

**STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
FOR
UNIVERSAL FLEXIBLE PACKAGING
LIMITED**

**UNIVERSAL FLEXIBLE PACKAGING
LIMITED (REGISTERED NUMBER: 03092987)**

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FOR THE YEAR ENDED 31 DECEMBER 2021**

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**UNIVERSAL FLEXIBLE PACKAGING
LIMITED**

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2021**

DIRECTORS:	Mr M Durrani Mrs US Durrani Mrs N Durrani
SECRETARY:	Mr M Durrani
REGISTERED OFFICE:	61 Lunsford Road Leicester Leicestershire LE5 0HJ
REGISTERED NUMBER:	03092987 (England and Wales)
SENIOR STATUTORY AUDITOR:	Mr P Bott FCA
AUDITORS:	Mark J Rees LLP Chartered Accountants and Statutory Auditors Granville Hall Granville Road Leicester LE1 7RU
BANKERS:	Yorkshire Bank plc 29 Horsefair Street Leicester LE1 5BL

UNIVERSAL FLEXIBLE PACKAGING LIMITED (REGISTERED NUMBER: 03092987)

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their strategic report for the year ended 31 December 2021.

Universal Flexible Packaging (UFP) is a family-run business that opened in 1993. We started as a packaging firm supplier, but since then we have grown to become an industry leader in flexible packaging. We have since expanded into contract packaging, added cardboard packaging to the portfolio and can now receive, pack, label, store and deliver almost anything.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

Performance of the business and Outlook

Turnover has increased by £606K (4.1%) on 2020 this was inline with budgeted figures.

Our KPI's for the year show how much we have achieved this year:

KPI's £	2021	2020
Turnover	15,464	14,857
Gross Profit %	17.9	18.8
Operating Profit	484	568
Operating Profit %	3.1	3.8
Net Profit/(Loss)	1,664	886
Net Assets	8,654	6,991

The company has a budgeting system in place whereby actual performance is measured against budget on a monthly basis.

During the year the company's freehold and investment property was revalued. The increase of £1,747,500 for the investment property is included in the net profit figure above.

We continue to invest in plant and machinery to support the future growth of the business. We have invested £900k during the year on automation projects to mitigate increases in labour costs and drive improvements in efficiency.

Our experienced management team and strong financial position enable us to be well positioned to continue the successful development of the company.

The directors are responsible for the maintenance of the company's website www.uniflex.co.uk.

**UNIVERSAL FLEXIBLE PACKAGING
LIMITED (REGISTERED NUMBER: 03092987)**

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

PRINCIPAL RISKS AND UNCERTAINTIES

The company manages liquidity risk by ensuring that there are sufficient funds to meet amounts due to trade creditors and loan repayments. Trade debtors are managed in respect of credit and cash flow risk by regular monitoring of amounts outstanding in terms of time and credit limits.

ON BEHALF OF THE BOARD:

Mr M Durrani - Secretary

8 August 2022

**UNIVERSAL FLEXIBLE PACKAGING
LIMITED (REGISTERED NUMBER: 03092987)**

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their report with the financial statements of the company for the year ended 31 December 2021.

DIVIDENDS

An interim dividend of £229,008 (2020: £249,762) was paid during the year.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

Mr M Durrani
Mrs US Durrani
Mrs N Durrani

DONATIONS

The company made charitable donations of £25,375 in the year to 31 December 2021.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

**UNIVERSAL FLEXIBLE PACKAGING
LIMITED (REGISTERED NUMBER: 03092987)**

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021**

AUDITORS

The auditors, Mark J Rees LLP Chartered Accountants, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Mr M Durrani - Secretary

8 August 2022

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF UNIVERSAL FLEXIBLE PACKAGING LIMITED

Opinion

We have audited the financial statements of Universal Flexible Packaging Limited (the 'company') for the year ended 31 December 2021 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, 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 Financial Reporting Standard 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 2021 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 Auditors' 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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 this gives rise to a material misstatement in the financial statements themselves. 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 the audit:

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF UNIVERSAL FLEXIBLE PACKAGING 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 Strategic Report or the Report of the Directors.

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.

