

Company Registration No. 03866672 (England and Wales)

**WHAT MORE UK LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

# WHAT MORE UK LIMITED

## COMPANY INFORMATION

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|---|---|
| <b>Directors</b>                                  | Mr A M Holt<br>Mrs V Hargreaves<br>Mr J A M Grimshaw<br>Mrs J M Holt<br>Mr A Riley<br>Mr I Sellick<br>Mr R S Tout<br>Mr G K Ireland<br>R Walker<br>(Appointed 2 October 2020) |
| <b>Secretary</b>                                  | Mrs J Dyson   |
| <b>Company number</b>                             | 03866672  |
| <b>Registered office<br/>and business address</b> | Pendle Court<br>4 Mead Way Shuttleworth Mead Business Park<br>Padiham<br>Burnley<br>Lancashire<br>BB12 7NG  |
| <b>Auditor</b>                                    | Pierce C A Limited<br>Mentor House<br>Ainsworth Street<br>Blackburn<br>Lancashire<br>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 2020***

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The directors present the strategic report for the year ended 31 December 2020.

### **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 2020***

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

I don't know where to start on this one.

It's like the madness of the last decade or so knows no end. We've had a banking crisis, a Brexit vote, a Brexit, a worldwide pandemic not seen before in anyone's lifetime, lockdowns, NHS at breaking point, travel bans, stores shut, businesses shut, furlough, populations going back to their home countries, boat loads of poor migrants coming here to escape a miserable life elsewhere...

And you want a review of the business....

...well here goes.

To understand last year, I feel it important to detail what happened. Our original budget was for revenue to hit £58 million. The business was ahead of target up until March when Covid-19 really hit. Most of our customers were forced to close leaving only the food retailers. It was anticipated that our business may have to close too.

Demand disappeared as customers cancelled orders and deliveries. A £5 million overdraft was secured from our bankers, which given the worst-case scenario, meant we could continue to pay our staff over the medium term and cover a lockdown of over 12 months.

Major retailers were saying they could only accept deliveries of food.

We cut production, furloughed a few staff, (for which we received around £150,000 in furlough income that we subsequently donated to local food banks), and a discussion was had with the remainder. The choice was theirs whether we stayed open or shut for a while.

The unanimous decision was that we'd stay open and work through the pandemic, which is what we did. I'd like to thank our team that battled through this period heroically.

Within a few weeks demand returned far greater than previously. I liken it to a tsunami where the tide goes out before it returns and engulfs everyone. With hindsight we should have continued production rather than stopping it.

Hindsight is a perfect science.

Anyhow, the increase in demand was so great that our stock levels fell, our service levels (something we pride ourselves on) collapsed.

## WHAT MORE UK LIMITED

### STRATEGIC REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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The business operated at over 90% utilisation for the rest of the year. We had to supply what demand was there. We couldn't 'save' production hours for customers that we didn't know would open again.

Our capacity was around £75 million and we hit it for the remainder of the year.

Sales hit just shy of £70 million, 38.6% up, but sales could easily have been £90 million.

Debt fell.

The £5 million overdraft wasn't needed.

Non-plastic sales increased.

Internet sales grew substantially and if we had capacity would have done substantially better.

#### **Capacity.**

We invested over £10 million in new automated equipment, a project that started implementation last year and continues this year.

By November this will see our capacity grow to around £110 million.

#### **Outlook.**

The lunacy described in the first paragraph goes on. The world is now hit with commodity price increases of over 100% in some cases. Power is going up substantially, packaging is going up along with just about every other input cost. There's a national shortage of lorry drivers... I could go on.

We have started increasing prices but have not recovered anywhere near all the cost increases yet. We prefer to let things settle so we can assess what the real level of pricing needs to be.

It is concerning but the issues are worldwide and we will adjust over time as stability returns.

Our revenue this year is expected to show double digit growth, provided we can get the materials. We carry substantial stock levels which mitigates some of the risk.

We have more than sufficient funding to manage our way through this period, with a much stronger balance sheet.

## **WHAT MORE UK LIMITED**

### **STRATEGIC REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2020***

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#### **Summary**

Underlying these issues and numbers is a business with substantially increased production capacity, with more efficient production facilities, lower running costs and a great team.

We look forward to the opportunities this creates with optimism as things settle down.

