

Registered number: 05106531

0404 Investments Limited

**Consolidated Annual Report
and Financial Statements**

For the year ended 31 December 2012



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0404 INVESTMENTS LIMITED

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0404 INVESTMENTS LIMITED

Company Information

Director	A M Holt
Company secretary	V Hargreaves
Registered number	05106531
Registered office	Hammond Field Hammond Drive Read Lancashire BB12 7RE
Independent auditor	CLB Coopers Ship Canal House 98 King Street Manchester M2 4WU

0404 INVESTMENTS LIMITED

Director's report For the year ended 31 December 2012

The director presents his report and the financial statements for the year ended 31 December 2012

Director's responsibilities statement

The director is responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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 group will continue in business.

The director is 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 the group and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activities

The principal activity of the company during the year was that of a holding company. What More UK Limited is the company's trading subsidiary undertaking. What More UK Limited's principal activity is that of the manufacture of plastic house and gardenware.

Business review

We are pleased to report another successful and profitable year, which has seen turnover growth of £933,000 to £39.3m and operating profits increasing by 37% to £4.3m.

One of our goals was, and will continue to be, the strengthening of the Group's balance sheet. To this end, post-tax profits of £2.9m were fully retained, resulting in net assets increasing to £13.7m at the balance sheet date.

The Group has continued its investment and seen growth in new products and markets with further investment planned for the forthcoming year.

The Board is looking forward to the future and is confident that the Group has the products and the team of employees that have the commercial, operational and technical experience and drive to meet our future challenges and objectives.

We would like to take this opportunity to thank our entire team for their continued support and efforts.

0404 INVESTMENTS LIMITED

Director's report For the year ended 31 December 2012

Results

The profit for the year, after taxation, amounted to £2,934,605 (2011 £1,965,421)

Director

The director who served during the year was

A M Holt

Charitable contributions

During the year the group made the following contributions

	2012 £	2011 £
Local schools	8,823	8,823
Cathedral appeal and local parish council	25,000	4,000
Children's charities	44,000	-
Other	1,753	3,003
	<u>79,576</u>	<u>15,826</u>

Financial instruments

The group holds or issues financial instruments in order to achieve three main objectives, being

(a) to finance its operations,

(b) to manage its exposure to interest and currency risks arising from its operations and from its sources of finance,

(c) for trading purposes

In addition, various financial instruments such as trade debtors, trade creditors and bank balances arise directly from the group's operations

Transactions in financial instruments result in the group assuming or transferring to another party one or more of the financial risks described below

0404 INVESTMENTS LIMITED

Director's report For the year ended 31 December 2012

Interest rate risk

The group is exposed to fair value interest rate risk on its fixed rate borrowings and cash flow interest rate risk on bank overdrafts and loans. The group uses interest rate swaps to minimise its exposure to rate fluctuations.

Credit risk

Investments of cash and surpluses and borrowings are made through banks and companies which must fulfil credit rating criteria approved by the Board.

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are reviewed on a regular basis and provision is made for doubtful debts where necessary.

Liquidity risk

The group manages its cash requirements in order to maximise interest income and minimise interest expense, whilst ensuring that it has sufficient liquid resources to meet the operating needs of the business.

Currency risk

The group's principal foreign exposures arise from trading with overseas companies. The group manages these exposures by the use of foreign currency forward contracts.

Provision of information to auditor

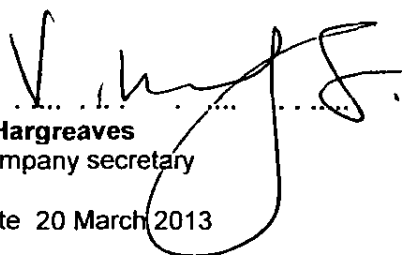
The director at the time when this director's report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company and the group's auditor in connection with preparing its report and to establish that the company and the group's auditor is aware of that information.