Responsibilities of directors

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF UNIVERSAL FLEXIBLE PACKAGING LIMITED

Auditors' 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 a Report of the Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We have determined that the principal risk areas where material irregularities could occur were related to posting manual journal entries to manipulate financial performance, revenue recognition, stock valuation and significant one-off or unusual transactions.

Our audit procedures were designed to respond in particular to these identified risks (including non compliance with laws and regulations and fraud).

Our audit procedures included but were not limited to:

- A review of a sample of stock lines to ensure the valuation of stock is at the lower of cost and net realisable value along with attendance at stocktake to sample the stock count of stock lines.
- A review of a sample of orders received in the year to ensure these were correctly recorded in revenue and detailed cut off testing around the year end to ensure revenue is correctly recognised.
- A review of laws and regulations the company is subject to, being specifically food and hygiene and health and safety, followed by compliance checks and discussion with management to ensure no instances of non compliance.
- Addressing the risks of fraud through management override of controls by performing journal entry test.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our 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 a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mr P Bott FCA (Senior Statutory Auditor)
for and on behalf of Mark J Rees LLP Chartered Accountants
and Statutory Auditors
Granville Hall
Granville Road
Leicester
LE1 7RU

10 August 2022

**UNIVERSAL FLEXIBLE PACKAGING
LIMITED (REGISTERED NUMBER: 03092987)**

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	2020 £
TURNOVER	5	15,463,703	14,857,250
Cost of sales		<u>12,691,792</u>	<u>12,071,990</u>
GROSS PROFIT		2,771,911	2,785,260
Administrative expenses		<u>3,159,982</u> (388,071)	<u>3,119,623</u> (334,363)
Other operating income	6	<u>872,498</u>	<u>900,317</u>
OPERATING PROFIT	8	484,427	565,954
Interest receivable and similar income		<u>722</u>	<u>1,734</u>
		485,149	567,688
Gain/loss on revaluation of investment property		<u>1,747,500</u>	<u>750,000</u>
		2,232,649	1,317,688
Interest payable and similar expenses	9	<u>214,131</u>	<u>218,798</u>
PROFIT BEFORE TAXATION		2,018,518	1,098,890
Tax on profit	10	<u>354,061</u>	<u>213,253</u>
PROFIT FOR THE FINANCIAL YEAR		1,664,457	885,637

The notes form part of these financial statements

**UNIVERSAL FLEXIBLE PACKAGING
LIMITED (REGISTERED NUMBER: 03092987)**

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	2020 £
PROFIT FOR THE YEAR		1,664,457	885,637
OTHER COMPREHENSIVE INCOME			
Revaluation of property		281,624	-
Income tax relating to other comprehensive income		(53,509)	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		228,115	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,892,572	885,637

The notes form part of these financial statements

**UNIVERSAL FLEXIBLE PACKAGING
LIMITED (REGISTERED NUMBER: 03092987)**

**BALANCE SHEET
31 DECEMBER 2021**

	Notes	2021 £	£	2020 £	£
FIXED ASSETS					
Tangible assets	12		6,219,936		5,409,679
Investment property	13		9,997,500		8,250,000
			16,217,436		13,659,679
CURRENT ASSETS					
Stocks	14	1,357,590		1,169,727	
Debtors	15	2,629,535		2,288,296	
Cash at bank		628,799		1,276,170	
		4,615,924		4,734,193	
CREDITORS					
Amounts falling due within one year	16	5,703,103		5,469,856	
NET CURRENT LIABILITIES			(1,087,179)		(735,663)
TOTAL ASSETS LESS CURRENT LIABILITIES			15,130,257		12,924,016
CREDITORS					
Amounts falling due after more than one year	17		(5,231,942)		(5,096,835)
PROVISIONS FOR LIABILITIES	21		(1,243,884)		(836,314)
NET ASSETS			8,654,431		6,990,867
CAPITAL AND RESERVES					
Called up share capital	22		1,000		1,000
Revaluation reserve	23		1,066,198		1,108,554
Fair value reserve	23		3,198,594		1,722,152
Retained earnings	23		4,388,639		4,159,161
SHAREHOLDERS' FUNDS			8,654,431		6,990,867

The financial statements were approved by the Board of Directors and authorised for issue on 8 August 2022 and were signed on its behalf by:

Mr M Durrani - Director

**UNIVERSAL FLEXIBLE PACKAGING
LIMITED (REGISTERED NUMBER: 03092987)**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £	Retained earnings £	Revaluation reserve £	Fair value reserve £	Total equity £
Balance at 1 January 2020	1,000	4,047,161	1,123,743	1,183,088	6,354,992
Changes in equity					
Dividends	-	(249,762)	-	-	(249,762)
Total comprehensive income	-	361,762	(15,189)	539,064	885,637
Balance at 31 December 2020	<u>1,000</u>	<u>4,159,161</u>	<u>1,108,554</u>	<u>1,722,152</u>	<u>6,990,867</u>
Changes in equity					
Dividends	-	(229,008)	-	-	(229,008)
Total comprehensive income	-	458,486	(42,356)	1,476,442	1,892,572
Balance at 31 December 2021	<u>1,000</u>	<u>4,388,639</u>	<u>1,066,198</u>	<u>3,198,594</u>	<u>8,654,431</u>

The notes form part of these financial statements

UNIVERSAL FLEXIBLE PACKAGING LIMITED (REGISTERED NUMBER: 03092987)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. COMPANY INFORMATION

The principal activity of Universal Flexible Packaging Limited is that of packaging specialists for the food industry.

The company is a private limited company (registered number 03092987), which is incorporated and domiciled in the UK. The address of the registered office is 61 Lunsford Road, Leicester, Leicestershire, LE5 0HJ.

2. STATUTORY INFORMATION

Universal Flexible Packaging Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

3. STATEMENT OF COMPLIANCE

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

4. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

The financial statements are presented in Sterling (£).

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of paragraph 33.7.

Significant judgements and estimates

There were no areas in which the preparation of the financial statements required to make significant judgements or estimates.

Turnover

Revenue comprises the fair value for the sale of goods excluding value added taxes and represents net invoice value. The company supplies products to customers from its manufacturing sites and warehouses, under standard terms and conditions. In all cases revenue is recognised when the risks and rewards of ownership are transferred and this is defined to be on dispatch of the goods.

**UNIVERSAL FLEXIBLE PACKAGING
LIMITED (REGISTERED NUMBER: 03092987)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

4. ACCOUNTING POLICIES - continued

Tangible fixed assets

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

Freehold property	- 2% on cost excluding land
Improvements to property	- 10% on cost
Plant and machinery	- 15% on reducing balance
Fixtures and fittings	- 15% on reducing balance

Fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable or as otherwise required by relevant accounting standards.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairments of revalued assets are treated as a revaluation decrease. All other impairment losses are recognised in profit and loss.

Government grants

During the year the company received monies under the Coronavirus Job Retention Scheme and LLEP/SFIE Grants. The amounts received are included within the accounts on an accruals basis.

Investment

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Stocks

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

Cost is calculated using the FIFO (first-in, first-out) method. Provision is made for obsolete, slow-moving or defective items where appropriate.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, 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 provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**UNIVERSAL FLEXIBLE PACKAGING
LIMITED (REGISTERED NUMBER: 03092987)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

4. ACCOUNTING POLICIES - continued

Deferred taxation

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.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

A deferred tax liability or asset is recognised for the additional tax that will be paid or avoided in respect of assets and liabilities that are recognised in a business combination.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Deferred tax liabilities are presented within provisions for liabilities and deferred assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity which intends to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

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

The interest element of these obligations is charged to 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.

Pension costs and other post-retirement benefits

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

Investments

Investments are included at cost less residual amounts written off. Profits or losses arising from disposals of fixed asset investments are taken to the profit and loss account.

**UNIVERSAL FLEXIBLE PACKAGING
LIMITED (REGISTERED NUMBER: 03092987)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

4. ACCOUNTING POLICIES - continued

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently, where material, at amortised cost using the effective interest method, less any impairment.

Creditors

Short term creditors are measured at transaction price, less any impairment. Other financial liabilities, including bank loans are measured initially at fair value, net of transaction costs, and are measured subsequently, where material, at amortised cost using the effective interest method, less any impairment.

Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Whilst from late March 2020 the COVID-19 pandemic has had a small impact on the company's operations, due to the industry the company is in it is not anticipated that it will affect the company's long term ability to continue as a going concern. To mitigate costs the company has taken advantage of the Government Job Retention scheme.

