

Company Registration No. 03866672 (England and Wales)

WHAT MORE UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

WHAT MORE UK LIMITED

COMPANY INFORMATION

Directors	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
Secretary	Mrs J Dyson
Company number	03866672
Registered office and business address	Pendle Court 4 Mead Way Shuttleworth Mead Business Park Padiham Burnley Lancashire BB12 7NG
Auditor	Pierce C A Limited Mentor House Ainsworth Street Blackburn Lancashire BB1 6AY

WHAT MORE UK LIMITED

CONTENTS

	Page
Strategic report	1 - 3
Directors' report	4
Directors' responsibilities statement	5
Independent auditor's report	6 - 7
Profit and loss account	8
Statement of comprehensive income	9
Balance sheet	10
Statement of changes in equity	11
Notes to the financial statements	12 - 28

WHAT MORE UK LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present the strategic report for the year ended 31 December 2019.

Section 172(1) Statement

What More UK Limited is a leading manufacturer of plastic house, gardenwares and bakewares which depends on the trust and confidence of its stakeholders to operate sustainably in the long term. The company is always looking to put its customers' interests first, to invest in its employees, to support the local community in which it is based and to strive to generate increasing profits to reinvest in future growth.

The directors of What More UK Limited have acted in accordance with their duties codified in law, which include their duty to act in the way in which they consider, in good faith, will consistently promote the success of the company for the benefit of its members as a whole, having regard to the stakeholders and matters set in Section 172(1) of the Companies Act 2006.

Section 172 considerations are implemented in all the decision making undertaken at board level. The company's vision and values are set out in the Strategic Report together with the risks facing the company. The Board of directors believe that strong governance is essential to the company.

The company and its directors are committed to help create ways to reuse household and post industrial waste. The company has pledged to manufacture durable, reusable plastic products from industrial and household single use plastic waste. New product ranges are being developed that are made from this recycled plastic.

WHAT MORE UK LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Fair Review of the Business

I write this as our local area Lancashire has gone into mini lockdown due to the Covid-19 pandemic.

The overriding strategy has been one of preparing for Brexit and being in readiness, regardless of the outcome of the talks, for a deal or no-deal. To be entirely honest I am still sick of hearing about it.

2019 was another great year of improvement both on and off-balance sheet at Wham. Revenues were up by around 11%, with net profit after tax of £3.12 million, continued investment in the latest plant and machinery took place and, I am delighted, we have the most up to date production facilities in the industry. Our net assets stand at £24.7million.

The business has never been so strong

Revenue up

Debt down and falling

Plenty of headroom in banking facilities

Sales rising, home and abroad

Efficiency and utilisation increasing

Non plastic product sales rising

Online sales rising

All products designed and manufactured in house on state-of-the-art equipment

We continue to invest in skills and training, we have a strong apprenticeship plan that is bearing fruit. In addition, we started our graduate plan that will see us take on 10 or 12 university graduates that will be part of our future proofing plan. Our current staff could not have done more and I thank them all.

We continue to develop new products at pace, with over 50 in the pipeline, we are increasing capacity.

We are in our strongest position ever

...and it is a good job!

Covid-19 hit us at the start of this financial year at an alarming rate. We had started the year ahead of budget, only for many of our customers being forced to close. Orders were being cancelled or delayed on a daily basis. Large multiple retailers were only accepting deliveries of food and production slowed.

As a team we decided not to close production, but to work through the National Lockdown.

Our customer base numbers almost 2,000 in 74 countries and this, along with our diversity of offer, kept us going.

There are some companies that did well as a result of Covid-19 lockdown and some, like airlines and hospitality that didn't. I will be forever grateful that Wham was in the former because our offer focusses on the home.

Our sales are ahead of budget and it is anticipated that we will finish the year ahead of plan on all metrics.

Summary

We made contingencies for Brexit that significantly improved our ability to cope with Covid-19, we are low debt (below 1 times EBITDA) and still carry substantial stocks. We don't yet know how Brexit or Covid-19 will evolve but feel confident we are in great shape to deal with all realistic outcomes.

I won't deal with any other risks and uncertainties, they are insignificant by comparison.

We look forward to the future with confidence and optimism.

WHAT MORE UK LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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

30 September 2020

WHAT MORE UK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their annual report and financial statements for the year ended 31 December 2019.

Principal activities

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

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

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £1,070,000. The directors do not recommend payment of a further 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

30 September 2020

WHAT MORE UK LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2019

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

Opinion

We have audited the financial statements of What More UK Limited (the 'company') for the year ended 31 December 2019 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the 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 FRS 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 2019 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 *Auditor's 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 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 the directors' report have been prepared in accordance with applicable legal requirements.

WHAT MORE UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF WHAT MORE UK 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 and the directors' report.

