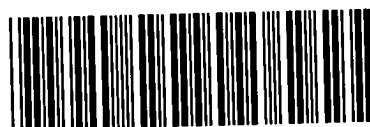


Company Registration No. 03866672 (England and Wales)

**WHAT MORE UK LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**

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# WHAT MORE UK LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr A M Holt Mrs V Hargreaves Mr J A M Grimshaw Mrs J M Holt Mr A Riley Mr I Sellick Mr R S Tout Mr G K Ireland (Appointed 29 May 2017)
<b>Secretary</b>	Mrs J Dyson
<b>Company number</b>	03866672
<b>Registered office</b>	Pendle Court 4 Mead Way Shuttleworth Mead Business Park Padiham Burnley Lancashire BB12 7NG
<b>Auditor</b>	Pierce C A Limited Mentor House Ainsworth Street Blackburn Lancashire BB1 6AY
<b>Business address</b>	Pendle Court 4 Mead Way Shuttleworth Mead Business Park Padiham Burnley Lancashire BB12 7NG

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# WHAT MORE UK LIMITED

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# WHAT MORE UK LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2016

---

The directors present the strategic report for the year ended 31 December 2016.

#### **Fair review of the business**

2016 was another successful year for the company. A year in which we expanded our market, ranges and customer base. I don't intend to comment further on the numbers herein, except to say that it was great performance from a dedicated team.

There is one dominant issue and challenge, Brexit. It will have wide ranging consequences on the country, its businesses and its citizens. We are working hard to mitigate the big cost implications arising from exchange rate movements. This issue is a one-off. We can't leave twice, but it will take time to work through. The effect on discretionary spending will impact on the company as retailers recoil from movements in the sterling/US dollar exchange rates. Demand will drop while the market adjusts to this. Long term contracts will become shorter as future visibility is poor and unquantifiable.

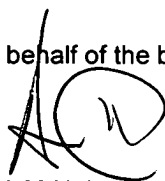
Short term the impact is negative on our business, but there are positives that we are intending to exploit. Our exports are growing, albeit from a smaller base than our UK trade, our new bakeware offering is getting traction and our internet offer is performing well. We are looking at acquisitions and expect to make one or two during 2017 to bolster our unique range.

While there will be a short term cost from Brexit induced exchange rate volatility, our underlying business, team, offer and customers continue to be top drawer. We are well placed to weather this and expect in the long run to look back on this year as a really positive period in which we looked properly at our entire operation, improved it and expanded our global markets and ranges.

#### **Principal risks and uncertainties**

The company is exposed to the usual credit and cash flow risks associated with selling on credit and manages this through effective credit control procedures. The company's foreign exchange rate exposure arises from trading with overseas companies. The company manages this exposure by the use of foreign currency forward contracts. The company also uses an invoice discounting facility to help manage the risk of bad debts and to also help finance working capital.

On behalf of the board



Mr A M Holt

**Director**

28 September 2017

# WHAT MORE UK LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2016

---

The directors present their annual report and financial statements for the year ended 31 December 2016.

#### Principal activities

The principal activity of the company continued to be that of the manufacture of plastic house and gardenwares.

#### Directors

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

Mr A M Holt  
Mrs V Hargreaves  
Mr J A M Grimshaw  
Mrs J M Holt  
Mr A Riley  
Mr I Sellick  
Mr R S Tout  
Mr G K Ireland

(Appointed 29 May 2017)

#### Results and dividends

The results for the year are set out on page 6.

Ordinary dividends were paid amounting to £1,500,000. The directors do not recommend payment of a final dividend.

#### Auditor

In accordance with the company's articles, a resolution proposing that Pierce C A Limited be reappointed as auditor of the company will be put at a General Meeting.

#### Statement of disclosure to auditor

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

On behalf of the board



Mr A M Holt

Director

28 September 2017

# **WHAT MORE UK LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2016**

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The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

# **WHAT MORE UK LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF WHAT MORE UK LIMITED**

---

We have audited the financial statements of What More UK Limited for the year ended 31 December 2016 which comprise the Profit And Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

As explained more fully in the Directors' Responsibilities Statement, 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.