Rents received

Rental income is recognised on the lease of 61 Lunsford Road, Leicester, LE5 0HJ. The rents are recognised over the period of the lease.

5. TURNOVER

Turnover was derived from the company's principal activity which was carried out exclusively in the UK.

6. OTHER OPERATING INCOME

	2021	2020
	£	£
Rents received	602,004	602,004
Management charge	256,490	224,290
Other income	-	33,352
Government grants	14,004	40,671
	<u>872,498</u>	<u>900,317</u>

Included in 2020 other income is a dowry amount received from Royal Bank of Scotland on switching to Yorkshire Bank.

**UNIVERSAL FLEXIBLE PACKAGING
LIMITED (REGISTERED NUMBER: 03092987)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. EMPLOYEES AND DIRECTORS

	2021	2020
	£	£
Wages and salaries	4,391,547	3,995,089
Social security costs	28,122	17,414
Other pension costs	59,514	211,176
	<u>4,479,183</u>	<u>4,223,679</u>

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

	2021	2020
Production	139	135
Administration	41	45
	<u>180</u>	<u>180</u>

	2021	2020
	£	£
Directors' remuneration	<u>232,400</u>	<u>150,574</u>

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

Money purchase schemes	<u>2</u>	<u>2</u>
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Information regarding the highest paid director for the year ended 31 December 2021 is as follows:

	2021
	£
Emoluments etc	<u>108,000</u>

8. OPERATING PROFIT

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

	2021	2020
	£	£
Hire of plant and machinery	134,169	109,413
Other operating leases	193,400	181,117
Depreciation - owned assets	291,976	284,013
Depreciation - assets on hire purchase contracts	179,047	147,965
Loss on disposal of fixed assets	838	4,785
Auditors remuneration	9,100	8,850
Foreign exchange differences	<u>(97,285)</u>	<u>14,245</u>

**UNIVERSAL FLEXIBLE PACKAGING
LIMITED (REGISTERED NUMBER: 03092987)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£	£
Bank loan interest	102,133	104,635
Factoring charges and interest	91,295	83,239
Hire purchase interest	20,703	30,924
	<u>214,131</u>	<u>218,798</u>

10. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2021	2020
	£	£
Current tax:		
UK corporation tax	-	73,635
Prior year		
UK corporation tax	-	(24,059)
Total current tax	-	49,576
Deferred taxation	354,061	163,677
Tax on profit	<u>354,061</u>	<u>213,253</u>

UK corporation tax has been charged at 19% (2020 - 19%).

**UNIVERSAL FLEXIBLE PACKAGING
LIMITED (REGISTERED NUMBER: 03092987)**

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

10. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

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

	2021 £	2020 £
Profit before tax	<u>2,018,518</u>	<u>1,098,890</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	383,518	208,789
Effects of:		
Expenses not deductible for tax purposes	5,641	2,134
Income not taxable for tax purposes	(3,036)	(7,727)
Capital allowances in excess of depreciation	(12,189)	-
Depreciation in excess of capital allowances	-	33,571
Adjustments to tax charge in respect of previous periods	-	(24,059)
Other timing differences	<u>(19,873)</u>	<u>545</u>
Total tax charge	<u>354,061</u>	<u>213,253</u>

Tax effects relating to effects of other comprehensive income

	Gross £	2021 Tax £	Net £
Revaluation of property	<u>281,624</u>	<u>(53,509)</u>	<u>228,115</u>

As at 31 December 2021 the company had trading losses of £660,876 (2020: £123,745). These will be carried forward and set off against future trading profits.

11. DIVIDENDS

	2021 £	2020 £
Ordinary shares of £1 each		
Interim	<u>229,008</u>	<u>249,762</u>

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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

12. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Totals £
COST OR VALUATION					
At 1 January 2021	3,186,194	178,352	6,982,097	786,411	11,133,054
Additions	-	-	982,197	18,297	1,000,494
Disposals	-	-	(10,865)	-	(10,865)
Revaluations	146,306	-	-	-	146,306
At 31 December 2021	3,332,500	178,352	7,953,429	804,708	12,268,989
DEPRECIATION					
At 1 January 2021	94,158	58,120	4,935,305	635,792	5,723,375
Charge for year	41,160	17,832	387,136	24,895	471,023
Eliminated on disposal	-	-	(10,027)	-	(10,027)
Revaluation adjustments	(135,318)	-	-	-	(135,318)
At 31 December 2021	-	75,952	5,312,414	660,687	6,049,053
NET BOOK VALUE					
At 31 December 2021	3,332,500	102,400	2,641,015	144,021	6,219,936
At 31 December 2020	3,092,036	120,232	2,046,792	150,619	5,409,679

Included in cost or valuation of land and buildings is freehold land of £ 750,000 (2020 - £ 750,000) which is not depreciated.

