

Registered number: 5106531

**0404 Investments Limited**

**Financial Statements**

**For the Year Ended 31 December 2008**



**CLB**  
**coopers**  
Chartered Accountants  
Delivering solutions through excellence

26-5-09-287.

# **0404 INVESTMENTS LIMITED**

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## **0404 INVESTMENTS LIMITED**

### **Company Information**

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<b>Director</b>	A M Holt
<b>Company secretary</b>	V Hargreaves
<b>Company number</b>	5106531
<b>Registered office</b>	Hammond Field Hammond Drive Read Lancashire BB12 7RE
<b>Auditor</b>	CLB Coopers Century House 11 St Peter's Square Manchester M2 3DN

# 0404 INVESTMENTS LIMITED

## Director's Report For the Year Ended 31 December 2008

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The director presents his report and the financial statements for the year ended 31 December 2008

### Principal activities and business review

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

The directors are pleased to report a 15.3 % increase in the turnover derived from the increased activity in the group's principal market sector.

The group has increased its level of operating profit by 9.9% despite 2008 being a year of increasing raw material and energy prices, thus reflecting yet another successful year for the group.

The group has continued its policy of innovation, investing in its staff and the capital equipment necessary to drive the business forward. Whilst in a tough environment the group has experienced a continual increase in demand for its products.

The plastics industry remains highly competitive but the directors are confident that with the group's excellent customer relationships, customer service, product quality, new product ranges and the help of its dedicated and committed staff, it will result in another strong performance during 2009. The results for 2009 at the date of the directors' report are in line with forecasts, enforcing the directors' belief that all the group's investments will bring another year of prosperous growth in 2009.

### Results and dividends

The group's profit for the year, after taxation, amounted to £876,209 (2007 - £826,459).

Particulars of dividends are detailed in note 10 to the accounts.

### Financial instruments

Details of the group's financial risk management objectives and policies are included in note 19 to the accounts.

### Director

The director who served during the year was

### Number of Ordinary Shares at £1 each

A M Holt



At 31 December 2008	At 1 January 2008
1,000	1,000

# 0404 INVESTMENTS LIMITED

## Director's Report For the Year Ended 31 December 2008

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### Statement of director's responsibilities

The director is responsible for preparing the Annual 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). The financial statements are required by law to 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 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 proper accounting records that 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 1985. 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.

### 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

### Political and charitable contributions

During the year the group made the following contributions

	2008	2007
	£	£
Charitable	4,276	4,600

## 0404 INVESTMENTS LIMITED

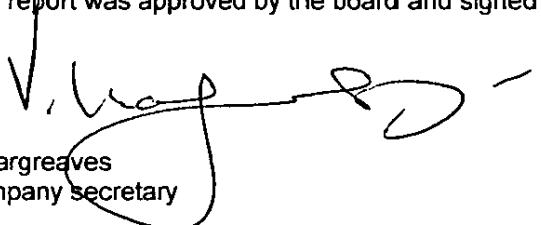
**Director's Report**  
**For the Year Ended 31 December 2008**

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### **Auditor**

The auditor, CLB Coopers, will be proposed for reappointment in accordance with the Companies Act

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



V Hargreaves  
Company Secretary

Date 5 May 2009

Hammond Field  
Hammond Drive  
Read  
Lancashire  
BB12 7RE

## **0404 INVESTMENTS LIMITED**

### **Independent Auditor's Report to the Shareholders of 0404 Investments Limited**

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We have audited the group and parent company financial statements (the "financial statements") of 0404 Investments Limited for the year ended 31 December 2008, set out on pages 7 to 26. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. 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 as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of director and auditors**

The director's responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Director's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Director's Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the group has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and other transactions is not disclosed.

We read the Director's Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

## 0404 INVESTMENTS LIMITED


### Independent Auditor's Report to the Shareholders of 0404 Investments Limited

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#### Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent company's affairs as at 31 December 2008 and of the group's profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Director's Report is consistent with the financial statements

A handwritten signature in black ink, appearing to read 'CLB Coopers', is written over the printed name.