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 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, and for such internal control as the directors determine is 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.

Auditor's 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 an auditor's report 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.

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

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

30 September 2020

Statutory Auditor

Mentor House
Ainsworth Street
Blackburn
Lancashire
BB1 6AY

WHAT MORE UK LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2018 £
Turnover	2	50,543,574	45,542,980
Cost of sales		(35,993,047)	(33,327,899)
Gross profit		14,550,527	12,215,081
Distribution costs		(6,277,329)	(5,806,140)
Administrative expenses		(4,239,260)	(3,979,906)
Other operating income		92,868	93,609
Operating profit	3	4,126,806	2,522,644
Interest receivable and similar income	7	17,936	-
Interest payable and similar expenses	8	(270,348)	(351,905)
Profit before taxation		3,874,394	2,170,739
Tax on profit	9	(756,707)	(201,405)
Profit for the financial year		3,117,687	1,969,334

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 2019

	2019	2018
	£	£
Profit for the year	3,117,687	1,969,334
Other comprehensive income	-	-
Total comprehensive income for the year	<u>3,117,687</u>	<u>1,969,334</u>

WHAT MORE UK LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Intangible assets	11	334,867		343,301	
Tangible assets	12	24,599,544		23,472,161	
Investments	13	353,823		353,823	
		<u>25,288,234</u>		<u>24,169,285</u>	
Current assets					
Stocks	14	9,074,494		7,946,992	
Debtors	15	11,575,026		10,626,463	
Cash at bank and in hand		1,409,985		3,728,923	
		<u>22,059,505</u>		<u>22,302,378</u>	
Creditors: amounts falling due within one year	16	(18,992,177)		(18,707,855)	
Net current assets		<u>3,067,328</u>		<u>3,594,523</u>	
Total assets less current liabilities		<u>28,355,562</u>		<u>27,763,808</u>	
Creditors: amounts falling due after more than one year	17	(2,753,716)		(4,495,009)	
Provisions for liabilities	20	(914,084)		(628,724)	
Net assets		<u><u>24,687,762</u></u>		<u><u>22,640,075</u></u>	
Capital and reserves					
Called up share capital	24	1,700,010		1,700,010	
Profit and loss reserves		22,987,752		20,940,065	
Total equity		<u><u>24,687,762</u></u>		<u><u>22,640,075</u></u>	

The financial statements were approved by the board of directors and authorised for issue on 30 September 2020 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 2019

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 January 2018		1,700,010	19,068,731	20,768,741
Year ended 31 December 2018:				
Profit and total comprehensive income for the year		-	1,969,334	1,969,334
Dividends	10	-	(98,000)	(98,000)
Balance at 31 December 2018		1,700,010	20,940,065	22,640,075
Year ended 31 December 2019:				
Profit and total comprehensive income for the year		-	3,117,687	3,117,687
Dividends	10	-	(1,070,000)	(1,070,000)
Balance at 31 December 2019		1,700,010	22,987,752	24,687,762

WHAT MORE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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.

Whilst the directors have adopted the going concern basis set out above, the impact of the worldwide Coronavirus pandemic, Covid-19, on all businesses represents an uncertainty and the true impact of this pandemic will only become apparent over time. The directors have given due consideration to the impact of the pandemic on the company and consider that it will have adequate resources to manage that impact.

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 2019

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 and cash equivalents 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 2019

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 2019

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.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

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.

WHAT MORE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

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.

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 profit or loss 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 in the period are included in profit or loss.

WHAT MORE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

2 Turnover and other revenue

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

	2019 £	2018 £
Turnover analysed by class of business		
From principal activity	50,543,574	45,542,980
	<u>50,543,574</u>	<u>45,542,980</u>
	2019 £	2018 £
Other revenue		
Interest income	17,936	-
	<u>17,936</u>	<u>-</u>
	2019 £	2018 £
Turnover analysed by geographical market		
United Kingdom	41,518,787	36,356,910
Rest of European Union	7,859,031	7,868,099
Rest of the World	1,165,756	1,317,971
	<u>50,543,574</u>	<u>45,542,980</u>

3 Operating profit

	2019 £	2018 £
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	1,227,095	845,629
Depreciation of tangible fixed assets held under finance leases	1,264,779	1,630,753
Profit on disposal of tangible fixed assets	(123,731)	(542,350)
Amortisation of intangible assets	8,434	21,563
Operating lease charges	686,031	830,347
	<u>686,031</u>	<u>830,347</u>

4 Auditor's remuneration

	2019 £	2018 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	22,340	26,088
	<u>22,340</u>	<u>26,088</u>
For other services		
All other non-audit services	3,400	3,400
	<u>3,400</u>	<u>3,400</u>

WHAT MORE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

5 Employees

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

	2019 Number	2018 Number
Production and despatch staff	142	158
Office and sales staff	81	56
Total	223	214

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	6,462,086	6,350,319
Social security costs	795,272	579,376
Pension costs	230,415	189,877
	7,487,773	7,119,572

6 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	766,673	737,192

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2018 - 3).