A proportion of the property was reclassified as additional Investment Property in the year to 31 December 2020 to reflect the fact that 75% is now leased out.

Cost or valuation at 31 December 2021 is represented by:

	Freehold property £	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Totals £
Valuation in 2021	3,332,500	-	-	-	3,332,500
Cost	-	178,352	7,953,429	804,708	8,936,489
	<u>3,332,500</u>	<u>178,352</u>	<u>7,953,429</u>	<u>804,708</u>	<u>12,268,989</u>

**UNIVERSAL FLEXIBLE PACKAGING
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**NOTES TO THE FINANCIAL STATEMENTS - continued
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12. TANGIBLE FIXED ASSETS - continued

If the freehold property had not been revalued it would have been included at the following historical cost:

	2021 £	2020 £
Cost	<u>2,564,712</u>	<u>2,564,712</u>
Aggregate depreciation	<u>291,250</u>	<u>282,348</u>

The Freehold property was valued on an open market basis on 22 February 2022 by Avison Young .

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

	Plant and machinery £
COST OR VALUATION	
At 1 January 2021	1,493,855
Additions	<u>740,108</u>
At 31 December 2021	<u>2,233,963</u>
DEPRECIATION	
At 1 January 2021	727,003
Charge for year	<u>179,047</u>
At 31 December 2021	<u>906,050</u>
NET BOOK VALUE	
At 31 December 2021	<u>1,327,913</u>
At 31 December 2020	<u>766,852</u>

13. INVESTMENT PROPERTY

	Total £
FAIR VALUE	
At 1 January 2021	8,250,000
Revaluations	<u>1,747,500</u>
At 31 December 2021	<u>9,997,500</u>
NET BOOK VALUE	
At 31 December 2021	<u>9,997,500</u>
At 31 December 2020	<u>8,250,000</u>

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13. INVESTMENT PROPERTY - continued

A proportion of the property was reclassified as additional Investment Property in the year to 31 December 2021 to reflect the fact that 75% is now leased out.

Fair value at 31 December 2021 is represented by:

	£
Valuation in 2021	<u><u>9,997,500</u></u>

If the investment property had not been revalued it would have been included at the following historical cost:

	2021 £	2020 £
Cost	<u><u>5,633,934</u></u>	<u><u>5,633,934</u></u>

The Investment property was valued on an open market basis on 22 February 2022 by Avison Young .

14. STOCKS

	2021 £	2020 £
Raw materials	<u><u>1,357,590</u></u>	<u><u>1,169,727</u></u>

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	2,154,965	2,085,917
Other debtors	146,578	52,160
Prepayments	<u><u>327,992</u></u>	<u><u>150,219</u></u>
	<u><u>2,629,535</u></u>	<u><u>2,288,296</u></u>

Trade debtors include debts subject to invoice discounting of £1,912,446 (2020: £2,015,285).

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16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Bank loans and overdrafts (see note 18)	290,909	290,909
Hire purchase contracts (see note 19)	247,360	145,724
Trade creditors	2,108,124	1,744,643
Invoice discounting	1,218,873	1,265,293
Amounts owed to group undertakings	700,264	700,264
Taxation	-	73,635
Social security and other taxes	137,779	88,464
Vat liability	609,860	769,042
Other creditors	57,478	57,478
Directors' current accounts	5,832	58,384
Accruals and deferred income	312,624	262,020
Deferred government grants	14,000	14,000
	<u>5,703,103</u>	<u>5,469,856</u>

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

	2021	2020
	£	£
Bank loans (see note 18)	4,008,297	4,201,275
Hire purchase contracts (see note 19)	640,341	298,252
Deferred government grants	583,304	597,308
	<u>5,231,942</u>	<u>5,096,835</u>

18. LOANS

An analysis of the maturity of loans is given below:

	2021	2020
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>290,909</u>	<u>290,909</u>
Amounts falling due between two and five years:		
Bank loans	<u>4,008,297</u>	<u>4,201,275</u>

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**NOTES TO THE FINANCIAL STATEMENTS - continued
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18. LOANS - continued

The company's bank loan was refinanced in 2019 when they switched to Yorkshire Bank and includes two loans. Both are repayable over a term of 60 months, in total monthly instalments of £21,945 and a final payment for the balance at the end of the term. Interest is charged at 2.1% and 3.72% over the Bank of England's Base Rate.

