

**STRATEGIC REPORT,  
REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022  
FOR  
UNIVERSAL FLEXIBLE PACKAGING  
LIMITED**

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

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FOR THE YEAR ENDED 31 DECEMBER 2022**

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# UNIVERSAL FLEXIBLE PACKAGING LIMITED

## COMPANY INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2022

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

# UNIVERSAL FLEXIBLE PACKAGING LIMITED (REGISTERED NUMBER: 03092987)

## STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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The directors present their strategic report for the year ended 31 December 2022.

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 £2.2m (14.2%) on 2021, in line with budgeted figures, with gross profit margin staying constant. Turnover increased due to increasing sales prices to mitigate increases in costs.

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

KPI's £	2022	2021
Turnover	17,665	15,464
Gross Profit %	17.6	17.9
Operating Profit	421	484
Operating Profit %	2.4	3.1
Net Profit/(Loss)	(236)	1,664
Net Assets	8,118	8,654

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

We continue to invest in plant and machinery to support the future growth of the business. We have invested £208k 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](http://www.uniflex.co.uk).

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

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**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

1 September 2023

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

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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The directors present their report with the financial statements of the company for the year ended 31 December 2022.

**DIVIDENDS**

An interim dividend of £216,840 (2021: £229,008) was paid during the year.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2022 to the date of this report.

Mr M Durrani  
Mrs US Durrani  
Mrs N Durrani

**DONATIONS**

The company made charitable donations of £28,000 in the year to 31 December 2022.

**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 2022**

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**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

1 September 2023

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

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## **Opinion**

We have audited the financial statements of Universal Flexible Packaging Limited (the 'company') for the year ended 31 December 2022 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 2022 and of its loss 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**

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## **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.

## **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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

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

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## **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

7 September 2023

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

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £	2021 £
<b>TURNOVER</b>	5	<b>17,664,539</b>	15,463,703
Cost of sales		<u>14,592,272</u>	<u>12,735,249</u>
<b>GROSS PROFIT</b>		<b>3,072,267</b>	2,728,454
Administrative expenses		<u>3,606,456</u> (534,189)	<u>3,116,525</u> (388,071)
Other operating income	6	<u>954,774</u>	<u>872,498</u>
<b>OPERATING PROFIT</b>	8	<b>420,585</b>	484,427
Interest receivable and similar income		<u>2,581</u>	<u>722</u>
		<b>423,166</b>	485,149
Gain/loss on revaluation of investment property		<u>-</u>	<u>1,747,500</u>
		<b>423,166</b>	2,232,649
Interest payable and similar expenses	9	<u>360,604</u>	<u>214,131</u>
<b>PROFIT BEFORE TAXATION</b>		<b>62,562</b>	2,018,518
Tax on profit	10	<u>298,074</u>	<u>354,061</u>
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		<b>(235,512)</b>	<u>1,664,457</u>

The notes form part of these financial statements

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

**OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £	2021 £
<b>(LOSS)/PROFIT FOR THE YEAR</b>		<b>(235,512)</b>	1,664,457
<b>OTHER COMPREHENSIVE INCOME</b>			
Revaluation of property		-	281,624
Tax rate change		(83,717)	-
Income tax relating to components of other comprehensive income		-	(53,509)
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX</b>		<b>(83,717)</b>	228,115
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>(319,229)</b>	1,892,572

