

Company Registration No. 03866672 (England and Wales)

**WHAT MORE UK LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

# 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
<b>Secretary</b>	Mrs J Dyson
<b>Company number</b>	03866672
<b>Registered office and business address</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

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# WHAT MORE UK LIMITED

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# WHAT MORE UK LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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The directors present the strategic report for the year ended 31 December 2018.

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

2018 was another great year. We further acclimatised to the shock caused by Brexit. Major changes were required within the business to insulate it from further shocks.

I am pleased to say that we have been successful. Our balance sheet was strengthened (circa £2 million) with fixed debt, excluding trade creditors and invoice discounting reduced (circa £2.4 million) over the period. This is significant because we have continued renewing our entire business. Over the last 4 years, despite Brexit, virtually all the company's plant has been replaced with the latest technology and, new warehouses and a distribution centre have been completed at a cost of around £10 million. The company is now virtually unencumbered. Debt to EBITDA levels are at a historic low.

### **The business has never been as strong.**

- Revenue up £2.9 million.
- Debt down and falling.
- Headroom in banking rising.
- UK sales rising.
- Exports rising.
- Efficiency improving, production costs lower.
- Non-plastic production increasing strongly.
- Own patents and design rights to our products.

Our skill base has continued to improve, by training and additions to our staff, without whom none of this would have been possible. Their sterling work, effort and attitude over this transition period has been great.

At time of writing (June 2019) sales are on track to beat all historic records and EBITDA is returning to normal levels.

We are currently looking at strategic investment opportunities to further mitigate risk and that present great growth opportunities. This is fully supported by our lenders due to our low risk profile.

### **We have never been in a better position to face the challenges ahead.**

I don't know about anyone else, but I am sick of hearing about Brexit to the point that I don't care. It's a risk, but so is life. We have taken many steps to mitigate this risk with a varied customer base, numbering over 1,700 in over 70 countries. Much of our currency risk is hedged by the nature of our level of trade in non-sterling denominated countries. Debt is down and reducing, sales are up and increasing.

Plastic issues are all the rage now. It's all you ever see on TV. You can't rule out our governing leaders taxing plastic unilaterally, which could have the effect of transferring more of our National manufacturing base to non-taxed economies. I'll never understand them and must concentrate on the things I can impact. To this end we have invested in our steel production, Bakeware and Enamelware plant, which is growing exponentially, further protecting our business from individual assault by the government.

It's anticipated that steel products for worldwide sale will increase significantly.

### **Summary**

The business is in the best shape it's ever been to meet the challenges ahead. Many external risks are hedged, and we constantly monitor them.

We look forward with optimism and confidence.

## WHAT MORE UK LIMITED

### STRATEGIC REPORT (CONTINUED)

***FOR THE YEAR ENDED 31 DECEMBER 2018***

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#### **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**

13 June 2019

# **WHAT MORE UK LIMITED**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 31 DECEMBER 2018***

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The directors present their annual report and financial statements for the year ended 31 December 2018.

### **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 7.

Ordinary dividends were paid amounting to £98,000. 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**

13 June 2019

## **WHAT MORE UK LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 DECEMBER 2018***

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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

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#### Opinion

We have audited the financial statements of What More UK Limited (the 'company') for the year ended 31 December 2018 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 2018 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

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#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report 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

13 June 2019

**Statutory Auditor**

Mentor House  
Ainsworth Street  
Blackburn  
Lancashire  
BB1 6AY

## WHAT MORE UK LIMITED

### PROFIT AND LOSS ACCOUNT

**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 £	2017 £
<b>Turnover</b>	<b>2</b>	45,542,980	42,708,054
Cost of sales		(33,327,899)	(30,701,516)
<b>Gross profit</b>		12,215,081	12,006,538
Distribution costs		(5,806,140)	(5,650,931)
Administrative expenses		(3,979,906)	(4,454,176)
Other operating income		93,609	218,595
<b>Operating profit</b>	<b>3</b>	2,522,644	2,120,026
Interest receivable and similar income	<b>7</b>	-	5,663
Interest payable and similar expenses	<b>8</b>	(351,905)	(375,256)
<b>Profit before taxation</b>		2,170,739	1,750,433
Tax on profit	<b>9</b>	(201,405)	(178,603)
<b>Profit for the financial year</b>		1,969,334	1,571,830