#### **Description of 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**

27 September 2021

# **WHAT MORE UK LIMITED**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 31 DECEMBER 2020***

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The directors present their annual report and financial statements for the year ended 31 December 2020.

### **Principal activities**

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

### **Results and dividends**

The results for the year are set out on page 12.

Ordinary dividends were paid amounting to £5,000,000. The directors do not recommend payment of a further dividend.

### **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  
R Walker

(Appointed 2 October 2020)

### **Disabled persons**

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

### **Employee involvement**

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

### **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.



## WHAT MORE UK LIMITED

### DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

#### Energy and carbon report

The Companies Act 2006 (Strategic Report and Directors' Report) Regulation 2018 requires What More UK Limited to disclose annual UK energy consumption and Greenhouse Gas (GHG) emissions from SECR regulated sources. Energy and GHG emissions have been independently calculated by Envantage Ltd for the reporting period to 31 December 2020.

Reported energy and GHG emissions data is compliant with SECR requirements and has been calculated in accordance with the GHG Protocol and SECR guidelines. Energy and GHG emissions are reported from buildings and transport where operational control is held – this includes electricity, natural gas, and business travel in company-owned or grey-fleet cars.

|   | 2020<br>kWh |
|---|-------------|
| <i>Energy consumption</i>                   |             |
| Aggregate of energy consumption in the year | 19,934,124  |

|  | 2020<br>metric tonnes |
|--|-----------------------|
| <i>Emissions of CO2 equivalent</i>     |                       |
| Scope 1 - direct emissions             |                       |
| - Natural gas                          | 137.20                |
| - Company vehicles                     | 81.20                 |
|  | 218.40                |
| Scope 2 - indirect emissions           |                       |
| - Electricity                          | 4,394.50              |
| Scope 3 - other indirect emissions     |                       |
| - Grey fleet                           | 0.10                  |
| Total gross emissions                  | 4,613.00              |
| <i>Intensity ratio</i>                 |                       |
| Tonnes CO2e per £1 million of turnover | 66.03                 |

#### Quantification and reporting methodology

GHG emissions have been calculated using emissions factors published by BEIS in 2020. Electricity emissions are reported using both location and market-based factors. Location-based emissions have been calculated using the UK grid emissions factor published by BEIS, and market-based emissions have been calculated using supplier-specific fuel mix disclosures, in gCO2/kWh, for 2019 - 2020 representing the contractual arrangements in place.

All electricity and natural gas emissions has been calculated using metered kWh consumption taken from supplier fiscal invoices.

Transport emissions have been calculated using purchased fuel where available. Where fuel volumes were not available, data for mileage claims has been provided. Where the fuel type and engine size can be determined, the emission factor is selected based on this information. For vehicles where this could not be determined, emission factors for vehicles with unknown fuel type and engine size were used. Volumetric fuel usage and mileage was converted into energy consumption and GHG emissions, using the most recent emissions factors published by BEIS in 2020.

## **WHAT MORE UK LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2020***

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#### *Measures taken to improve energy efficiency*

What More UK Limited are committed to reducing their environmental impact and contribution to climate change through increased energy management and awareness and changes to operational procedures. During the reporting period, the company has begun the move towards the use of electric cars in their company car fleet through the identification of the required infrastructure and vehicles that would be suitable for use in the fleet.

At the manufacturing site at Altham, investment in more energy efficient manufacturing machines has been ongoing, with the purchase of a number of state of the art moulding machines which can produce at the same level for significantly less energy per unit output. In addition to the new moulding machines, installation of the LED lights across the site has continued.

#### **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**

27 September 2021

## **WHAT MORE UK LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 DECEMBER 2020***

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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 2020 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 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 2020 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

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

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

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

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of 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.

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

In identifying and assessing risks of material misstatements in respect of irregularities (including fraud) we considered the following:

- The nature of the industry, the company's control environment, the significant laws and regulations relevant to the company, and the company's policies on detection of fraud;
- Results of our enquiries of management, those charged with governance, and of staff in compliance roles;
- Our review of disclosures included in the financial statements; and
- Engagement team discussions in respect of any potential indicators of non-compliance or fraud.

We have also performed specific procedures to consider the risk of management override and of fraud arising in significant transactions outside the normal course of business.