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

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

# WHAT MORE UK LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF WHAT MORE UK LIMITED

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### 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.

Linda Wilkinson

Linda Wilkinson (Senior Statutory Auditor)  
for and on behalf of Pierce C A Limited

28 September 2017

Statutory Auditor

Mentor House  
Ainsworth Street  
Blackburn  
Lancashire  
BB1 6AY



# WHAT MORE UK LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	2015 £
Turnover	2	48,169,696	45,391,223
Cost of sales		(30,541,273)	(28,647,558)
<b>Gross profit</b>		<b>17,628,423</b>	<b>16,743,665</b>
Distribution costs		(7,229,108)	(6,494,513)
Administrative expenses		(4,612,873)	(5,522,012)
Other operating income		89,532	66,820
<b>Operating profit</b>	<b>3</b>	<b>5,875,974</b>	<b>4,793,960</b>
Interest receivable and similar income	7	5,617	5,821
Interest payable and similar expenses	8	(464,439)	(512,140)
<b>Profit before taxation</b>		<b>5,417,152</b>	<b>4,287,641</b>
Tax on profit	9	(1,090,559)	(889,126)
<b>Profit for the financial year</b>		<b>4,326,593</b>	<b>3,398,515</b>

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

# WHAT MORE UK LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

---

	2016 £	2015 £
Profit for the year	4,326,593	3,398,515
Other comprehensive income	-	-
Total comprehensive income for the year	<u>4,326,593</u>	<u>3,398,515</u>

# WHAT MORE UK LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Intangible assets	11	354,305		371,404	
Tangible assets	12	25,799,598		24,332,628	
Investments	13	353,823		513,403	
		<u>26,507,726</u>		<u>25,217,435</u>	
<b>Current assets</b>					
Stocks	14	9,021,436		7,647,665	
Debtors	15	11,681,297		10,569,917	
Cash at bank and in hand		3,221,551		1,936,131	
		<u>23,924,284</u>		<u>20,153,713</u>	
<b>Creditors: amounts falling due within one year</b>	16	(22,655,947)		(19,050,673)	
<b>Net current assets</b>		<u>1,268,337</u>		<u>1,103,040</u>	
<b>Total assets less current liabilities</b>		<u>27,776,063</u>		<u>26,320,475</u>	
<b>Creditors: amounts falling due after more than one year</b>	17	(7,909,845)		(9,325,539)	
<b>Provisions for liabilities</b>	20	(669,307)		(624,618)	
<b>Net assets</b>		<u>19,196,911</u>		<u>16,370,318</u>	
<b>Capital and reserves</b>					
Called up share capital	24	1,700,010		1,700,010	
Profit and loss reserves		17,496,901		14,670,308	
<b>Total equity</b>		<u>19,196,911</u>		<u>16,370,318</u>	

The financial statements were approved by the board of directors and authorised for issue on 28 September 2017 and are signed on its behalf by:

  
Mr A M Holt  
Director

Company Registration No. 03866672

# WHAT MORE UK LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2015</b>		1,700,010	12,671,793	14,371,803
<b>Year ended 31 December 2015:</b>				
Profit and total comprehensive income for the year		-	3,398,515	3,398,515
Dividends	10	-	(1,400,000)	(1,400,000)
<b>Balance at 31 December 2015</b>		1,700,010	14,670,308	16,370,318
<b>Year ended 31 December 2016:</b>				
Profit and total comprehensive income for the year		-	4,326,593	4,326,593
Dividends	10	-	(1,500,000)	(1,500,000)
<b>Balance at 31 December 2016</b>		1,700,010	17,496,901	19,196,911

# WHAT MORE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2016

---

#### 1 Accounting policies

##### Company information

What More UK Limited is a limited company domiciled and incorporated in England and Wales. The registered office is Pendle Court, 4 Mead Way Shuttleworth Mead Business Park, Padiham, Burnley, Lancashire, BB12 7NG.