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 2018*

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	2018	2017
	£	£
Profit for the year	1,969,334	1,571,830
Other comprehensive income	-	-
Total comprehensive income for the year	<u>1,969,334</u>	<u>1,571,830</u>

# WHAT MORE UK LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018		2017	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	11		343,301		364,864
Tangible assets	12		23,472,161		25,795,567
Investments	13		353,823		353,823
			<u>24,169,285</u>		<u>26,514,254</u>
<b>Current assets</b>					
Stocks	14	7,946,992		8,821,789	
Debtors	15	10,626,463		10,430,099	
Cash at bank and in hand		3,728,923		1,472,649	
		<u>22,302,378</u>		<u>20,724,537</u>	
<b>Creditors: amounts falling due within one year</b>	16	(18,707,855)		(19,500,270)	
<b>Net current assets</b>			<u>3,594,523</u>		<u>1,224,267</u>
<b>Total assets less current liabilities</b>			<u>27,763,808</u>		<u>27,738,521</u>
<b>Creditors: amounts falling due after more than one year</b>	17		(4,495,009)		(6,391,971)
<b>Provisions for liabilities</b>	20		(628,724)		(577,809)
<b>Net assets</b>			<u><u>22,640,075</u></u>		<u><u>20,768,741</u></u>
<b>Capital and reserves</b>					
Called up share capital	24		1,700,010		1,700,010
Profit and loss reserves			20,940,065		19,068,731
<b>Total equity</b>			<u><u>22,640,075</u></u>		<u><u>20,768,741</u></u>

The financial statements were approved by the board of directors and authorised for issue on 13 June 2019 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 2018

	Share capital	Profit and loss reserves	Total
Notes	£	£	£
<b>Balance at 1 January 2017</b>	1,700,010	17,496,901	19,196,911
<b>Year ended 31 December 2017:</b>			
Profit and total comprehensive income for the year	-	1,571,830	1,571,830
<b>Balance at 31 December 2017</b>	1,700,010	19,068,731	20,768,741
<b>Year ended 31 December 2018:</b>			
Profit and total comprehensive income for the year	-	1,969,334	1,969,334
Dividends	10	(98,000)	(98,000)
<b>Balance at 31 December 2018</b>	1,700,010	20,940,065	22,640,075

# WHAT MORE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2018**

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### **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 2018

### 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
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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 2018

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### 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 2018

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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 2018

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### 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 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 are included in the profit and loss account for the period.

## WHAT MORE UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

#### 2 Turnover and other revenue

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

	2018 £	2017 £
<b>Turnover analysed by class of business</b>		
From principal activity	45,542,980	42,708,054
	<u>          </u>	<u>          </u>
	2018 £	2017 £
<b>Other revenue</b>		
Interest income	-	5,663
	<u>          </u>	<u>          </u>
	2018 £	2017 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	36,356,910	34,545,182
Rest of European Union	7,868,099	5,904,909
Rest of the World	1,317,971	2,257,963
	<u>          </u>	<u>          </u>
	45,542,980	42,708,054
	<u>          </u>	<u>          </u>

#### 3 Operating profit

	2018 £	2017 £
Operating profit for the year is stated after charging/(crediting):		
Research and development costs	-	873
Depreciation of owned tangible fixed assets	2,476,382	2,392,320
Depreciation of tangible fixed assets held under finance leases	1,630,753	1,194,372
(Profit)/loss on disposal of tangible fixed assets	(542,350)	18,832
Amortisation of intangible assets	21,563	17,345
Cost of stocks recognised as an expense	26,850,500	24,169,955
Operating lease charges	830,347	698,315
	<u>          </u>	<u>          </u>

#### 4 Auditor's remuneration

	2018 £	2017 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	26,088	18,880
	<u>          </u>	<u>          </u>
<b>For other services</b>		
All other non-audit services	3,400	6,500
	<u>          </u>	<u>          </u>

## WHAT MORE UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

#### 5 Employees

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

	2018 Number	2017 Number
Production and despatch staff	158	174
Office and sales staff	56	50
	<u>214</u>	<u>224</u>

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	6,350,319	6,439,520
Social security costs	579,376	660,222
Pension costs	189,877	159,001
	<u>7,119,572</u>	<u>7,258,743</u>

#### 6 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	<u>737,192</u>	<u>728,252</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2017 - 3).