We did not identify a material risk of non-compliance with laws and regulations or of fraud.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## **WHAT MORE UK LIMITED**

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

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#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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**

27 September 2021

**Statutory Auditor**

Mentor House  
Ainsworth Street  
Blackburn  
Lancashire  
BB1 6AY

## WHAT MORE UK LIMITED

### PROFIT AND LOSS ACCOUNT

**FOR THE YEAR ENDED 31 DECEMBER 2020**

|   | Notes    | 2020<br>£         | 2019<br>£         |
|---|----------|-------------------|-------------------|
| <b>Turnover</b>                                   | <b>2</b> | 69,860,221        | 50,387,822        |
| Cost of sales                                     |          | (44,158,471)      | (35,837,295)      |
| <b>Gross profit</b>                               |          | <b>25,701,750</b> | <b>14,550,527</b> |
| Distribution costs                                |          | (8,156,159)       | (6,277,329)       |
| Administrative expenses                           |          | (6,822,441)       | (4,239,260)       |
| Other operating income                            |          | 266,599           | 92,868            |
| <b>Operating profit</b>                           | <b>3</b> | <b>10,989,749</b> | <b>4,126,806</b>  |
| Interest receivable and similar income            | <b>7</b> | 23,388            | 17,936            |
| Interest payable and similar expenses             | <b>8</b> | (220,341)         | (270,348)         |
| Profit on disposal of freehold land and buildings |          | 842,176           | -                 |
| <b>Profit before taxation</b>                     |          | <b>11,634,972</b> | <b>3,874,394</b>  |
| Tax on profit                                     | <b>9</b> | (2,139,225)       | (756,707)         |
| <b>Profit for the financial year</b>              |          | <b>9,495,747</b>  | <b>3,117,687</b>  |

The profit and loss account has been prepared on the basis that all operations are continuing operations.

## WHAT MORE UK LIMITED

### STATEMENT OF COMPREHENSIVE INCOME

*FOR THE YEAR ENDED 31 DECEMBER 2020*

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|   | 2020             | 2019             |
|---|------------------|------------------|
|   | £                | £                |
| Profit for the year                     | 9,495,747        | 3,117,687        |
| Other comprehensive income              | -                | -                |
| Total comprehensive income for the year | <u>9,495,747</u> | <u>3,117,687</u> |



# WHAT MORE UK LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2020

|  | Notes | 2020<br>£    | £           | 2019<br>£    | £          |
|--|-------|--------------|-------------|--------------|------------|
| <b>Fixed assets</b>  |       |              |             |              |            |
| Intangible assets  | 11    | 327,891      |             | 334,867      |            |
| Tangible assets  | 12    | 24,676,553   |             | 24,599,544   |            |
| Investments  | 13    | 353,823      |             | 353,823      |            |
|  |       |              |             |              |            |
|  |       | 25,358,267   |             | 25,288,234   |            |
| <b>Current assets</b>  |       |              |             |              |            |
| Stocks   | 14    | 9,767,132    |             | 9,074,494    |            |
| Debtors  | 15    | 14,862,749   |             | 11,575,026   |            |
| Cash at bank and in hand                                       |       | 2,121,653    |             | 1,409,985    |            |
|  |       |              |             |              |            |
|  |       | 26,751,534   |             | 22,059,505   |            |
| <b>Creditors: amounts falling due within one year</b>          | 16    | (17,277,524) |             | (18,992,177) |            |
| <b>Net current assets</b>                                      |       |              | 9,474,010   |              | 3,067,328  |
| <b>Total assets less current liabilities</b>                   |       |              | 34,832,277  |              | 28,355,562 |
| <b>Creditors: amounts falling due after more than one year</b> | 17    | (4,551,337)  |             | (2,753,716)  |            |
| <b>Provisions for liabilities</b>                              |       |              |             |              |            |
| Deferred tax liability   | 20    | 1,097,431    |             | 914,084      |            |
|  |       |              | (1,097,431) |              | (914,084)  |
| <b>Net assets</b>  |       |              | 29,183,509  |              | 24,687,762 |
| <b>Capital and reserves</b>                                    |       |              |             |              |            |
| Called up share capital  | 23    | 1,700,010    |             | 1,700,010    |            |
| Profit and loss reserves                                       |       | 27,483,499   |             | 22,987,752   |            |
| <b>Total equity</b>  |       |              | 29,183,509  |              | 24,687,762 |