Auditor

The auditor, CLB Coopers, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf


.....
V Hargreaves
Company secretary
Date 20 March 2013

0404 INVESTMENTS LIMITED

Independent auditor's report to the shareholders of 0404 Investments Limited

We have audited the financial statements of 0404 Investments Limited for the year ended 31 December 2012, set out on pages 7 to 25. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders 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 shareholders 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 shareholders for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditor

As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2012 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

0404 INVESTMENTS LIMITED

Independent auditor's report to the shareholders of 0404 Investments Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



David Clift (senior statutory auditor)

for and on behalf of

CLB Coopers

Statutory Auditors and Chartered Accountants

Ship Canal House
98 King Street
Manchester
M2 4WU

20 March 2013

0404 INVESTMENTS LIMITED

Consolidated profit and loss account For the year ended 31 December 2012

	Note	2012 £	2011 £
Turnover	1,2	39,278,373	38,345,361
Cost of sales		(25,192,033)	(27,447,362)
Gross profit	4	14,086,340	10,897,999
Distribution costs		(4,550,270)	(4,009,081)
Administrative expenses		(5,253,174)	(3,754,816)
Other operating income	3	31,400	10,474
Operating profit	4	4,314,296	3,144,576
Interest receivable and similar income		8,701	15,206
Interest payable and similar charges	8	(470,106)	(515,116)
Profit on ordinary activities before taxation		3,852,891	2,644,666
Tax on profit on ordinary activities	9	(918,286)	(679,245)
Profit for the financial year		2,934,605	1,965,421

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the profit and loss account

The notes on pages 11 to 25 form part of these financial statements

0404 INVESTMENTS LIMITED

Registered number: 05106531

**Consolidated balance sheet
As at 31 December 2012**

	Note	£	2012 £	£	2011 £
Fixed assets					
Intangible assets	10		3,575,297		3,581,509
Tangible assets	11		11,830,456		10,514,669
Investments	12		138,033		138,033
			<u>15,543,786</u>		<u>14,234,211</u>
Current assets					
Stocks	13	4,900,035		5,760,347	
Debtors	14	8,077,410		9,426,662	
Cash at bank and in hand		924,873		821,826	
			<u>13,902,318</u>	<u>16,008,835</u>	
Creditors: amounts falling due within one year	15	(11,010,965)		(16,828,315)	
Net current assets/(liabilities)			<u>2,891,353</u>		<u>(819,480)</u>
Total assets less current liabilities			<u>18,435,139</u>		<u>13,414,731</u>
Creditors: amounts falling due after more than one year	16		(4,242,729)		(2,038,553)
Provisions for liabilities					
Deferred tax	17		(454,079)		(572,452)
Net assets			<u>13,738,331</u>		<u>10,803,726</u>
Capital and reserves					
Called up share capital	20		701,000		701,000
Share premium account	21		3,359,100		3,359,100
Profit and loss account	21		9,678,231		6,743,626
Shareholders' funds	22		<u>13,738,331</u>		<u>10,803,726</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by


.....
A M Holt
Director

Date 20 March 2013

The notes on pages 11 to 25 form part of these financial statements

0404 INVESTMENTS LIMITED

Registered number: 05106531

**Company balance sheet
As at 31 December 2012**

	Note	£	2012 £	£	2011 £
Fixed assets					
Investments	12		5,900,000		5,900,000
Current assets					
Debtors		11,488		11,488	
Creditors: amounts falling due within one year	15	(2,510)		(2,510)	
Net current assets			8,978		8,978
Net assets			5,908,978		5,908,978
Capital and Reserves					
Called up share capital	20		701,000		701,000
Share premium account	21		3,359,100		3,359,100
Profit and loss account	21		1,848,878		1,848,878
Shareholders' funds	22		5,908,978		5,908,978

The financial statements were approved and authorised for issue by the board and were signed on its behalf by



A M Holt
Director

Date 20 March 2013

The notes on pages 11 to 25 form part of these financial statements

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Consolidated cash flow statement For the year ended 31 December 2012

	Note	2012 £	2011 £
Net cash flow from operating activities	23	5,115,973	3,437,994
Returns on investments and servicing of finance	24	(461,405)	(499,910)
Taxation		(997,588)	(431,881)
Capital expenditure and financial investment	24	(1,858,950)	380,418
Cash inflow before financing		1,798,030	2,886,621
Financing	24	(1,694,983)	(1,472,690)
Increase in cash in the year		103,047	1,413,931

Reconciliation of net cash flow to movement in net debt For the year ended 31 December 2012

	2012 £	2011 £
Increase in cash in the year	103,047	1,413,931
Cash outflow from decrease in debt and lease financing	1,694,983	1,472,690
Change in net debt resulting from cash flows	1,798,030	2,886,621
New hire purchase contracts	(791,427)	(420,649)
Movement in net debt in the year	1,006,603	2,465,972
Net debt at 1 January 2012	(8,910,011)	(11,375,983)
Net debt at 31 December 2012	(7,903,408)	(8,910,011)