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

Remuneration for qualifying services	<u>159,116</u>	<u>165,373</u>
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#### 7 Interest receivable and similar income

	2018 £	2017 £
Interest income		
Other interest income	<u>-</u>	<u>5,663</u>

# WHAT MORE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 8 Interest payable and similar expenses

	2018	2017
	£	£
Interest on bank overdrafts and loans	79,214	105,744
Interest on finance leases and hire purchase contracts	188,073	186,762
Other interest	84,618	82,750
	<u>351,905</u>	<u>375,256</u>

### 9 Taxation

	2018	2017
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	214,014	349,247
Adjustments in respect of prior periods	(63,524)	(79,146)
Total current tax	<u>150,490</u>	<u>270,101</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>50,915</u>	<u>(91,498)</u>
Total tax charge	<u>201,405</u>	<u>178,603</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:

	2018	2017
	£	£
Profit before taxation	<u>2,170,739</u>	<u>1,750,433</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%)	412,440	336,899
Tax effect of expenses that are not deductible in determining taxable profit	3,389	12,921
Effect of change in corporation tax rate	(3,133)	(76,871)
Permanent capital allowances in excess of depreciation	27,067	(55,214)
Depreciation on assets not qualifying for tax allowances	15,688	36,390
Research and development tax credit	(87,475)	-
Other permanent differences	(103,047)	3,624
Under/(over) provided in prior years	(63,524)	(79,146)
Taxation charge for the year	<u>201,405</u>	<u>178,603</u>

# WHAT MORE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 10 Dividends

	2018 £	2017 £
Final paid	98,000	-

### 11 Intangible fixed assets

	Website £	Trademarks £	Total £
<b>Cost</b>			
At 1 January 2018 and 31 December 2018	161,055	323,648	484,703
<b>Amortisation and impairment</b>			
At 1 January 2018	119,839	-	119,839
Amortisation charged for the year	21,563	-	21,563
At 31 December 2018	141,402	-	141,402
<b>Carrying amount</b>			
At 31 December 2018	19,653	323,648	343,301
At 31 December 2017	41,216	323,648	364,864

# WHAT MORE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

### 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 2018	13,795,598	27,193,249	1,914,919	572,636	180,833	43,657,235
Additions	15,160	3,358,714	50,545	11,038	-	3,435,457
Disposals	(3,478,207)	(1,008,662)	-	-	-	(4,486,869)
At 31 December 2018	10,332,551	29,543,301	1,965,464	583,674	180,833	42,605,823
<b>Depreciation and impairment</b>						
At 1 January 2018	1,528,186	14,456,402	1,359,902	392,408	124,770	17,861,668
Depreciation charged in the year	142,456	2,122,379	169,951	44,285	20,148	2,499,219
Eliminated in respect of disposals	(417,387)	(809,838)	-	-	-	(1,227,225)
At 31 December 2018	1,253,255	15,768,943	1,529,853	436,693	144,918	19,133,662
<b>Carrying amount</b>						
At 31 December 2018	9,079,296	13,774,358	435,611	146,981	35,915	23,472,161
At 31 December 2017	12,267,412	12,736,847	555,017	180,228	56,063	25,795,567

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

	2018 £	2017 £
Plant and moulds	9,984,583	9,238,979
Fixtures, fittings & equipment	83,868	102,506
Motor vehicles	22,363	36,487
	10,090,814	9,377,972
Depreciation charge for the year in respect of leased assets	1,630,753	1,194,372

Freehold land and buildings with a carrying amount of £ 5,446,929 (2017 - £8,564,336) 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 2018

### 13 Fixed asset investments

	2018 £	2017 £
Unlisted investments	353,823	353,823

#### Movements in fixed asset investments

	Unlisted investments £
<b>Cost or valuation</b>	
At 1 January 2018 & 31 December 2018	353,823
<b>Carrying amount</b>	
At 31 December 2018	353,823
At 31 December 2017	353,823

### 14 Stocks

	2018 £	2017 £
Raw materials and consumables	2,289,279	2,380,788
Work in progress	381,940	443,807
Finished goods and goods for resale	5,275,773	5,997,194
	7,946,992	8,821,789

### 15 Debtors

	2018 £	2017 £
<b>Amounts falling due within one year:</b>		
Trade debtors	8,679,829	8,206,288
Corporation tax recoverable	98,115	-
Amounts owed by group undertakings	898,247	1,026,604
Other debtors	381,164	331,380
Prepayments and accrued income	569,108	865,827
	10,626,463	10,430,099