The financial statements were approved by the board of directors and authorised for issue on 27 September 2021 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 2020

|  |       | Share capital | Profit and<br>loss reserves | Total       |
|--|-------|---------------|-----------------------------|-------------|
|  | Notes | £             | £                           | £           |
| <b>Balance at 1 January 2019</b>                   |       | 1,700,010     | 20,940,065                  | 22,640,075  |
| <b>Year ended 31 December 2019:</b>                |       |               |                             |             |
| Profit and total comprehensive income for the year |       | -             | 3,117,687                   | 3,117,687   |
| Dividends  | 10    | -             | (1,070,000)                 | (1,070,000) |
| <b>Balance at 31 December 2019</b>                 |       | 1,700,010     | 22,987,752                  | 24,687,762  |
| <b>Year ended 31 December 2020:</b>                |       |               |                             |             |
| Profit and total comprehensive income for the year |       | -             | 9,495,747                   | 9,495,747   |
| Dividends  | 10    | -             | (5,000,000)                 | (5,000,000) |
| <b>Balance at 31 December 2020</b>                 |       | 1,700,010     | 27,483,499                  | 29,183,509  |

# WHAT MORE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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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.

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.

## WHAT MORE UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**1 Accounting policies**

**(Continued)**

**1.3 Reclassification**

During the year the company reclassified certain recharges to reflect the underlying substance of the transactions more appropriately. The comparative income and costs in the profit and loss account have been restated for consistency.

As a result of this reclassification, recharges of £155,752 have been restated from turnover to cost of sales.

The reported profit for the year to 31 December 2019 remains unchanged.

**1.4 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.

**1.5 Research and development expenditure**

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

**1.6 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.

## WHAT MORE UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies

(Continued)

##### 1.7 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% and 20% straight line basis to a residual value of 10%.<br>Residual value of moulds written down to £nil over a further period of 10 years. |
| 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.

The directors have carried out a detailed review of the useful economic lives of the moulds held by the company and have revised the rates of depreciation so that these assets are depreciated on a straight line basis, over a period of five years, to a residual value of 10% of the original cost of the asset. The residual value is then depreciated to £nil on a straight line basis over a further period of ten years. As a result of the revision to the useful economic lives, the depreciation charge for the year is £540,638 higher than it would otherwise have been.

##### 1.8 Fixed asset investments

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

##### 1.9 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.

##### 1.10 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.

# WHAT MORE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

(Continued)

#### 1.11 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.

##### **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.

# WHAT MORE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 1 Accounting policies

(Continued)

#### **Basic financial 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.

#### **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.

#### **1.12 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.

#### **1.13 Derivatives**

The company enters into foreign exchange forward contracts in order to manage its exposure to foreign exchange risk.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

# WHAT MORE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies

(Continued)

#### 1.14 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.

#### 1.15 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.

#### 1.16 Retirement benefits

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

#### 1.17 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.



# WHAT MORE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 1 Accounting policies

(Continued)

#### 1.18 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.

#### 1.19 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.

### 2 Turnover and other revenue

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

|   | 2020<br>£         | 2019<br>£         |
|---|-------------------|-------------------|
| <b>Turnover analysed by class of business</b>   |                   |                   |
| From principal activity                         | 69,860,221        | 50,387,822        |
|   | <u>69,860,221</u> | <u>50,387,822</u> |
|   | 2020<br>£         | 2019<br>£         |
| <b>Other revenue</b>                            |                   |                   |
| Interest income                                 | 23,388            | 17,936            |
| Government furlough scheme receipts             | 150,459           | -                 |
|   | <u>173,847</u>    | <u>17,936</u>     |
|   | 2020<br>£         | 2019<br>£         |
| <b>Turnover analysed by geographical market</b> |                   |                   |
| United Kingdom                                  | 58,808,078        | 41,363,035        |
| Rest of European Union                          | 9,954,084         | 7,859,031         |
| Rest of the World                               | 1,098,059         | 1,165,756         |
|   | <u>69,860,221</u> | <u>50,387,822</u> |

# WHAT MORE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 3 Operating profit

|   | 2020      | 2019      |
|---|-----------|-----------|
|   | £         | £         |
| Operating profit for the year is stated after charging/(crediting): |           |           |
| Research and development costs                                      | 3,177     | 1,457     |
| Government grants   | (150,459) | -         |
| Depreciation of owned tangible fixed assets                         | 2,256,070 | 1,227,095 |
| Depreciation of tangible fixed assets held under finance leases     | 863,605   | 1,264,779 |
| Profit on disposal of tangible fixed assets                         | (41,119)  | (123,731) |
| Amortisation of intangible assets                                   | 6,976     | 8,434     |
| Operating lease charges   | 876,345   | 686,031   |