The notes form part of these financial statements

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

**BALANCE SHEET  
31 DECEMBER 2022**

	Notes	2022 £	£	2021 £	£
<b>FIXED ASSETS</b>					
Intangible assets	12		19,800		-
Tangible assets	13		4,988,677		6,219,936
Investment property	14		10,930,600		9,997,500
			<u>15,939,077</u>		<u>16,217,436</u>
<b>CURRENT ASSETS</b>					
Stocks	15	1,076,671		1,357,590	
Debtors	16	3,266,762		2,629,535	
Cash at bank		-		628,799	
		<u>4,343,433</u>		<u>4,615,924</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	17	<u>5,658,841</u>		<u>5,703,103</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(1,315,408)</u>		<u>(1,087,179)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>14,623,669</b>		<b>15,130,257</b>
<b>CREDITORS</b>					
Amounts falling due after more than one year	18		(4,879,631)		(5,231,942)
<b>PROVISIONS FOR LIABILITIES</b>	22		<u>(1,625,676)</u>		<u>(1,243,884)</u>
<b>NET ASSETS</b>			<u><b>8,118,362</b></u>		<u><b>8,654,431</b></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	23		1,000		1,000
Revaluation reserve	24		732,432		1,066,198
Fair value reserve	24		3,336,637		3,198,594
Retained earnings	24		<u>4,048,293</u>		<u>4,388,639</u>
<b>SHAREHOLDERS' FUNDS</b>			<u><b>8,118,362</b></u>		<u><b>8,654,431</b></u>

The financial statements were approved by the Board of Directors and authorised for issue on 1 September 2023 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 2022**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Revaluation reserve £</b>	<b>Fair value reserve £</b>	<b>Total equity £</b>
<b>Balance at 1 January 2021</b>	1,000	4,159,161	1,108,554	1,722,152	6,990,867
<b>Changes in equity</b>					
Dividends	-	(229,008)	-	-	(229,008)
Total comprehensive income	-	458,486	(42,356)	1,476,442	1,892,572
<b>Balance at 31 December 2021</b>	<u>1,000</u>	<u>4,388,639</u>	<u>1,066,198</u>	<u>3,198,594</u>	<u>8,654,431</u>
<b>Changes in equity</b>					
Dividends	-	(216,840)	-	-	(216,840)
Total comprehensive income	-	(123,506)	(333,766)	138,043	(319,229)
<b>Balance at 31 December 2022</b>	<u>1,000</u>	<u>4,048,293</u>	<u>732,432</u>	<u>3,336,637</u>	<u>8,118,362</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 2022**

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**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.

The presentation currency of the financial statements is the Pound Sterling (£).

**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.

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

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**4. ACCOUNTING POLICIES - continued**

**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.

**Rents received**

Rental income is recognised on the lease of 65 Lewisher Road, Leicester, LE4 9LR. The rents are recognised over the period of the lease.

**Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Patents and licences are being amortised evenly over their estimated useful life of ten years.

**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.

**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.



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

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**4. ACCOUNTING POLICIES - continued**

**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.

**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.

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

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**4. ACCOUNTING POLICIES - continued**

**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.

**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.

**5. TURNOVER**

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

**6. OTHER OPERATING INCOME**

	<b>2022</b>	2021
	<b>£</b>	£
Rents received	<b>602,004</b>	602,004
Management charge	<b>338,766</b>	256,490
Government grants	<b>14,004</b>	14,004
	<b><u>954,774</u></b>	<u>872,498</u>

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

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**7. EMPLOYEES AND DIRECTORS**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>4,526,266</b>	4,068,649
Social security costs	<b>390,395</b>	351,020
Other pension costs	<b>52,602</b>	59,514
	<b><u>4,969,263</u></b>	<b><u>4,479,183</u></b>

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

	<b>2022</b>	<b>2021</b>
Production	<b>129</b>	139
Administration	<b>42</b>	41
	<b><u>171</u></b>	<b><u>180</u></b>

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Directors' remuneration	<b><u>188,693</u></b>	<b><u>232,400</u></b>

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

Money purchase schemes	<b><u>2</u></b>	<b><u>2</u></b>
------------------------	-----------------	-----------------

**8. OPERATING PROFIT**

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Hire of plant and machinery	<b>152,448</b>	134,169
Other operating leases	<b>193,400</b>	193,400
Depreciation - owned assets	<b>283,017</b>	291,976
Depreciation - assets on hire purchase contracts	<b>213,181</b>	179,047
(Profit)/loss on disposal of fixed assets	<b>(9,531)</b>	838
Patents and licences amortisation	<b>2,200</b>	-
Auditors remuneration	<b>9,650</b>	9,100
Foreign exchange differences	<b><u>38,943</u></b>	<b><u>(97,285)</u></b>