# WHAT MORE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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

	Notes	2018 £	2017 £
Debenture loans	18	6,365,430	5,564,406
Bank loans and overdrafts	18	1,500,000	1,980,000
Obligations under finance leases	19	2,867,547	2,897,514
Trade creditors		4,828,166	6,392,762
Corporation tax		-	100,763
Other taxation and social security		704,418	359,956
Government grants	22	22,748	22,780
Other creditors		108,877	357,780
Accruals and deferred income		2,310,669	1,824,309
		<u>18,707,855</u>	<u>19,500,270</u>

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

	Notes	2018 £	2017 £
Bank loans and overdrafts	18	1,340,000	2,780,000
Obligations under finance leases	19	3,084,135	3,518,294
Government grants	22	70,874	93,677
		<u>4,495,009</u>	<u>6,391,971</u>

### 18 Loans and overdrafts

	2018 £	2017 £
Invoice discounting advances	6,365,430	5,564,406
Bank loans	2,840,000	4,760,000
	<u>9,205,430</u>	<u>10,324,406</u>
Payable within one year	7,865,430	7,544,406
Payable after one year	1,340,000	2,780,000

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.

All of the bank loans extant at 31 December 2018 are due for repayment within five years of the balance sheet date.

## WHAT MORE UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

#### 19 Finance lease obligations

	2018	2017
	£	£
Future minimum lease payments due under finance leases:		
Within one year	2,867,547	2,897,514
In two to five years	3,084,135	3,518,294
	<u>5,951,682</u>	<u>6,415,808</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 three 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	2018	2017
		£	£
Deferred tax liabilities	21	<u>628,724</u>	<u>577,809</u>

#### 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 2018	Liabilities 2017
	£	£
<b>Balances:</b>		
Accelerated capital allowances	631,280	580,444
Unrelieved pension contributions	(2,556)	(2,635)
	<u>628,724</u>	<u>577,809</u>
<b>Movements in the year:</b>		2018
		£
Liability at 1 January 2018		577,809
Charge to profit or loss		50,915
Liability at 31 December 2018		<u>628,724</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 2018

### 22 Government grants

Deferred income is included in the financial statements as follows:

	2018 £	2017 £
Current liabilities	22,748	22,780
Non-current liabilities	70,874	93,677
	<u>93,622</u>	<u>116,457</u>

### 23 Retirement benefit schemes

	2018 £	2017 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>189,877</u>	<u>159,001</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

	2018 £	2017 £
<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	<u>2</u>	<u>2</u>
	<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:

	2018 £	2017 £
Within one year	865,009	1,049,689
Between two and five years	1,720,752	2,056,953
In over five years	<u>888,000</u>	<u>1,184,000</u>
	<u>3,473,761</u>	<u>4,290,642</u>

## WHAT MORE UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2018*

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#### 26 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2018 £	2017 £
Acquisition of tangible fixed assets	2,717,836	467,366

## WHAT MORE UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

#### 27 Related party transactions

##### Transactions with related parties

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

	<b>Purchase of goods/costs recharged</b>	
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Entities under the common control of Mr A M Holt	208,090	286,082
Other group companies	69,000	65,000
	<u>277,090</u>	<u>351,082</u>

	<b>Rent charged</b>	
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Entities under the common control of Mr A M Holt	594,890	344,998
	<u>594,890</u>	<u>344,998</u>

The following amounts were outstanding at the reporting end date:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Amounts owed to related parties</b>		
Entities under the common control of Mr A M Holt	24,029	4,130
	<u>24,029</u>	<u>4,130</u>

The following amounts were outstanding at the reporting end date:

	<b>2018</b>
	<b>Balance</b>
	<b>£</b>
<b>Amounts owed by related parties</b>	
Entities under the common control of Mr A M Holt	33,356
Other group companies	168,198
	<u>201,554</u>

	<b>2017</b>
	<b>Balance</b>
	<b>£</b>
<b>Amounts owed in previous period</b>	
Entities under the common control of Mr A M Holt	140,439
Other group companies	111,655
	<u>252,094</u>

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 2018

#### 28 Directors' transactions

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 - Directors loan	-	161,469	168,759	-	98,000	232,228
		<u>161,469</u>	<u>168,759</u>	<u>-</u>	<u>98,000</u>	<u>232,228</u>

The maximum overdrawn balance on the above loan account during the year was £330,228

#### 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.