### 4 Auditor's remuneration

|   | 2020   | 2019   |
|---|--------|--------|
|   | £      | £      |
| Fees payable to the company's auditor and associates: |        |        |
| <b>For audit services</b>                             |        |        |
| Audit of the financial statements of the company      | 22,340 | 22,340 |
| <b>For other services</b>                             |        |        |
| All other non-audit services                          | 3,700  | 3,400  |

### 5 Employees

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

|                               | 2020   | 2019   |
|-------------------------------|--------|--------|
|                               | Number | Number |
| Production and despatch staff | 176    | 142    |
| Office and sales staff        | 97     | 81     |
| Total                         | 273    | 223    |

Their aggregate remuneration comprised:

|                       | 2020       | 2019      |
|-----------------------|------------|-----------|
|                       | £          | £         |
| Wages and salaries    | 9,157,759  | 6,462,086 |
| Social security costs | 813,893    | 795,272   |
| Pension costs         | 173,308    | 230,415   |
|                       | 10,144,960 | 7,487,773 |

## WHAT MORE UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 6 Directors' remuneration

|                                      | 2020<br>£ | 2019<br>£ |
|--------------------------------------|-----------|-----------|
| Remuneration for qualifying services | 662,603   | 766,673   |

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2019 - 3).

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

|                                      | 2020<br>£ | 2019<br>£ |
|--------------------------------------|-----------|-----------|
| Remuneration for qualifying services | 155,813   | 159,116   |

#### 7 Interest receivable and similar income

|                         | 2020<br>£ | 2019<br>£ |
|-------------------------|-----------|-----------|
| Interest income         |           |           |
| Other interest received | 23,388    | 17,936    |

#### 8 Interest payable and similar expenses

|  | 2020<br>£ | 2019<br>£ |
|--|-----------|-----------|
| Interest on bank overdrafts and loans                  | 26,214    | 38,537    |
| Interest on finance leases and hire purchase contracts | 133,802   | 143,795   |
| Other interest   | 60,325    | 88,016    |
|  | 220,341   | 270,348   |

# WHAT MORE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 9 Taxation

|  | 2020<br>£ | 2019<br>£ |
|--|-----------|-----------|
| <b>Current tax</b>                                   |           |           |
| UK corporation tax on profits for the current period | 1,955,878 | 439,999   |
| Adjustments in respect of prior periods              | -         | 31,348    |
| Total current tax                                    | 1,955,878 | 471,347   |
| <b>Deferred tax</b>                                  |           |           |
| Origination and reversal of timing differences       | 183,347   | 285,360   |
| Total tax charge                                     | 2,139,225 | 756,707   |

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:

|  | 2020<br>£  | 2019<br>£ |
|--|------------|-----------|
| Profit before taxation   | 11,634,972 | 3,874,394 |
| Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%) | 2,210,645  | 736,135   |
| Tax effect of expenses that are not deductible in determining taxable profit                         | 84,572     | 5,679     |
| Tax effect of income not taxable in determining taxable profit                                       | (406)      | -         |
| Effect of change in corporation tax rate   | -          | (2,857)   |
| Permanent capital allowances in excess of depreciation   | 20,478     | 82,659    |
| Depreciation on assets not qualifying for tax allowances   | 18,606     | 22,265    |
| Research and development tax credit  | (119,488)  | (95,013)  |
| Other permanent differences  | (167,826)  | (23,509)  |
| Under-provided in prior year   | -          | 31,348    |
| Net chargeable gain  | 92,644     | -         |
| Taxation charge for the year   | 2,139,225  | 756,707   |

### 10 Dividends

|            | 2020<br>£ | 2019<br>£ |
|------------|-----------|-----------|
| Final paid | 5,000,000 | 1,070,000 |

# WHAT MORE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 11 Intangible fixed assets

|  | Website<br>£ | Trademarks<br>£ | Total<br>£ |
|--|--------------|-----------------|------------|
| <b>Cost</b>                            |              |                 |            |
| At 1 January 2020 and 31 December 2020 | 161,055      | 323,648         | 484,703    |
| <b>Amortisation and impairment</b>     |              |                 |            |
| At 1 January 2020                      | 149,836      | -               | 149,836    |
| Amortisation charged for the year      | 6,976        | -               | 6,976      |
| At 31 December 2020                    | 156,812      | -               | 156,812    |
| <b>Carrying amount</b>                 |              |                 |            |
| At 31 December 2020                    | 4,243        | 323,648         | 327,891    |
| At 31 December 2019                    | 11,219       | 323,648         | 334,867    |