The notes on pages 11 to 25 form part of these financial statements

0404 INVESTMENTS LIMITED

Notes to the financial statements For the year ended 31 December 2012

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

1.2 Basis of consolidation

The financial statements consolidate the accounts of 0404 Investments Limited and all of its subsidiary undertakings

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

1.4 Research and development

Expenditure on research and development is charged to the profit and loss account in the year in which it is incurred with the exception of expenditure on the development of certain major new product projects where the outcome of those projects is assessed as being reasonably certain as regards viability and technical feasibility. Such expenditure is capitalised and amortised over the asset's useful economic life commencing in the year the company starts to benefit from the expenditure

1.5 Intangible assets and amortisation

Goodwill arising from the acquisition of subsidiary undertakings, representing the difference between the purchase consideration and the fair value of net assets acquired, has been capitalised in accordance with the requirements of FRS 10

The director has considered the appropriate method of accounting for goodwill. He is of the opinion that reviewing goodwill on an annual basis is a more suitable method than writing it off over a specific number of years. An impairment review is carried out annually based on projected future cash flows discounted at an appropriate discount rate based on the group's weighted average cost of capital. In accordance with FRS 10 and 11, the carrying value of intangible assets will continue to be reviewed for impairment on the basis stipulated in FRS 11 and adjusted should this be required. The individual circumstances of each future acquisition will be assessed to determine the appropriate treatment of any related goodwill.

The financial statements depart from the requirement of companies' legislation to amortise goodwill over a finite period in order to give a true and fair view, for the reasons outlined above.

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

Website development expenses are stated at cost. Amortisation is calculated so as to write off the cost, less estimated residual value, on a 25% straight line basis over the useful economic life of the asset.

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Notes to the financial statements For the year ended 31 December 2012

1. Accounting policies (continued)

1.6 Tangible assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Freehold and long leasehold property	-	1-8% straight line
Plant and machinery	-	10-12 5% straight line
Motor vehicles	-	25% straight line
Fixtures, fittings and equipment	-	15% straight line
Moulds	-	10-20% straight line

1.7 Investments

- (i) **Subsidiary undertakings**
Investments in subsidiaries are valued at cost less provision for impairment
- (ii) **Other investments**
Investments held as fixed assets are shown at cost less provision for impairment

1.8 Stocks

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

1.9 Hire purchase contracts

Assets obtained under hire purchase contracts are capitalised as tangible fixed assets and are depreciated over their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.10 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

1.11 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

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Notes to the financial statements For the year ended 31 December 2012

1. Accounting policies (continued)

1.12 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the profit and loss account

1.13 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year

1.14 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual agreements, as either financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the group

A geographical analysis of turnover is as follows

	2012 £	2011 £
United Kingdom	33,804,111	35,242,112
Overseas	4,500,480	2,677,791
Rest of world	973,782	425,458
	<u>39,278,373</u>	<u>38,345,361</u>

3. Other operating income

	2012 £	2011 £
Other operating income	<u>31,400</u>	<u>10,474</u>

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Notes to the financial statements For the year ended 31 December 2012

4. Operating profit

The operating profit is stated after charging/(crediting)

	2012 £	2011 £
Depreciation of tangible fixed assets		
- owned by the group	915,020	962,421
- held under hire purchase contracts	377,537	369,654
Operating lease rentals		
- plant and machinery	82,038	79,606
- other operating leases	831,363	799,638
Amortisation of intangible assets	16,186	11,572
Loss/(profit) on disposal of fixed assets	32,059	(20,847)
Difference on foreign exchange	38,956	(37,263)

5. Auditor's remuneration

	2012 £	2011 £
Fees payable to the group's auditor for the audit of the group's annual financial statements	16,750	16,500
Fees payable to the group's auditor and its associates in respect of		
Taxation services	2,700	2,700

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Notes to the financial statements For the year ended 31 December 2012

6. Particulars of employees

Staff costs, including director's remuneration, were as follows

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Wages and salaries	4,385,308	4,109,713	-	-
Social security costs	445,616	41,922	-	-
Other pension costs	1,135,902	117,302	-	-
	5,966,826	4,268,937	-	-

The average monthly number of employees, including the director, during the year was as follows

	Group		Company	
	2012	2011	2012	2011
	No.	No.	No.	No.
Production and sales staff	120	122	-	-
Office and management staff	33	27	-	-
	153	149	-	-