#### 1.1 Accounting convention

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

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1 sterling.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

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

- Section 7 'Statement of Cash Flows' - Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures' - Compensation for key management personnel.

What More UK Limited is a wholly owned subsidiary of 0404 Investments Limited and the results of What More UK Limited are included in the consolidated financial statements of 0404 Investments Limited which are available from the registered office.

#### 1.2 Going concern

The company is dependent on the ongoing support of its bankers and its invoice discounting facility providers.

The directors are not aware of any reasons why the bank overdraft and loan facilities and the invoice discounting facility will not be maintained at their current levels.

The directors are satisfied that in preparing the financial statements they have taken into account all the information that could reasonably be expected to be available.

On this basis they consider that it is appropriate to prepare the financial statements on the going concern basis.

#### 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.

# WHAT MORE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

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### 1 Accounting policies

(Continued)

#### 1.4 Intangible fixed assets other than goodwill

Website development expenses are stated at cost. Amortisation is calculated so as to write off the cost or valuation of these assets less their residual values over their useful lives on the following bases:

Website	25% straight line basis
---------	-------------------------

Trademarks are stated at cost. They are not amortised, but are reviewed annually for any impairment in value.

#### 1.5 Tangible fixed assets

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

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

Land and buildings Freehold	1-8% straight line basis
Plant and moulds	10, 15 and 20% straight line basis
Fixtures, fittings & equipment	15% straight line basis
Office & computer equipment	15% straight line basis
Motor vehicles	25% straight line basis

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

#### 1.6 Fixed asset investments

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

#### 1.7 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowances for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

#### 1.8 Cash and cash equivalents

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

#### 1.9 Financial instruments

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

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

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

# WHAT MORE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

---

### 1 Accounting policies

(Continued)

#### **Basic financial assets**

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

#### **Other financial assets**

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

#### **Impairment of financial assets**

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

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

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

#### **Derecognition of financial assets**

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

#### **Classification of financial liabilities**

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

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

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

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

# WHAT MORE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

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### 1 Accounting policies

(Continued)

#### **Other financial liabilities**

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

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

#### **Derecognition of financial liabilities**

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

### 1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised.

### 1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.



# WHAT MORE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 1 Accounting policies

(Continued)

#### 1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

#### 1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### 1.16 Foreign exchange

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

### 2 Turnover and other revenue

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

	2016 £	2015 £
<b>Turnover analysed by class of business</b>		
From principal activity	48,169,696	45,391,223
	<u>          </u>	<u>          </u>
	2016 £	2015 £
<b>Other significant revenue</b>		
Interest income	5,617	5,821
	<u>          </u>	<u>          </u>

# WHAT MORE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

<b>2</b>	<b>Turnover and other revenue</b>	<b>(Continued)</b>	
		<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
	<b>Turnover analysed by geographical market</b>		
	United Kingdom	39,723,248	38,440,089
	Rest of European Union	6,327,339	5,582,638
	Rest of the World	2,119,109	1,368,496
		<u>48,169,696</u>	<u>45,391,223</u>
<b>3</b>	<b>Operating profit</b>	<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
	Operating profit for the year is stated after charging/(crediting):		
	Exchange gains	(68,574)	(26,751)
	Depreciation of owned tangible fixed assets	940,003	1,303,403
	Depreciation of tangible fixed assets held under finance leases	1,237,227	640,391
	Loss/(profit) on disposal of tangible fixed assets	24,159	769
	Amortisation of intangible assets	15,854	20,258
	Cost of stocks recognised as an expense	24,339,357	23,095,041
	Operating lease charges	711,336	659,424
		<u></u>	<u></u>
<b>4</b>	<b>Auditors' remuneration</b>	<b>2016</b>	<b>2015</b>
		<b>£</b>	<b>£</b>
	Fees payable to the company's auditor and its associates:		
	<b>For audit services</b>		
	Audit of the company's financial statements	18,880	18,880
		<u>18,880</u>	<u>18,880</u>
	<b>For other services</b>		
	Taxation compliance services	-	3,150
	Other taxation services	-	6,500
	All other non-audit services	-	6,000
		<u>-</u>	<u>15,650</u>