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**NOTES TO THE FINANCIAL STATEMENTS - continued  
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**9. INTEREST PAYABLE AND SIMILAR EXPENSES**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Bank loan interest	<b>207,156</b>	102,133
Factoring charges and interest	<b>124,416</b>	91,295
Hire purchase interest	<b>29,032</b>	20,703
	<b><u>360,604</u></b>	<b><u>214,131</u></b>

**10. TAXATION**

**Analysis of the tax charge**

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Deferred taxation	<b>298,074</b>	354,061
Tax on profit	<b><u>298,074</u></b>	<b><u>354,061</u></b>

UK corporation tax has been charged at 19% (2021 - 19%).

**Reconciliation of total tax charge included in profit and loss**

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Profit before tax	<b><u>62,562</u></b>	<b><u>2,018,518</u></b>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	<b>11,887</b>	383,518
Effects of:		
Expenses not deductible for tax purposes	<b>1,435</b>	5,641
Income not taxable for tax purposes	<b>(4,651)</b>	(3,036)
Capital allowances in excess of depreciation	<b>-</b>	(12,189)
Depreciation in excess of capital allowances	<b>133,889</b>	-
Other timing differences	<b>-</b>	(19,873)
Tax Rate Change	<b>155,514</b>	-
Total tax charge	<b><u>298,074</u></b>	<b><u>354,061</u></b>

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**NOTES TO THE FINANCIAL STATEMENTS - continued  
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**10. TAXATION - continued**

**Tax effects relating to effects of other comprehensive income**

	<b>Gross £</b>	<b>2022 Tax £</b>	<b>Net £</b>
Revaluation of property			
Tax rate change	<u>(83,717)</u>	<u>-</u>	<u>(83,717)</u>
	<u>(83,717)</u>	<u>-</u>	<u>(83,717)</u>
		<b>2021</b>	
	<b>Gross £</b>	<b>Tax £</b>	<b>Net £</b>
Revaluation of property	<u>281,624</u>	<u>(53,509)</u>	<u>228,115</u>

**FACTORS THAT MAY AFFECT FUTURE TAX CHARGES**

In the Spring Budget 2021 due to the enhanced amount of public borrowing as a result of COVID 19 pandemic the Government announced that the rate of corporation tax would increase from 19% to 25% with effect from April 2023.

These changes to the rate of corporation tax will impact the amount of future tax payments to be made by the company. Therefore the deferred tax has been recalculated at the year end to be at 25%.

As at 31 December 2022 the company had trading losses of £537,502 (2021 - £660,876). These will be carried forward and set off against future trading profits.

**11. DIVIDENDS**

	<b>2022 £</b>	<b>2021 £</b>
Interim	<u>216,840</u>	<u>229,008</u>

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**12. INTANGIBLE FIXED ASSETS**

	Patents and licences £
<b>COST</b>	
Additions	22,000
At 31 December 2022	<u>22,000</u>
<b>AMORTISATION</b>	
Amortisation for year	2,200
At 31 December 2022	<u>2,200</u>
<b>NET BOOK VALUE</b>	
At 31 December 2022	<u>19,800</u>

**13. TANGIBLE FIXED ASSETS**

	Freehold property £	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Totals £
<b>COST OR VALUATION</b>					
At 1 January 2022	3,332,500	178,352	7,953,429	804,708	12,268,989
Additions	1,950	-	200,305	6,284	208,539
Disposals	-	-	(202,151)	-	(202,151)
Reclassification/transfer	(933,100)	-	-	-	(933,100)
At 31 December 2022	<u>2,401,350</u>	<u>178,352</u>	<u>7,951,583</u>	<u>810,992</u>	<u>11,342,277</u>
<b>DEPRECIATION</b>					
At 1 January 2022	-	75,952	5,312,414	660,687	6,049,053
Charge for year	42,190	17,832	413,975	22,201	496,198
Eliminated on disposal	-	-	(191,651)	-	(191,651)
At 31 December 2022	<u>42,190</u>	<u>93,784</u>	<u>5,534,738</u>	<u>682,888</u>	<u>6,353,600</u>
<b>NET BOOK VALUE</b>					
At 31 December 2022	<u>2,359,160</u>	<u>84,568</u>	<u>2,416,845</u>	<u>128,104</u>	<u>4,988,677</u>
At 31 December 2021	3,332,500	102,400	2,641,015	144,021	6,219,936

Included in cost or valuation of land and buildings is freehold land of £ 719,820 (2021 - £ 999,750 ) which is not depreciated.