7. Director's remuneration

During the year retirement benefits were accruing to 1 director (2011 nil) in respect of defined contribution pension schemes

	2012	2011
	£	£
Emoluments	27,705	78,379
Contributions to money purchase pension schemes	140,000	-

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Notes to the financial statements For the year ended 31 December 2012

8. Interest payable and similar charges

	2012 £	2011 £
On bank loans and overdrafts	291,575	282,671
On hire purchase contracts	66,567	97,084
Other interest payable	111,964	135,361
	<u>470,106</u>	<u>515,116</u>

9. Taxation

	2012 £	2011 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	1,036,659	743,324
Deferred tax		
Origination and reversal of timing differences	(118,373)	(62,781)
Adjustments in respect of prior periods	-	(1,298)
Total deferred tax (see note 17)	<u>(118,373)</u>	<u>(64,079)</u>
Tax on profit on ordinary activities	<u>918,286</u>	<u>679,245</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2011 higher than) the standard rate of corporation tax in the UK of 24.5% (2011 26%). The differences are explained below

	2012 £	2011 £
Profit on ordinary activities before tax	<u>3,852,891</u>	<u>2,644,666</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011 26%)	943,958	687,613
Effects of:		
Expenses not deductible for tax purposes	36,738	29,384
Accelerated capital allowances	44,802	61,482
Movement in pension fund creditor	-	1,299
Short term timing differences	11,276	-
Book profit on chargeable assets	-	(4,916)
Difference in tax rates	(115)	(31,538)
Current tax charge for the year (see note above)	<u>1,036,659</u>	<u>743,324</u>

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Notes to the financial statements For the year ended 31 December 2012

10. Intangible assets

Group	Website £	Trademarks £	Goodwill £	Total £
Cost				
At 1 January 2012	84,749	23,648	3,520,855	3,629,252
Additions	9,974	-	-	9,974
Disposals	(20,000)	-	-	(20,000)
At 31 December 2012	74,723	23,648	3,520,855	3,619,226
Amortisation				
At 1 January 2012	47,743	-	-	47,743
Charge for the year	16,186	-	-	16,186
On disposals	(20,000)	-	-	(20,000)
At 31 December 2012	43,929	-	-	43,929
Net book value				
At 31 December 2012	30,794	23,648	3,520,855	3,575,297
At 31 December 2011	37,006	23,648	3,520,855	3,581,509

11. Tangible assets

Group	Freehold and long leasehold property £	Assets held under construction £	Plant and machinery £	Motor vehicles £
Cost				
At 1 January 2012	4,339,007	-	9,338,345	181,231
Additions	-	1,289,440	252,495	-
Disposals	-	-	(86,000)	-
At 31 December 2012	4,339,007	1,289,440	9,504,840	181,231
Depreciation				
At 1 January 2012	609,124	-	4,930,685	123,394
Charge for the year	102,966	-	454,149	26,616
On disposals	-	-	(68,979)	-
At 31 December 2012	712,090	-	5,315,855	150,010
Net book value				
At 31 December 2012	3,626,917	1,289,440	4,188,985	31,221
At 31 December 2011	3,729,883	-	4,407,660	57,837

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Notes to the financial statements For the year ended 31 December 2012

11. Tangible assets (continued)

Group	Fixtures, fittings and equipment £	Moulds £	Total £
Cost			
At 1 January 2012	1,105,843	6,110,459	21,074,885
Additions	111,572	986,812	2,640,319
Disposals	-	(200,642)	(286,642)
At 31 December 2012	1,217,415	6,896,629	23,428,562
Depreciation			
At 1 January 2012	829,715	4,067,298	10,560,216
Charge for the year	72,875	635,951	1,292,557
On disposals	-	(185,688)	(254,667)
At 31 December 2012	902,590	4,517,561	11,598,106
Net book value			
At 31 December 2012	314,825	2,379,068	11,830,456
At 31 December 2011	276,128	2,043,161	10,514,669

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows

Group	2012 £	2011 £
Plant and machinery	1,047,256	1,046,122
Motor vehicles	26,871	31,724
Moulds	1,219,513	965,000
	2,293,640	2,042,846

12. Investments

Group	Unlisted investments £
Cost or valuation	
At 1 January 2012 and 31 December 2012	138,033
Net book value	
At 31 December 2012	138,033
At 31 December 2011	138,033

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Notes to the financial statements For the year ended 31 December 2012

12. Investments (continued)

Company Cost or valuation	Investments in subsidiary companies £
At 1 January 2012 and 31 December 2012	5,900,000
Net book value	
At 31 December 2012	5,900,000
At 31 December 2011	5,900,000

The company's investments in subsidiary companies represent 100% of the issued share capital of What More UK Limited. This company is registered in England and Wales and is engaged in the manufacture of plastic house and gardenwares.