**CLB Coopers**

Chartered Accountants & Registered Auditors

Century House  
11 St Peter's Square  
Manchester  
M2 3DN

5 May 2009



## 0404 INVESTMENTS LIMITED

### Consolidated Profit and Loss Account For the Year Ended 31 December 2008

	Note	2008 £	2007 £
<b>Turnover</b>	1	<b>30,405,336</b>	26,362,162
Cost of sales		<u>(21,884,280)</u>	<u>(18,386,401)</u>
<b>Gross profit</b>		<b>8,521,056</b>	7,975,761
Selling and distribution costs		<b>(2,941,044)</b>	(3,039,824)
Administrative expenses		<b>(3,580,593)</b>	(3,160,476)
Other operating income	3	<u>93,499</u>	<u>129,507</u>
<b>Operating profit</b>	4	<b>2,092,918</b>	1,904,968
Interest receivable		<b>7,480</b>	9,091
Interest payable	8	<u><b>(805,699)</b></u>	<u>(785,625)</u>
<b>Profit on ordinary activities before taxation</b>		<b>1,294,699</b>	1,128,434
Tax on profit on ordinary activities	9	<u><b>(418,490)</b></u>	<u>(301,975)</u>
<b>Profit for the financial year</b>	22	<u><b>876,209</b></u>	<u>826,459</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2008 or 2007 other than those included in the Profit and Loss Account

The notes on pages 11 to 26 form part of these financial statements

# 0404 INVESTMENTS LIMITED

## Consolidated Balance Sheet As at 31 December 2008

	Note	£	2008 £	£	2007 £
<b>Fixed assets</b>					
Intangible fixed assets	11		3,544,503		3,549,836
Tangible fixed assets	12		11,727,345		12,628,504
Fixed asset investments	13		121,290		29,580
			<u>15,393,138</u>		<u>16,207,920</u>
<b>Current assets</b>					
Stocks	14	2,751,870		2,259,765	
Debtors	15	6,480,016		5,441,299	
Cash at bank and in hand		201		40,870	
			<u>9,232,087</u>	<u>7,741,934</u>	
<b>Creditors: amounts falling due within one year</b>	16	(13,322,997)		(12,425,062)	
<b>Net current liabilities</b>			<u>(4,090,910)</u>		<u>(4,683,128)</u>
<b>Total assets less current liabilities</b>			<u>11,302,228</u>		<u>11,524,792</u>
<b>Creditors: amounts falling due after more than one year</b>	17		(4,499,401)		(5,179,536)
<b>Provisions for liabilities</b>					
Deferred tax	18		(650,237)		(989,381)
<b>Net assets</b>			<u>6,152,590</u>		<u>5,355,875</u>
<b>Capital and Reserves</b>					
Called up share capital	21		1,000		1,000
Share premium account	22		3,359,100		3,359,100
Profit and loss account	22		2,792,490		1,995,775
<b>Shareholders' funds</b>	23		<u>6,152,590</u>		<u>5,355,875</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 5 May 2009

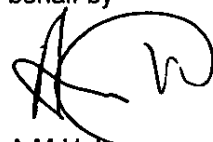
The notes on pages 11 to 26 form part of these financial statements

# 0404 INVESTMENTS LIMITED

## Company Balance Sheet As at 31 December 2008

	Note	£	2008 £	£	2007 £
<b>Fixed assets</b>					
Fixed asset investments	13		4,200,000		4,200,000
<b>Current assets</b>					
Debtors	15	13,233		25,981	
Cash at bank		-		35,561	
		<u>13,233</u>		<u>61,542</u>	
<b>Creditors:</b> amounts falling due within one year	16	(4,126)		(58,646)	
<b>Net current assets</b>			<u>9,107</u>		<u>2,896</u>
<b>Total assets less current liabilities</b>			<u><u>4,209,107</u></u>		<u><u>4,202,896</u></u>
<b>Capital and Reserves</b>					
Called up share capital	21		1,000		1,000
Share premium account	22		3,359,100		3,359,100
Profit and loss account	22		<u>849,007</u>		<u>842,796</u>
<b>Shareholders' funds</b>	23		<u><u>4,209,107</u></u>		<u><u>4,202,896</u></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 5 May 2009