During the year to 31 December 2020 the company received a Coronavirus Business Interruption Loan of £500,000 from the Yorkshire Bank. This loan is repayable over a term of 54 months, in equal monthly instalments of £9,259 commencing on the date falling 7 months from the date of drawdown and monthly thereafter. The rate of interest applicable to the loan is charged at 4% over the Bank of England's Base Rate, payable monthly in arrears.

19. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2021	2020
	£	£
Net obligations repayable:		
Within one year	247,360	145,724
Between one and five years	<u>640,341</u>	<u>298,252</u>
	<u>887,701</u>	<u>443,976</u>
	Non-cancellable operating leases	
	2021	2020
	£	£
Within one year	180,000	180,000
Between one and five years	<u>360,000</u>	<u>540,000</u>
	<u>540,000</u>	<u>720,000</u>

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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

20. SECURED DEBTS

The following secured debts are included within creditors:

	2021 £	2020 £
Bank loans	4,299,206	4,492,184
Hire purchase contracts	887,701	443,976
Invoice discounting	<u>1,218,873</u>	<u>1,265,293</u>
	<u>6,405,780</u>	<u>6,201,453</u>

The bank loan of the company is secured by a fixed and floating charge over the group's assets.

The balance owing in respect of invoice discounting is secured on the book debts of the company.

Amounts owing under hire purchase contracts are secured on the assets concerned.

21. PROVISIONS FOR LIABILITIES

	2021 £	2020 £
Deferred tax		
Capital gains on revalued property	867,102	501,442
Accelerated capital allowances	502,348	358,384
Taxation losses	<u>(125,566)</u>	<u>(23,512)</u>
	<u>1,243,884</u>	<u>836,314</u>

	Deferred tax £
Balance at 1 January 2021	836,314
Movement in year	<u>407,570</u>
Balance at 31 December 2021	<u>1,243,884</u>

22. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021 £	2020 £
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

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23. RESERVES

	Retained earnings £	Revaluation reserve £	Fair value reserve £	Totals £
At 1 January 2021	4,159,161	1,108,554	1,722,152	6,989,867
Profit for the year	1,664,457			1,664,457
Dividends	(229,008)			(229,008)
Revaluation in year	(1,747,500)	281,624	1,747,500	281,624
Transfer from revaluation reserve	206,682	(206,682)	-	-
Transfers	334,847	(117,298)	(271,058)	(53,509)
At 31 December 2021	<u>4,388,639</u>	<u>1,066,198</u>	<u>3,198,594</u>	<u>8,653,431</u>

24. PENSION COMMITMENTS

The company operates defined contribution pension schemes. The assets of the schemes are held separately from those of the company within independently administered funds. The total contributions paid in the year amounted to £59,514 (2020: £211,176). Contributions of £10,476 (2020: £12,452) were unpaid at the year end.

25. ULTIMATE PARENT COMPANY

The directors regard Universal Developments (Leicester) Limited as being the company's ultimate parent company.

The registered address of Universal Developments (Leicester) Limited is 61 Lunsford Road, Leicester, LE5 0HJ and the group accounts can be found at Companies House, Crown Way, Cardiff, CF14 3UZ.

26. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

During the year, the company paid rent of £Nil (2020: £31,646) to Mann Properties (Leicester) LLP, a Limited Liability Partnership in which Mr M Durrani and Mrs N Durrani, both directors, hold an interest.

During the year the company paid rent of £193,400 (2020: £149,470) to Uniflex SASS, a pension scheme, in which Mr M Durrani, director, holds an interest.

During the year, remuneration amounting to £642,142 (2020: £643,654) was paid to key management personnel, which included the directors.

At the year end the company owed £5,832 (2020: £58,385) to the directors.

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