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

	2019 £	2018 £
Remuneration for qualifying services	159,116	159,116

7 Interest receivable and similar income

	2019 £	2018 £
Interest income		
Other interest received	17,936	-

WHAT MORE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

8 Interest payable and similar expenses

	2019	2018
	£	£
Interest on bank overdrafts and loans	38,537	79,214
Interest on finance leases and hire purchase contracts	143,795	188,073
Other interest	88,016	84,618
	<u>270,348</u>	<u>351,905</u>

9 Taxation

	2019	2018
	£	£
Current tax		
UK corporation tax on profits for the current period	439,999	214,014
Adjustments in respect of prior periods	31,348	(63,524)
Total current tax	<u>471,347</u>	<u>150,490</u>
Deferred tax		
Origination and reversal of timing differences	<u>285,360</u>	<u>50,915</u>
Total tax charge	<u>756,707</u>	<u>201,405</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:

	2019	2018
	£	£
Profit before taxation	<u>3,874,394</u>	<u>2,170,739</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	736,135	412,440
Tax effect of expenses that are not deductible in determining taxable profit	5,679	3,389
Effect of change in corporation tax rate	(2,857)	(3,133)
Permanent capital allowances in excess of depreciation	82,659	27,067
Depreciation on assets not qualifying for tax allowances	22,265	15,688
Research and development tax credit	(95,013)	(87,475)
Other permanent differences	(23,509)	(103,047)
Under/(over) provided in prior years	31,348	(63,524)
Taxation charge for the year	<u>756,707</u>	<u>201,405</u>

WHAT MORE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

10 Dividends

	2019 £	2018 £
Final paid	1,070,000	98,000

11 Intangible fixed assets

	Website £	Trademarks £	Total £
Cost			
At 1 January 2019 and 31 December 2019	161,055	323,648	484,703
Amortisation and impairment			
At 1 January 2019	141,402	-	141,402
Amortisation charged for the year	8,434	-	8,434
At 31 December 2019	149,836	-	149,836
Carrying amount			
At 31 December 2019	11,219	323,648	334,867
At 31 December 2018	19,653	323,648	343,301

WHAT MORE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

12 Tangible fixed assets

	Land and buildings Freehold £	Plant and moulds £	Fixtures, fittings & equipment £	Office & computer equipment £	Motor vehicles £	Total £
Cost						
At 1 January 2019	10,332,551	29,543,301	1,965,464	583,674	180,833	42,605,823
Additions	150,027	3,631,151	70,028	31,805	90,518	3,973,529
Disposals	-	(1,169,430)	-	-	(24,095)	(1,193,525)
At 31 December 2019	10,482,578	32,005,022	2,035,492	615,479	247,256	45,385,827
Depreciation and impairment						
At 1 January 2019	1,253,255	15,768,943	1,529,853	436,693	144,918	19,133,662
Depreciation charged in the year	117,190	2,150,049	172,653	43,515	31,218	2,514,625
Eliminated in respect of disposals	-	(849,455)	-	-	(12,549)	(862,004)
At 31 December 2019	1,370,445	17,069,537	1,702,506	480,208	163,587	20,786,283
Carrying amount						
At 31 December 2019	9,112,133	14,935,485	332,986	135,271	83,669	24,599,544
At 31 December 2018	9,079,296	13,774,358	435,611	146,981	35,915	23,472,161

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

	2019 £	2018 £
Plant and moulds	7,531,894	9,984,583
Fixtures, fittings & equipment	148,934	83,868
Motor vehicles	83,670	22,363
	<u>7,764,498</u>	<u>10,090,814</u>
Depreciation charge for the year in respect of leased assets	<u>1,264,779</u>	<u>1,630,753</u>

Freehold land and buildings with a carrying amount of £8,853,869 (2018 - £5,446,928) 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.