# WHAT MORE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 5 Employees

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

	2016 Number	2015 Number
Production and despatch staff	169	158
Office and sales staff	50	31
	<u>219</u>	<u>189</u>

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	6,942,985	6,641,018
Social security costs	617,600	653,763
Pension costs	159,027	152,295
	<u>7,719,612</u>	<u>7,447,076</u>

### 6 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	696,129	1,184,541
Company pension contributions to defined contribution schemes	-	1,458
	<u>696,129</u>	<u>1,185,999</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 5 (2015 - 5).

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	158,732	227,172
Company pension contributions to defined contribution schemes	-	364
	<u></u>	<u></u>

### 7 Interest receivable and similar income

	2016 £	2015 £
Interest income		
Other interest income	5,617	5,821
	<u></u>	<u></u>

# WHAT MORE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 8 Interest payable and similar expenses

	2016 £	2015 £
Interest on bank overdrafts and loans	197,671	263,723
Interest on finance leases and hire purchase contracts	163,214	141,060
Other interest	103,554	107,357
	<u>464,439</u>	<u>512,140</u>

### 9 Taxation

	2016 £	2015 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	1,045,870	807,649
Adjustments in respect of prior periods	-	827
Total current tax	<u>1,045,870</u>	<u>808,476</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>44,689</u>	<u>80,650</u>
Total tax charge	<u>1,090,559</u>	<u>889,126</u>

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

	2016 £	2015 £
Profit before taxation	<u>5,417,152</u>	<u>4,287,641</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.25%)	1,083,430	868,102
Tax effect of expenses that are not deductible in determining taxable profit	29,193	27,774
Tax effect of income not taxable in determining taxable profit	-	(2,684)
Effect of change in corporation tax rate	(35,227)	(994)
Group relief	(3,956)	-
Permanent capital allowances in excess of depreciation	(26,166)	(39,812)
Depreciation on assets not qualifying for tax allowances	38,453	35,759
Other permanent differences	4,832	154
Under/(over) provided in prior years	-	827
Taxation charge for the year	<u>1,090,559</u>	<u>889,126</u>

# WHAT MORE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 10 Dividends

	2016 £	2015 £
Interim paid	1,500,000	1,400,000

### 11 Intangible fixed assets

	Website £	Trademarks £	Total £
<b>Cost</b>			
At 1 January 2016 and 31 December 2016	133,151	323,648	456,799
<b>Amortisation and impairment</b>			
At 1 January 2016	85,395	-	85,395
Amortisation charged for the year	17,099	-	17,099
At 31 December 2016	102,494	-	102,494
<b>Carrying amount</b>			
At 31 December 2016	30,657	323,648	354,305
At 31 December 2015	47,756	323,648	371,404

## WHAT MORE UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

#### 12 Tangible fixed assets

	Land and buildings Freehold	Plant and moulds	Fixtures, fittings & equipment	Office & computer equipment	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 January 2016	13,795,598	22,716,403	1,704,756	473,576	119,130	38,809,463
Additions	-	3,747,788	164,979	22,120	56,496	3,991,383
Disposals	-	(1,205,220)	-	-	-	(1,205,220)
At 31 December 2016	13,795,598	25,258,971	1,869,735	495,696	175,626	41,595,626
<b>Depreciation and impairment</b>						
At 1 January 2016	1,146,850	11,900,804	1,023,473	314,403	91,305	14,476,835
Depreciation charged in the year	192,263	1,787,396	167,348	38,572	21,550	2,207,129
Eliminated in respect of disposals	-	(887,936)	-	-	-	(887,936)
At 31 December 2016	1,339,113	12,800,264	1,190,821	352,975	112,855	15,796,028
<b>Carrying amount</b>						
At 31 December 2016	12,456,485	12,458,707	678,914	142,721	62,771	25,799,598
At 31 December 2015	12,648,748	10,815,598	681,283	159,172	27,827	24,332,628