The notes on pages 11 to 26 form part of these financial statements

## 0404 INVESTMENTS LIMITED

### Cash Flow Statement For the Year Ended 31 December 2008

	Note	2008 £	2007 £
Net cash flow from operating activities	24	3,318,649	108,341
Returns on investments and servicing of finance	25	(801,619)	(766,539)
Taxation		(53,334)	(120,702)
Capital expenditure and financial investment	25	(138,883)	(268,029)
Equity dividends paid		(79,494)	(777,391)
<b>Cash inflow/(outflow) before financing</b>		<b>2,245,319</b>	<b>(1,824,320)</b>
Financing	25	(1,417,011)	(404,255)
<b>Increase/(decrease) in cash in the year</b>		<b>828,308</b>	<b>(2,228,575)</b>

### Reconciliation of Net Cash Flow to Movement in Net Funds/Debt For the Year Ended 31 December 2008

	2008 £	2007 £
Increase/(decrease) in cash in the year	828,308	(2,228,575)
Cash outflow from decrease in debt and lease financing	1,417,011	404,255
<b>Change in net debt resulting from cash flows</b>	<b>2,245,319</b>	<b>(1,824,320)</b>
New finance leases	(969,665)	(2,117,459)
<b>Movement in net debt in the year</b>	<b>1,275,654</b>	<b>(3,941,779)</b>
Net debt at 1 January 2008	(13,737,183)	(9,795,404)
<b>Net debt at 31 December 2008</b>	<b>(12,461,529)</b>	<b>(13,737,183)</b>

The notes on pages 11 to 26 form part of these financial statements

# 0404 INVESTMENTS LIMITED

## Notes to the Financial Statements For the Year Ended 31 December 2008

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### 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 its subsidiary undertaking What More UK Limited

#### 1.3 Turnover

Turnover comprises revenue recognised by the group in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts

#### 1.4 Research and development

Research and development expenditure is written off in the year in which it is incurred

#### 1.5 Intangible fixed 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 directors have considered the appropriate method of accounting for goodwill. They are 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 company'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.

Amortisation of website costs is calculated so as to write off the cost of the asset less its estimated residual value, over its useful economic life of the asset at 40% straight line per annum.

Website	-	40% straight line
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## 0404 INVESTMENTS LIMITED

### Notes to the Financial Statements For the Year Ended 31 December 2008

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#### 1. Accounting Policies (continued)

##### 1.6 Tangible fixed 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:

Long leasehold property	-	1-8%	straight line
Plant and machinery	-	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. The cost of finished goods comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

##### 1.9 Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

##### 1.10 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

##### 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.

# 0404 INVESTMENTS LIMITED

## Notes to the Financial Statements For the Year Ended 31 December 2008

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### 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 consolidated profit and loss account.

#### 1.13 Pension costs

The group operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the group. The annual contributions payable are charged to the consolidated profit and loss account.

#### 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:

	2008 £	2007 £
United Kingdom	29,616,537	25,466,568
Overseas	788,799	895,594
	<u>30,405,336</u>	<u>26,362,162</u>

### 3. Other operating income

	2008 £	2007 £
Other operating income	<u>93,499</u>	<u>129,507</u>

## 0404 INVESTMENTS LIMITED

### Notes to the Financial Statements For the Year Ended 31 December 2008

#### 4. Operating profit

The operating profit is stated after charging/(crediting)

	2008 £	2007 £
Depreciation of tangible fixed assets		
- owned by the group	1,202,590	999,172
- held under finance leases	720,629	659,159
Operating lease rentals		
- plant and machinery	68,536	70,725
- other operating leases	320,434	189,713
Difference on foreign exchange	29,670	37,288
Amortisation of intangible assets	5,333	8,000
Profit on disposal of fixed assets	(5,222)	(55,174)
	<u>          </u>	<u>          </u>