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**NOTES TO THE FINANCIAL STATEMENTS - continued  
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**13. TANGIBLE FIXED ASSETS - continued**

A proportion of the property was reclassified as additional Investment Property in the year to 31 December 2022 to reflect the fact that 82% is now leased out.

Cost or valuation at 31 December 2022 is represented by:

	<b>Freehold property £</b>	<b>Improvements to property £</b>	<b>Plant and machinery £</b>	<b>Fixtures and fittings £</b>	<b>Totals £</b>
Valuation in 2022	<b>2,399,400</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,399,400</b>
Cost	<b>1,950</b>	<b>178,352</b>	<b>7,951,583</b>	<b>810,992</b>	<b>8,942,877</b>
	<b><u>2,401,350</u></b>	<b><u>178,352</u></b>	<b><u>7,951,583</u></b>	<b><u>810,992</u></b>	<b><u>11,342,277</u></b>

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

	<b>2022 £</b>	<b>2021 £</b>
Cost	<b>1,481,174</b>	<b>2,054,477</b>
Aggregate depreciation	<b><u>254,663</u></b>	<b><u>291,250</u></b>

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

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**NOTES TO THE FINANCIAL STATEMENTS - continued  
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**13. TANGIBLE FIXED ASSETS - continued**

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

	<b>Plant and machinery £</b>
<b>COST OR VALUATION</b>	
At 1 January 2022	2,233,963
Additions	139,938
Transfer to ownership	(910,846)
At 31 December 2022	<u>1,463,055</u>
<b>DEPRECIATION</b>	
At 1 January 2022	906,050
Charge for year	213,181
Transfer to ownership	(691,949)
At 31 December 2022	<u>427,282</u>
<b>NET BOOK VALUE</b>	
At 31 December 2022	<u>1,035,773</u>
At 31 December 2021	<u>1,327,913</u>

**14. INVESTMENT PROPERTY**

	<b>Total £</b>
<b>FAIR VALUE</b>	
At 1 January 2022	9,997,500
Reclassification/transfer	933,100
At 31 December 2022	<u>10,930,600</u>
<b>NET BOOK VALUE</b>	
At 31 December 2022	<u>10,930,600</u>
At 31 December 2021	<u>9,997,500</u>

A proportion of the property was reclassified as additional Investment Property in the year to 31 December 2022 to reflect the fact that 82% is now leased out.

Fair value at 31 December 2022 is represented by:

	<b>£</b>
Valuation in 2022	<u>10,930,600</u>



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**NOTES TO THE FINANCIAL STATEMENTS - continued  
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**14. INVESTMENT PROPERTY - continued**

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

	2022 £	2021 £
Cost	<u>6,738,686</u>	<u>6,163,432</u>

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

**15. STOCKS**

	2022 £	2021 £
Raw materials	<u>1,076,671</u>	<u>1,357,590</u>

**16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022 £	2021 £
Trade debtors	2,391,787	2,154,965
Other debtors	222,558	146,578
Directors' current accounts	239,089	-
Prepayments	413,328	327,992
	<u>3,266,762</u>	<u>2,629,535</u>

Trade debtors include debts subject to invoice discounting of £2,311,226 (2021: £1,912,446).