13. Stocks

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Raw materials	2,236,580	2,552,976	-	-
Finished goods and goods for resale	2,663,455	3,207,371	-	-
	4,900,035	5,760,347	-	-

14. Debtors

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Trade debtors	7,249,800	8,339,238	-	-
Amounts owed by subsidiary undertaking	-	-	11,478	11,478
Director's loan account	55,577	316,640	-	-
Other debtors	216,518	322,225	10	10
Prepayments and accrued income	555,515	448,559	-	-
	8,077,410	9,426,662	11,488	11,488

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Notes to the financial statements For the year ended 31 December 2012

15. Creditors: Amounts falling due within one year

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Invoice discounting advances	3,304,588	6,788,991	-	-
Bank loans	646,728	340,378	-	-
Other loan	75,408	75,408	-	-
Net obligations under hire purchase contracts	635,836	580,459	-	-
Trade creditors	3,543,699	6,104,372	-	-
Corporation tax	586,663	547,592	-	-
Social security and other taxes	399,420	813,545	-	-
Other creditors	15,069	3,976	-	-
Accruals and deferred income	1,803,554	1,573,594	2,510	2,510
	11,010,965	16,828,315	2,510	2,510

Invoice discounting advances are secured against book debts

16. Creditors: Amounts falling due after more than one year

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans	3,472,168	1,193,896	-	-
Other loan	-	75,408	-	-
Net obligations under hire purchase contracts	693,553	677,297	-	-
Accruals and deferred income	77,008	91,952	-	-
	4,242,729	2,038,553	-	-

Included within the above are amounts falling due as follows

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Between one and two years				
Bank loans	653,197	346,728	-	-
Other loan	-	75,408	-	-
Between two and five years				
Bank loans	2,818,971	847,168	-	-

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Notes to the financial statements For the year ended 31 December 2012

16 Creditors. Amounts falling due after more than one year (continued)

Obligations under hire purchase contracts, included above, are payable as follows

	<u>Group</u>		<u>Company</u>	
	2012	2011	2012	2011
	£	£	£	£
Between 2 and 5 years	693,553	677,297	-	-

Bank loans falling due within and after more than one year are secured by mortgage debentures and first legal charges over certain property and assets of the group

Net obligations under hire purchase contracts falling due within and after more than one year are secured against the asset they relate to

17. Deferred taxation

	<u>Group</u>		<u>Company</u>	
	2012	2011	2012	2011
	£	£	£	£
At beginning of year	572,452	636,531	-	-
(Credit)/charge for the year	(118,373)	(64,079)	-	-
At end of year	454,079	572,452	-	-

The provision for deferred taxation is made up as follows

	<u>Group</u>		<u>Company</u>	
	2012	2011	2012	2011
	£	£	£	£
Accelerated capital allowances	572,452	573,485	-	-
Other short term timing differences	(118,373)	(1,033)	-	-
	454,079	572,452	-	-

18. Capital commitments

At 31 December 2012 the group and company had capital commitments as follows

	<u>Group</u>		<u>Company</u>	
	2012	2011	2012	2011
	£	£	£	£
Contracted for but not provided in these financial statements	1,622,969	-	-	-

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Notes to the financial statements For the year ended 31 December 2012

19. Operating lease commitments

At 31 December 2012 the group had annual commitments under non-cancellable operating leases as follows

Group	Land and buildings		2012 £	Other 2011 £
	2012 £	2011 £		
Expiry date.				
Within 1 year	285,792	260,712	43,443	44,543
Between 2 and 5 years	338,479	-	96,478	101,598
After more than 5 years	190,465	605,444	-	-

20. Share capital

	2012 £	2011 £
Allotted, called up and fully paid		
701,000 Ordinary shares of £1 each	701,000	701,000

21. Reserves

Group	Share premium account £	Profit and loss account £
At 1 January 2012	3,359,100	6,743,626
Profit for the year	-	2,934,605
At 31 December 2012	3,359,100	9,678,231