WHAT MORE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

13 Fixed asset investments

	2019 £	2018 £
Unlisted investments	353,823	353,823

Movements in fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 January 2019 & 31 December 2019	353,823
Carrying amount	
At 31 December 2019	353,823
At 31 December 2018	353,823

14 Stocks

	2019 £	2018 £
Raw materials and consumables	2,935,845	2,289,279
Work in progress	361,668	381,940
Finished goods and goods for resale	5,776,981	5,275,773
	9,074,494	7,946,992

15 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	9,438,417	8,679,829
Corporation tax recoverable	-	98,115
Amounts owed by group undertakings	1,452,995	898,247
Other debtors	99,989	381,164
Prepayments and accrued income	583,625	569,108
	11,575,026	10,626,463

WHAT MORE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

16 Creditors: amounts falling due within one year

	Notes	2019 £	2018 £
Debenture loans	18	3,919,215	6,365,430
Bank loans	18	1,340,000	1,500,000
Obligations under finance leases	19	2,564,505	2,867,547
Trade creditors		7,365,686	4,828,166
Corporation tax		98,233	-
Other taxation and social security		667,198	704,418
Government grants	22	15,678	22,748
Other creditors		699,381	108,877
Accruals and deferred income		2,322,281	2,310,669
		<u>18,992,177</u>	<u>18,707,855</u>

17 Creditors: amounts falling due after more than one year

	Notes	2019 £	2018 £
Bank loans and overdrafts	18	-	1,340,000
Obligations under finance leases	19	2,698,520	3,084,135
Government grants	22	55,196	70,874
		<u>2,753,716</u>	<u>4,495,009</u>

WHAT MORE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

18 Loans and overdrafts

	2019 £	2018 £
Invoice discounting advances	3,919,215	6,365,430
Bank loans	1,340,000	2,840,000
Directors' loans	45,576	-
	<u>5,304,791</u>	<u>9,205,430</u>
Payable within one year	5,304,791	7,865,430
Payable after one year	-	1,340,000
	<u>-</u>	<u>1,340,000</u>

The bank loan is 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.

The bank loan extant at 31 December 2019 is due for repayment within five years of the balance sheet date.

19 Finance lease obligations

	2019 £	2018 £
Future minimum lease payments due under finance leases:		
Within one year	2,564,505	2,867,547
In two to five years	2,698,520	3,084,135
	<u>5,263,025</u>	<u>5,951,682</u>

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 four years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

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

20 Provisions for liabilities

	Notes	2019 £	2018 £
Deferred tax liabilities	21	<u>914,084</u>	<u>628,724</u>

WHAT MORE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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 2019 £	Liabilities 2018 £
Balances:		
Accelerated capital allowances	916,362	631,280
Unrelieved pension contributions	(2,278)	(2,556)
	<u>914,084</u>	<u>628,724</u>
Movements in the year:		2019 £
Liability at 1 January 2019		628,724
Charge to profit or loss		285,360
		<u>914,084</u>
Liability at 31 December 2019		<u>914,084</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.

22 Government grants

Deferred income is included in the financial statements as follows:

	2019 £	2018 £
Current liabilities	15,678	22,748
Non-current liabilities	55,196	70,874
	<u>70,874</u>	<u>93,622</u>

23 Retirement benefit schemes

	2019 £	2018 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>230,415</u>	<u>189,877</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.

WHAT MORE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

24 Share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
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:

	2019 £	2018 £
Within one year	769,986	865,009
Between two and five years	1,657,932	1,720,752
In over five years	296,000	888,000
	<u>2,723,918</u>	<u>3,473,761</u>

26 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2019 £	2018 £
Acquisition of tangible fixed assets	<u>696,415</u>	<u>2,717,836</u>

WHAT MORE UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

27 Related party transactions

Transactions with related parties

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

	Purchases	
	2019	2018
	£	£
Entities under the common control of Mr A M Holt	368,028	208,090
Other group companies	65,000	69,000
	=====	=====

	Rent charged		Interest received	
	2019	2018	2019	2018
	£	£	£	£
Entities under the common control of Mr A M Holt			-	-
Other group companies	634,493	594,890	17,936	-
	=====	=====	=====	=====

The following amounts were outstanding at the reporting end date:

	2019	2018
	£	£
Amounts due to related parties		
Entities under the common control of Mr A M Holt	596,256	24,029
	=====	=====

The following amounts were outstanding at the reporting end date:

	2019	2018
	£	£
Amounts due from related parties		
Entities under the common control of Mr A M Holt	40,716	33,356
Other group companies	907,473	168,198
	=====	=====

What More UK Limited holds a fixed and floating charge over the assets of Baker & Salt 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 2019

28 Directors' transactions

Advances or credits have been granted by the company to its directors as follows:

Description	% Rate	Opening balance £	Amounts advanced £	Amounts repaid £	Closing balance £
Mr A M Holt - Directors loan	-	232,228	236,327	(468,555)	-
		<u>232,228</u>	<u>236,327</u>	<u>(468,555)</u>	<u>-</u>

The maximum overdrawn balance on the above loan account during the year was £259,211.

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

Description	% Rate	Opening balance £	Amounts advanced £	Amounts repaid £	Closing balance £
Mr A M Holt - Directors loan	-	-	79,908	(34,332)	45,576
		<u>-</u>	<u>79,908</u>	<u>(34,332)</u>	<u>45,576</u>

29 Ultimate 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.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.