**17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022 £	2021 £
Bank loans and overdrafts (see note 19)	685,402	290,909
Hire purchase contracts (see note 20)	249,347	247,360
Trade creditors	1,899,222	2,108,124
Invoice discounting	1,017,229	1,218,873
Amounts owed to group undertakings	700,264	700,264
Social security and other taxes	96,091	137,779
Vat liability	636,225	609,860
Other creditors	-	57,478
Directors' current accounts	-	5,832
Accruals and deferred income	361,061	312,624
Deferred government grants	14,000	14,000
	<u>5,658,841</u>	<u>5,703,103</u>

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**18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2022</b>	2021
	£	£
Bank loans (see note 19)	3,795,726	4,008,297
Hire purchase contracts (see note 20)	514,605	640,341
Deferred government grants	569,300	583,304
	<u>4,879,631</u>	<u>5,231,942</u>

**19. LOANS**

An analysis of the maturity of loans is given below:

	<b>2022</b>	2021
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	394,493	-
Bank loans	290,909	290,909
	<u>685,402</u>	<u>290,909</u>
Amounts falling due between two and five years:		
Bank loans	<u>3,795,726</u>	<u>4,008,297</u>

The loan is repayable over a term of 60 months from May 2019, in total monthly instalments of £21,945 and a final payment for the balance at the end of the term. Interest is charged at 3.25% 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.

**20. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	<b>Hire purchase contracts</b>	
	<b>2022</b>	2021
	£	£
Net obligations repayable:		
Within one year	249,347	247,360
Between one and five years	514,605	640,341
	<u>763,952</u>	<u>887,701</u>

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**NOTES TO THE FINANCIAL STATEMENTS - continued  
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**20. LEASING AGREEMENTS - continued**

	<b>Non-cancellable operating leases</b>	
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Within one year	<b>180,000</b>	180,000
Between one and five years	<b>180,000</b>	360,000
	<b><u>360,000</u></b>	<b><u>540,000</u></b>

**21. SECURED DEBTS**

The following secured debts are included within creditors:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Bank overdraft	<b>394,493</b>	-
Bank loans	<b>4,086,635</b>	4,299,206
Hire purchase contracts	<b>763,952</b>	887,701
Invoice discounting	<b>1,017,229</b>	1,218,873
	<b><u>6,262,309</u></b>	<b><u>6,405,780</u></b>

The bank loan and overdraft 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.

**22. PROVISIONS FOR LIABILITIES**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Deferred tax		
Capital gains on revalued property	<b>1,138,585</b>	867,102
Accelerated capital allowances	<b>621,467</b>	502,348
Taxation losses	<b>(134,376)</b>	(125,566)
	<b><u>1,625,676</u></b>	<b><u>1,243,884</u></b>

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**22. PROVISIONS FOR LIABILITIES - continued**

	Deferred tax £
Balance at 1 January 2022	1,243,884
Movement in year	381,792
Balance at 31 December 2022	<u>1,625,676</u>

**23. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal	2022	2021
Number:	Class:	value:	£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

**24. RESERVES**

	Retained earnings £	Revaluation reserve £	Fair value reserve £	Totals £
At 1 January 2022	4,388,639	1,066,198	3,198,594	8,653,431
Deficit for the year	(235,512)			(235,512)
Dividends	(216,840)			(216,840)
Transfer from revaluation reserve	(76,699)	76,699	-	-
Transfers	<u>188,705</u>	<u>(410,465)</u>	<u>138,043</u>	<u>(83,717)</u>
At 31 December 2022	<u>4,048,293</u>	<u>732,432</u>	<u>3,336,637</u>	<u>8,117,362</u>

**25. 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 £52,602 (2021: £59,514). Contributions of £10,895 (2021: £10,476) were unpaid at the year end.

**26. 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.

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**27. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to a director subsisted during the years ended 31 December 2022 and 31 December 2021:

	2022 £	2021 £
<b>Mr M Durrani</b>		
Balance outstanding at start of year	(5,832)	(58,384)
Amounts advanced	558,615	428,662
Amounts repaid	(313,695)	(376,110)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>239,088</u>	<u>(5,832)</u>

The loan is repayable on demand and interest was charged on the loan using the average basis at 2%.

**28. 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 £193,400 (2021: £193,400) to Uniflex SASS, a pension scheme, in which Mr M Durrani, director, holds an interest.

During the year, remuneration amounting to £585,116 (2021: £642,142) was paid to key management personnel, which included the directors.

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