Company	Share premium account £	Profit and loss account £
At 1 January 2012 and 31 December 2012	3,359,100	1,848,878

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Notes to the financial statements For the year ended 31 December 2012

22. Reconciliation of movement in shareholders' funds

Group	2012 £	2011 £
Opening shareholders' funds	10,803,726	8,838,305
Profit for the year	2,934,605	1,965,421
Closing shareholders' funds	<u>13,738,331</u>	<u>10,803,726</u>

Company	2012 £	2011 £
Shareholders' funds at 1 January 2012 and 31 December 2012	<u>5,908,978</u>	<u>5,908,978</u>

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own profit and loss account

The profit for the year dealt with in the accounts of the company was £nil (2011 £nil)

23. Net cash flow from operating activities

	2012 £	2011 £
Operating profit	4,314,296	3,144,576
Amortisation of intangible fixed assets	16,186	11,572
Depreciation of tangible fixed assets	1,292,557	1,332,075
Loss/(profit) on disposal of tangible fixed assets	32,059	(20,847)
Decrease/(increase) in stocks	860,312	(1,587,918)
Decrease/(increase) in debtors	1,349,252	(1,063,368)
(Decrease)/increase in creditors	(2,748,689)	1,621,904
Net cash inflow from operating activities	<u>5,115,973</u>	<u>3,437,994</u>

24. Analysis of cash flows for headings netted in cash flow statement

	2012 £	2011 £
Returns on investments and servicing of finance		
Interest received	8,701	15,206
Interest paid	(403,539)	(418,032)
Hire purchase interest	(66,567)	(97,084)
Net cash outflow from returns on investments and servicing of finance	<u>(461,405)</u>	<u>(499,910)</u>

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Notes to the financial statements For the year ended 31 December 2012

24. Analysis of cash flows for headings netted in cash flow statement (continued)

	2012 £	2011 £
Capital expenditure and financial investment		
Purchase of intangible fixed assets	(9,974)	(18,956)
Purchase of tangible fixed assets	(1,848,892)	(409,534)
Sale of tangible fixed assets	(84)	814,099
Purchase of unlisted and other investments	-	(5,191)
Net cash (outflow)/inflow from capital expenditure	(1,858,950)	380,418
	2012 £	2011 £
Financing		
New secured bank loan	3,000,000	-
Repayment of bank loans	(415,378)	(880,764)
Repayment of other loans	(75,408)	(75,408)
Repayment of hire purchase	(719,794)	(1,207,969)
Movements on invoice discounting	(3,484,403)	691,451
Net cash outflow from financing	(1,694,983)	(1,472,690)

25. Analysis of changes in net debt

	1 January 2012 £	Cash flow £	Other non-cash changes £	31 December 2012 £
Cash at bank and in hand	821,826	103,047	-	924,873
Debt:				
Hire purchase contracts	(1,257,756)	719,794	(791,427)	(1,329,389)
Debts due within one year	(7,204,777)	975,189	2,202,864	(4,026,724)
Debts falling due after more than one year	(1,269,304)	-	(2,202,864)	(3,472,168)
Net debt	(8,910,011)	1,798,030	(791,427)	(7,903,408)

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Notes to the financial statements For the year ended 31 December 2012

26. Related party transactions

9CW04 Limited

9CW04 Limited is related to the group by virtue of A M Holt's common ownership

During the year, the following transactions occurred,

	2012 £	2011 £
Rent payable to	338,479	338,479
Loan repayments from	30,000	225,000
Loan interest charged to	8,701	14,191

Included within other debtors at the year end was £194,513 (2011 £212,738) owed to the group by 9CW04 Limited

What More UK Self Administered Pension Fund

The What More UK Self Administered Pension Fund is a scheme in which A M Holt is a trustee

Transactions with the scheme during the year were as follows,

	2012 £	2011 £
Sale of land and buildings	-	800,000
Rent payable to	190,465	165,813

At the year end the group owed the scheme £nil (2011 £nil)

A M Holt

Details of A M Holt's director's loan account are as follows,

	2012 £	2011 £
Balance outstanding at start of the year	316,640	(291,403)
Balance outstanding at end of the year	55,577	316,640
Maximum overdrawn balance during the year	361,722	316,640

27. Ultimate controlling party

At the current and preceding year ends, the company was controlled by A M Holt who is the sole director and shareholder