### 12 Tangible fixed assets

|  | Land and<br>buildings<br>Freehold<br>£ | Plant and<br>moulds<br>£ | Fixtures, fittings<br>& equipment<br>£ | Office &<br>computer<br>equipment<br>£ | Motor vehicles<br>£ | Total<br>£  |
|--|--|--------------------------|--|--|---------------------|-------------|
| <b>Cost</b>                            |  |                          |  |  |                     |             |
| At 1 January 2020                      | 10,482,578                             | 32,005,022               | 2,035,492                              | 615,479                                | 247,256             | 45,385,827  |
| Additions                              | 1,491,610                              | 3,664,431                | 245,232                                | 72,694                                 | 141,820             | 5,615,787   |
| Disposals                              | (2,468,337)                            | (228,000)                | -                                      | -                                      | -                   | (2,696,337) |
| At 31 December 2020                    | 9,505,851                              | 35,441,453               | 2,280,724                              | 688,173                                | 389,076             | 48,305,277  |
| <b>Depreciation and<br/>impairment</b> |  |                          |  |  |                     |             |
| At 1 January 2020                      | 1,370,445                              | 17,069,537               | 1,702,506                              | 480,208                                | 163,587             | 20,786,283  |
| Depreciation charged in the<br>year    | 97,925                                 | 2,792,581                | 161,235                                | 49,139                                 | 34,474              | 3,135,354   |
| Eliminated in respect of<br>disposals  | (110,513)                              | (182,400)                | -                                      | -                                      | -                   | (292,913)   |
| At 31 December 2020                    | 1,357,857                              | 19,679,718               | 1,863,741                              | 529,347                                | 198,061             | 23,628,724  |
| <b>Carrying amount</b>                 |  |                          |  |  |                     |             |
| At 31 December 2020                    | 8,147,994                              | 15,761,735               | 416,983                                | 158,826                                | 191,015             | 24,676,553  |
| At 31 December 2019                    | 9,112,133                              | 14,935,485               | 332,986                                | 135,271                                | 83,669              | 24,599,544  |

# WHAT MORE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 12 Tangible fixed assets

(Continued)

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

|                                | 2020<br>£        | 2019<br>£        |
|--------------------------------|------------------|------------------|
| Plant and moulds               | 6,460,364        | 7,531,894        |
| Fixtures, fittings & equipment | 245,282          | 148,934          |
| Motor vehicles                 | 52,801           | 83,670           |
|                                | <u>6,758,447</u> | <u>7,764,498</u> |

Freehold land and buildings with a carrying amount of £7,712,798 (2019 - £8,853,869) have been pledged to secure borrowings of the company. The company is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

### 13 Fixed asset investments

|                      | 2020<br>£      | 2019<br>£      |
|----------------------|----------------|----------------|
| Unlisted investments | <u>353,823</u> | <u>353,823</u> |

#### Movements in fixed asset investments

|                                      | Unlisted<br>investments<br>£ |
|--------------------------------------|------------------------------|
| <b>Cost or valuation</b>             |                              |
| At 1 January 2020 & 31 December 2020 | <u>353,823</u>               |
| <b>Carrying amount</b>               |                              |
| At 31 December 2020                  | <u>353,823</u>               |
| At 31 December 2019                  | <u>353,823</u>               |

### 14 Stocks

|                                     | 2020<br>£        | 2019<br>£        |
|-------------------------------------|------------------|------------------|
| Raw materials and consumables       | 4,859,827        | 2,935,845        |
| Work in progress                    | 228,324          | 361,668          |
| Finished goods and goods for resale | 4,678,981        | 5,776,981        |
|                                     | <u>9,767,132</u> | <u>9,074,494</u> |

# WHAT MORE UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 15 Debtors

|   | 2020              | 2019              |
|---|-------------------|-------------------|
|   | £                 | £                 |
| <b>Amounts falling due within one year:</b> |                   |                   |
| Trade debtors                               | 12,541,299        | 9,438,417         |
| Amounts owed by group undertakings          | 107,570           | 1,452,995         |
| Other debtors                               | 1,661,052         | 99,989            |
| Prepayments and accrued income              | 552,828           | 583,625           |
|   | <u>14,862,749</u> | <u>11,575,026</u> |