#### 5. Auditors' remuneration

	2008 £	2007 £
Fees payable to the group's auditor for the audit of the group's annual accounts	15,950	15,450
Fees payable to the company's auditor and its associates in respect of taxation services	2,650	2,575
	<u>          </u>	<u>          </u>

#### 6 Particulars of employees

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

	Group		Company	
	2008 £	2007 £	2008 £	2007 £
Wages and salaries	3,569,923	3,200,093	907,658	555,783
Social security costs	382,140	347,863	105,353	69,827
Other pension costs	283,850	606,500	-	-
	<u>4,235,913</u>	<u>4,154,456</u>	<u>1,013,011</u>	<u>625,610</u>

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

	Group		Company	
	2008 No.	2007 No.	2008 No.	2007 No.
Production and sales staff	101	95	0	0
Office and management staff	18	16	13	8
	<u>119</u>	<u>111</u>	<u>13</u>	<u>8</u>



## 0404 INVESTMENTS LIMITED

### Notes to the Financial Statements For the Year Ended 31 December 2008

#### 7. Director's remuneration

During the year retirement benefits were accruing to 1 director (2007 - 1) in respect of money purchase pension schemes

	2008 £	2007 £
Emoluments	<u>140,728</u>	<u>65,744</u>
Company pension contributions to money purchase pension schemes	<u>-</u>	<u>224,925</u>

#### 8. Interest payable

	2008 £	2007 £
On bank loans and overdrafts	419,139	425,133
On finance leases and hire purchase contracts	186,868	132,622
Other interest payable	199,692	227,870
	<u>805,699</u>	<u>785,625</u>

#### 9. Taxation

	2008 £	2007 £
<b>Analysis of tax charge in the year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax charge on profit for the year	554,116	53,446
Adjustments in respect of prior periods	203,518	-
<b>Total current tax</b>	<u>757,634</u>	<u>53,446</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(212,202)	248,529
Adjustments in respect of prior periods	(126,942)	-
<b>Total deferred tax</b> (see note 18)	<u>(339,144)</u>	<u>248,529</u>
<b>Total current tax</b>	<u>418,490</u>	<u>301,975</u>

## 0404 INVESTMENTS LIMITED

### Notes to the Financial Statements For the Year Ended 31 December 2008

#### 9 Taxation (continued)

##### (b) Factors affecting tax charge for the year

The tax assessed for the year is higher than (2007 - lower than) the standard rate of corporation tax in the UK (28%) The differences are explained below

	2008 £	2007 £
Profit on ordinary activities before tax	<u>1,294,699</u>	<u>1,128,434</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2007 - 30%)	362,516	338,530
<b>Effects of:</b>		
Expenses not deductible for tax purposes	27,820	16,463
Capital allowances for year in excess of depreciation	212,197	(248,498)
Expenses deductible for tax not in accounts	-	(39,040)
Difference in tax rates	(48,423)	(14,009)
Short term timing differences	6	-
Adjustments in respect of prior periods	203,518	-
<b>Current tax charge for the year</b> (see note above)	<u>757,634</u>	<u>53,446</u>

#### 10. Dividends

	2008 £	2007 £
Paid equity dividends on ordinary shares	<u>79,494</u>	<u>777,391</u>

#### 11. Intangible fixed assets

Group	Trademarks £	Website £	Goodwill £	Total £
<b>Cost</b>				
At 1 January 2008 and 31 December 2008	<u>23,648</u>	<u>20,000</u>	<u>3,520,855</u>	<u>3,564,503</u>
<b>Amortisation</b>				
At 1 January 2008	-	14,667	-	14,667
Charge for the year	-	5,333	-	5,333
At 31 December 2008	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>
<b>Net book value</b>				
At 31 December 2008	<u>23,648</u>	<u>-</u>	<u>3,520,855</u>	<u>3,544,503</u>
At 31 December 2007	<u>23,648</u>	<u>5,333</u>	<u>3,520,855</u>	<u>3,549,836</u>