# WHAT MORE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 12 Tangible fixed assets

(Continued)

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

	2016 £	2015 £
Plant and moulds	9,092,620	5,823,837
Fixtures, fittings & equipment	349,381	401,981
Motor vehicles	56,082	16,415
	<u>9,498,083</u>	<u>6,242,233</u>
Depreciation charge for the year in respect of leased assets	<u>1,237,227</u>	<u>640,391</u>

Freehold land and buildings with a carrying amount of £8,655,705 (2015 - £8,747,072) have been pledged to secure borrowings of the company. The company is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

### 13 Fixed asset investments

	2016 £	2015 £
Unlisted investments	<u>353,823</u>	<u>513,403</u>

#### Movements in fixed asset investments

	Unlisted investments £
<b>Cost or valuation</b>	
At 1 January 2016	513,403
Disposals	(159,580)
At 31 December 2016	<u>353,823</u>
<b>Carrying amount</b>	
At 31 December 2016	<u>353,823</u>
At 31 December 2015	<u>513,403</u>

# WHAT MORE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 14 Stocks

	2016 £	2015 £
Raw materials and consumables	3,173,398	2,274,479
Work in progress	174,820	133,486
Finished goods and goods for resale	5,673,218	5,239,700
	<u>9,021,436</u>	<u>7,647,665</u>

### 15 Debtors

	2016 £	2015 £
<b>Amounts falling due within one year:</b>		
Trade debtors	9,228,838	8,822,978
Corporation tax recoverable	-	99,341
Amounts due from group undertakings	959,277	601,491
Other debtors	501,991	540,840
Prepayments and accrued income	991,191	505,267
	<u>11,681,297</u>	<u>10,569,917</u>

### 16 Creditors: amounts falling due within one year

	Notes	2016 £	2015 £
Debenture loans	18	6,306,570	6,487,219
Bank loans and overdrafts	18	2,205,000	914,185
Obligations under finance leases	19	2,704,933	2,111,983
Trade creditors		6,504,212	5,242,998
Amounts due to group undertakings		-	63,785
Corporation tax		769,591	322,649
Other taxation and social security		773,485	722,775
Government grants	22	28,121	31,148
Other creditors		521,668	526,391
Accruals and deferred income		2,842,367	2,627,540
		<u>22,655,947</u>	<u>19,050,673</u>



# WHAT MORE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 17 Creditors: amounts falling due after more than one year

	Notes	2016 £	2015 £
Bank loans and overdrafts	18	3,260,000	5,465,000
Obligations under finance leases	19	4,533,388	3,715,961
Government grants	22	116,457	144,578
		<u>7,909,845</u>	<u>9,325,539</u>

### 18 Loans and overdrafts

	2016 £	2015 £
Invoice discounting advances	6,306,570	6,487,219
Bank loans	5,465,000	6,379,185
Directors' loans	383,441	-
	<u>12,155,011</u>	<u>12,866,404</u>
Payable within one year	8,895,011	7,401,404
Payable after one year	<u>3,260,000</u>	<u>5,465,000</u>

The long-term loans are secured by mortgage debentures and first legal charges over certain property and assets of the company.

Invoice discounting advances are secured by a mortgage debenture and a first legal charge over certain property and assets of the company.

Obligations under finance leases are secured upon the assets for which they are held.

All of the bank loans extant at 31 December 2016 are due for repayment within five years of the balance sheet date.