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

|                                    | Notes | 2020              | 2019              |
|------------------------------------|-------|-------------------|-------------------|
|                                    |       | £                 | £                 |
| Invoice discounting advances       | 18    | -                 | 3,919,215         |
| Bank loans                         | 18    | 233,932           | 1,340,000         |
| Obligations under finance leases   | 19    | 1,604,434         | 2,564,505         |
| Trade creditors                    |       | 8,685,055         | 7,365,686         |
| Amounts owed to group undertakings |       | 631,922           | -                 |
| Corporation tax                    |       | 1,209,098         | 98,233            |
| Other taxation and social security |       | 741,435           | 667,198           |
| Government grants                  | 21    | 14,661            | 15,678            |
| Other creditors                    |       | 239,332           | 699,381           |
| Accruals and deferred income       |       | 3,917,655         | 2,322,281         |
|                                    |       | <u>17,277,524</u> | <u>18,992,177</u> |

The company has an invoice discounting facility with RBS Invoice Finance Limited. At the balance sheet date the company was owed £77,013 by (2019 - the company owed £3,919,215 to) RBS Invoice Finance Limited. The current year's balance is included in Cash at bank and in hand at the balance sheet date.

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

|                                  | Notes | 2020             | 2019             |
|----------------------------------|-------|------------------|------------------|
|                                  |       | £                | £                |
| Bank loans and overdrafts        | 18    | 869,390          | -                |
| Obligations under finance leases | 19    | 3,641,412        | 2,698,520        |
| Government grants                | 21    | 40,535           | 55,196           |
|                                  |       | <u>4,551,337</u> | <u>2,753,716</u> |

## WHAT MORE UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

#### 18 Loans and overdrafts

|                              | 2020<br>£        | 2019<br>£        |
|------------------------------|------------------|------------------|
| Invoice discounting advances | -                | 3,919,215        |
| Bank loans                   | 1,103,322        | 1,340,000        |
| Directors' loans             | -                | 45,576           |
|                              | <u>1,103,322</u> | <u>5,304,791</u> |
| Payable within one year      | 233,932          | 5,304,791        |
| Payable after one year       | 869,390          | -                |
|                              | <u>869,390</u>   | <u>-</u>         |

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 is secured by mortgage debentures and first legal charges over certain property and assets of the company. The loan is due for repayment within five years of the balance sheet date.

#### 19 Finance lease obligations

|   | 2020<br>£        | 2019<br>£        |
|---|------------------|------------------|
| Future minimum lease payments due under finance leases: |                  |                  |
| Within one year   | 1,604,434        | 2,564,505        |
| In two to five years                                    | 3,641,412        | 2,698,520        |
|   | <u>5,245,846</u> | <u>5,263,025</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.



## WHAT MORE UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

#### 20 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<br>2020<br>£ | Liabilities<br>2019<br>£ |
|----------------------------------|--------------------------|--------------------------|
| <b>Balances:</b>                 |                          |                          |
| Accelerated capital allowances   | 1,099,617                | 916,362                  |
| Unrelieved pension contributions | (2,186)                  | (2,278)                  |
|                                  | <u>1,097,431</u>         | <u>914,084</u>           |
|                                  |                          | <b>2020<br/>£</b>        |
| <b>Movements in the year:</b>    |                          |                          |
| Liability at 1 January 2020      |                          | 914,084                  |
| Charge to profit or loss         |                          | 183,347                  |
|                                  |                          | <u>1,097,431</u>         |
| Liability at 31 December 2020    |                          | <u>1,097,431</u>         |

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

#### 21 Deferred grants

|   | 2020<br>£     | 2019<br>£     |
|---|---------------|---------------|
| Arising from government grants                                      | <u>55,196</u> | <u>70,874</u> |
| Deferred income is included in the financial statements as follows: |               |               |
| Current liabilities   | 14,661        | 15,678        |
| Non-current liabilities   | 40,535        | 55,196        |
|   | <u>55,196</u> | <u>70,874</u> |

#### 22 Retirement benefit schemes

|   | 2020<br>£      | 2019<br>£      |
|---|----------------|----------------|
| <b>Defined contribution schemes</b>                                 |                |                |
| Charge to profit or loss in respect of defined contribution schemes | <u>173,308</u> | <u>230,415</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 2020

