (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

15 Creditors' Amounts falling due after more than one year

	2013 £	2012 £
Bank loans	59,358	356,452

16. Share capital

	2013 £	2012 £
Allotted, called up and fully paid 527,778 Ordinary shares of £1 each	527,778	527,778

17 Reserves

	Profit and loss account £
At 1 January 2013	15,396,329
Profit for the financial year	2,687,579
Dividends Equity capital	(814,282)
At 31 December 2013	17,269,626

18 Reconciliation of movement in shareholders' funds

	2013 £	2012 £
Opening shareholders' funds	15,924,107	15,267,432
Profit for the financial year	2,687,579	1,068,355
Dividends (Note 19)	(814,282)	(411,680)
Closing shareholders' funds	17,797,404	15,924,107

19 Dividends

	2013 £	2012 £
Dividends paid on equity capital	814,282	411,680

UFP (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

20 Net cash flow from operating activities

	2013 £	2012 £
Operating profit	3,827,156	1,657,446
Depreciation of tangible fixed assets	126,167	112,153
(Increase)/decrease in stocks	(5,881,585)	1,929,747
Increase in debtors	(4,390,542)	(921,225)
Increase/(decrease) in creditors	139,028	(21,777)
Net cash (outflow)/inflow from operating activities	(6,179,776)	2,756,344

21 Analysis of cash flows for headings netted in cash flow statement

	2013 £	2012 £
Returns on investments and servicing of finance		
Interest received	652	300
Interest paid	(239,492)	(164,501)
Net cash outflow from returns on investments and servicing of finance	(238,840)	(164,201)

	2013 £	2012 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(133,647)	(102,319)
Sale of tangible fixed assets	-	17,000
Net cash outflow from capital expenditure	(133,647)	(85,319)

	2013 £	2012 £
Financing		
Repayment of loans	(293,089)	(981,747)
Movement in invoice discounting facility	7,170,070	(1,023,228)
Repayment of finance leases	(26,550)	(299)
Net cash inflow/(outflow) from financing	6,850,431	(2,005,274)

UFP (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

22 Analysis of changes in net debt

	1 January 2013 £	Cash flow £	Other non-cash changes £	31 December 2013 £
Cash at bank and in hand	10,512	(9,156)	-	1,356
Bank overdraft	(390,380)	(1,242,605)	-	(1,632,985)
	<u>(379,868)</u>	<u>(1,251,761)</u>	<u>-</u>	<u>(1,631,629)</u>
Debt				
Finance leases	(35,400)	26,550	-	(8,850)
Loans due within one year	(293,050)	293,088	(297,094)	(297,056)
Invoice discounting	(4,600,266)	(7,170,069)	-	(11,770,335)
Loans falling due after more than one year	(356,452)	-	297,094	(59,358)
	<u>(5,665,036)</u>	<u>(8,102,192)</u>	<u>-</u>	<u>(13,767,228)</u>
Net debt				

Restatement of cash flow comparatives

The classification of the bank overdraft in the cash flow statement has been re-classified as cash rather than as debt, to provide more meaningful disclosure. This has resulted in an adjustment to the prior year cash flow comparative.

The classification of the invoice discounting facility in the cash flow statement has been reclassified as a separate line item within debt rather than being included in loans due within one year, to provide more meaningful disclosure. This has resulted in an adjustment to the prior year cash flow comparative.

These adjustments have no impact on the total net debt as at 1 January 2013.

23. Contingent liabilities

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

At the year end the exposure relating to the guarantee was £4,820 (2012 - £nil).

24 Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £37,173 (2012 - £40,066). Contributions totalling £6,569 (2012 - £7,127) were payable to the fund at the balance sheet date and are included in creditors.

UFP (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

25 Operating lease commitments

At 31 December 2013 the company had annual commitments under non-cancellable operating leases as follows

	2013 £	2012 £
Expiry date		
Within 1 year	2,514	23,153
Between 2 and 5 years	51,266	10,158

26 Other financial commitments

As at the year end the company had committed to forward contract currency options amounting to £1,668,878 to purchase Euros with maturity dates ranging from January 2014 to November 2014

As at the year end the company had committed to foreign exchange swap contracts amounting to £908,590 to purchase Euros in January 2014

27 Related party transactions

As a 90% subsidiary of UFP International SA, the company is exempt from the requirements of FRS8 to disclose transactions with other members of the group headed by UFP International SA on the grounds that the accounts are publicly available

During the year the company entered into transactions under normal commercial terms with Easy Supplies Limited, a company owned by the brother of S Arshad. The transactions comprised purchases totalling £3,813,514 (2012 - £2,546,952) and sales totalling £1,976 (2012 - £727,564)

At the balance sheet date, £Nil (2012 - £727,248) was payable to Easy Supplies Limited. At the balance sheet date, £Nil (2012 - £328,992) was due from Easy Supplies Limited.

During the year the company entered into transactions under normal commercial terms with HSA Associates Limited, a company owned by the brother of S Arshad. The transactions comprised services rendered totalling £25,450 (2012 - £30,290). There were no sales to HSA Associates Limited during the year.

At the balance sheet date, £Nil (2012 - £Nil) was payable to HSA Associates Limited and £Nil (2012 - £Nil) was due from HSA Associates Limited.

During the year the company entered into transactions under normal commercial terms with HSA Consultants Limited, a company owned by the brother of S Arshad. The transactions comprised services rendered totalling £10,180 (2012 - £Nil). There were no sales to HSA Consultants Limited during the year.

At the balance sheet date, £10,180 (2012 - £Nil) was payable to HSA Consultants Limited and £Nil (2012 - £Nil) was due from HSA Consultants Limited.

	2013 Sales £	2013 Purchases £	2013 Debtor £	2013 Creditor £	2012 Net £
Easy Supplies Limited	1,976	(3,813,514)	-	-	(398,256)
HSA Associates Limited	-	(25,450)	-	-	-
HSA Consultants Limited	-	(10,180)	-	(10,180)	-

UFP (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

28 Ultimate parent undertaking and controlling party

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 their 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 1-3 Rue de la Cokerie, ZAC du Cornillon, BP72, 93213 St Denis La Plaine Cedex, France