### 19 Finance lease obligations

	2016 £	2015 £
Future minimum lease payments due under finance leases:		
Within one year	2,704,933	2,111,983
In two to five years	4,533,388	3,715,961
	<u>7,238,321</u>	<u>5,827,944</u>

# WHAT MORE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 19 Finance lease obligations

(Continued)

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is three years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

### 20 Provisions for liabilities

	Notes	2016 £	2015 £
Deferred tax liabilities	21	669,307	624,618

### 21 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2016 £	Liabilities 2015 £
<b>Balances:</b>		
Accelerated capital allowances	672,053	641,235
Unrelieved pension contributions	(2,746)	(16,617)
	<u>669,307</u>	<u>624,618</u>
<b>Movements in the year:</b>		2016 £
Liability at 1 January 2016		624,618
Charge to profit or loss		44,689
Liability at 31 December 2016		<u>669,307</u>

The deferred tax liability set out above is expected to reverse within five years and relates to accelerated capital allowances and unrelieved pension contributions that are expected to mature within the same period.

# WHAT MORE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 22 Government grants

Deferred income is included in the financial statements as follows:

	2016 £	2015 £
Current liabilities	28,121	31,148
Non-current liabilities	116,457	144,578
	<u>144,578</u>	<u>175,726</u>

### 23 Retirement benefit schemes

	2016 £	2015 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>159,027</u>	<u>152,295</u>

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

### 24 Share capital

	2016 £	2015 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
17,000,080 A Ordinary shares of 10p each	1,700,008	1,700,008
20 B Ordinary shares of 10p each	2	2
	<u>1,700,010</u>	<u>1,700,010</u>

The B Ordinary shares hold no voting rights or rights to receive a dividend.

### 25 Operating lease commitments

#### Lessee

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

	2016 £	2015 £
Within one year	22,580	56,955
Between two and five years	1,936,503	677,829
In over five years	-	1,692,393
	<u>1,959,083</u>	<u>2,427,177</u>

# WHAT MORE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 26 Related party transactions

#### Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Management charges paid		Purchase of goods/costs recharged	
	2016	2015	2016	2015
	£	£	£	£
Entities under the common control of Mr A M Holt	-	70,000	698,392	748,502
Pension fund in which Mr A M Holt and his wife are trustees	-	-	-	2,300,000

	Rent charged		Interest received	
	2016	2015	2016	2015
	£	£	£	£
Entities under the common control of Mr A M Holt	338,479	338,479	-	5,821
Pension fund in which Mr A M Holt and his wife are trustees	-	190,465	-	-

The following amounts were outstanding at the reporting end date:

	2016	2015
	£	£
<b>Amounts owed to related parties</b>		
Entities under the common control of Mr A M Holt	52,987	64,637

The following amounts were outstanding at the reporting end date:

	2016
	Balance
	£
<b>Amounts owed by related parties</b>	
Entities under the common control of Mr A M Holt	247,124
Entities under the common control of Mr A M Holt	324,585

What More UK Limited holds a fixed and floating charge over the assets of Baker & Salt Limited (formerly known as 30102014 Limited) in respect of any indebtedness between the two companies.

# WHAT MORE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

### 27 Directors' transactions

During the year the company purchased artwork from Mr A M Holt and his wife for the sum of £159,580 (2015: £220,290).

The following amounts were advanced to the directors during the year:

Description	% Rate	Opening Balance £	Amounts Advanced £	Interest Charged £	Amounts Repaid £	Closing Balance £
Mr A M Holt - Director's loan account	-	216,062	2,034,675	-	2,250,737	-
		<u>216,062</u>	<u>2,034,675</u>	<u>-</u>	<u>2,250,737</u>	<u>-</u>

The maximum overdrawn balance on the above loan account during the year was £881,961.

Interest free loans have been granted by the directors to the company as follows:

Description	% Rate	Opening Balance £	Amounts Advanced £	Interest Charged £	Amounts Repaid £	Closing Balance £
Mr A M Holt - Director's - loan account		-	383,441	-	-	383,441
		<u>-</u>	<u>383,441</u>	<u>-</u>	<u>-</u>	<u>383,441</u>

### 28 Controlling party

The ultimate parent company is 0404 Investments Limited, a company registered in England and Wales.

The ultimate controlling party of the company is Mr AM Holt by virtue of his shareholding in 0404 Investments Limited.