#### 23 Share capital

|  | 2020<br>£        | 2019<br>£        |
|--|------------------|------------------|
| <b>Ordinary share capital</b>            |                  |                  |
| <b>Issued and fully paid</b>             |                  |                  |
| 17,000,080 A Ordinary shares of 10p each | 1,700,008        | 1,700,008        |
| 20 B Ordinary shares of 10p each         | 2                | 2                |
|  | <u>1,700,010</u> | <u>1,700,010</u> |

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

#### 24 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:

|                            | 2020<br>£        | 2019<br>£        |
|----------------------------|------------------|------------------|
| Within one year            | 1,039,165        | 769,986          |
| Between two and five years | 2,417,974        | 1,657,932        |
| In over five years         | 2,410,667        | 296,000          |
|                            | <u>5,867,806</u> | <u>2,723,918</u> |

On 28 May 2020 the company signed a new lease for a term of 15 years for Units 3 and 4, Shorten Brook Way, Altham. The annual rent for the property is £256,000.

#### 25 Capital commitments

Amounts contracted for but not provided in the financial statements:

|                                      | 2020<br>£        | 2019<br>£      |
|--------------------------------------|------------------|----------------|
| Acquisition of tangible fixed assets | <u>1,900,938</u> | <u>696,415</u> |

#### 26 Events after the reporting date

The company has declared and paid dividends of £3,200,000 in respect of its issued share capital after the balance sheet date.

## WHAT MORE UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

#### 27 Related party transactions

##### Transactions with related parties

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

|  | Purchases         |                   |                   |                   |
|--|-------------------|-------------------|-------------------|-------------------|
|  | 2020              | 2019              |                   |                   |
|  | £                 | £                 |                   |                   |
| Entities under the common control of Mr A M Holt | 1,677,282         | 368,028           |                   |                   |
| Other group companies                            | 65,000            | 65,000            |                   |                   |
|  | <u>          </u> | <u>          </u> |                   |                   |
|  | Rent charged      |                   | Interest received |                   |
|  | 2020              | 2019              | 2020              | 2019              |
|  | £                 | £                 | £                 | £                 |
| Entities under the common control of Mr A M Holt |                   |                   |                   |                   |
|  | 813,693           | 634,493           | -                 | -                 |
| Other group companies                            | -                 | -                 | 19,226            | 17,936            |
|  | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |

During the year the company sold freehold land and buildings to a connected company for a consideration of £3,200,000.

The following amounts were outstanding at the reporting end date:

|  | 2020              | 2019              |
|--|-------------------|-------------------|
|  | £                 | £                 |
| <b>Amounts due to related parties</b>            |                   |                   |
| Entities under the common control of Mr A M Holt |                   |                   |
|  | 20,812            | 596,256           |
| Other group companies                            | 16,472            | -                 |
|  | <u>          </u> | <u>          </u> |

The following amounts were outstanding at the reporting end date:

|  | 2020              | 2019              |
|--|-------------------|-------------------|
|  | £                 | £                 |
| <b>Amounts due from related parties</b>          |                   |                   |
| Entities under the common control of Mr A M Holt |                   |                   |
|  | 39,436            | 40,716            |
| Other group companies                            | -                 | 907,473           |
|  | <u>          </u> | <u>          </u> |

## WHAT MORE UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

#### 28 Directors' transactions

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

| Description                   | % Rate | Opening<br>balance<br>£ | Amounts<br>advanced<br>£ | Amounts repaid<br>£ | Closing balance<br>£ |
|-------------------------------|--------|-------------------------|--------------------------|---------------------|----------------------|
| Mr A M Holt - Director's loan | -      | -                       | 19,430                   | (19,430)            | -                    |
|                               |        | -                       | 19,430                   | (19,430)            | -                    |

The maximum overdrawn balance on the above loan account during the year was £19,430.

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

| Description                   | % Rate | Opening<br>balance<br>£ | Amounts<br>advanced<br>£ | Amounts repaid<br>£ | Closing balance<br>£ |
|-------------------------------|--------|-------------------------|--------------------------|---------------------|----------------------|
| Mr A M Holt - Director's loan | -      | 45,576                  | 79,755                   | (125,331)           | -                    |
|                               |        | 45,576                  | 79,755                   | (125,331)           | -                    |

#### 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.