## 0404 INVESTMENTS LIMITED

### Notes to the Financial Statements For the Year Ended 31 December 2008

#### 12. Tangible fixed assets

Group	Long leasehold property £	Plant and machinery £	Motor vehicles £	Furniture, fittings and equipment £	Moulds £	Total £
<b>Cost</b>						
At 1 January 2008	5,044,505	7,870,110	379,870	771,328	3,342,561	17,408,374
Additions	52,722	159,694	108,900	29,808	718,663	1,069,787
Disposals	-	(20,100)	(165,472)	-	-	(185,572)
At 31 December 2008	5,097,227	8,009,704	323,298	801,136	4,061,224	18,292,589
<b>Depreciation</b>						
At 1 January 2008	222,559	2,515,965	202,044	440,096	1,399,206	4,779,870
Charge for the year	108,694	961,985	73,625	114,446	664,469	1,923,219
On disposals	-	(20,100)	(117,745)	-	-	(137,845)
At 31 December 2008	331,253	3,457,850	157,924	554,542	2,063,675	6,565,244
<b>Net book value</b>						
At 31 December 2008	4,765,974	4,551,854	165,374	246,594	1,997,549	11,727,345
At 31 December 2007	4,821,946	5,354,145	177,826	331,232	1,943,355	12,628,504

Included within the net book value of £11,727,345 is £4,025,134 (2007 - £4,273,675) relating to assets under hire purchase agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £720,629 (2007 - £659,159).

#### 13. Fixed asset investments

Group	Unlisted investments £
<b>Cost or valuation</b>	
At 1 January 2008	29,580
Additions	91,710
At 31 December 2008	121,290
	<b>Shares in group undertakings £</b>
<b>Company</b>	
<b>Cost</b>	
At 1 January 2008 and 31 December 2008	4,200,000

## 0404 INVESTMENTS LIMITED

### Notes to the Financial Statements For the Year Ended 31 December 2008

#### 13. Fixed asset investments (continued)

The company's cost of investment represents 100% of the issued share capital of What More UK Limited. This company is UK registered and is engaged in the manufacture of plastic products and components.

#### 14. Stocks

	<b>Group</b>		<b>Company</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Raw materials	1,116,379	532,576	-	-
Finished goods and goods for resale	1,635,491	1,727,189	-	-
	<b>2,751,870</b>	<b>2,259,765</b>	<b>-</b>	<b>-</b>

#### 15. Debtors

	<b>Group</b>		<b>Company</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	5,435,214	4,863,399	-	-
Amounts owed by group undertakings	-	-	13,223	25,971
Corporation tax recoverable	-	-	-	-
Director's loan account	521,214	139,344	-	-
Other debtors	256,933	193,874	10	10
Prepayments and accrued income	266,655	244,682	-	-
	<b>6,480,016</b>	<b>5,441,299</b>	<b>13,233</b>	<b>25,981</b>

## 0404 INVESTMENTS LIMITED

### Notes to the Financial Statements For the Year Ended 31 December 2008

**16 Creditors:**  
**Amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans and overdrafts	<b>2,746,959</b>	3,567,111	-	-
Other loans	<b>32,772</b>	32,772	-	-
Invoice discounting advances	<b>4,158,446</b>	4,132,179	-	-
Net obligations under finance leases and hire purchase contracts	<b>1,092,167</b>	1,234,259	-	-
Trade creditors	<b>3,450,323</b>	2,084,467	-	-
Corporation tax	<b>683,872</b>	53,452	<b>1,626</b>	850
Social security and other taxes	<b>156,006</b>	334,708	-	52,996
Other creditors	<b>34,891</b>	151,695	-	-
Accruals and deferred income	<b>967,561</b>	834,419	<b>2,500</b>	4,800
	<b>13,322,997</b>	12,425,062	<b>4,126</b>	58,646

Amounts advanced to the company under the invoice discounting arrangement are secured against book debts

## 0404 INVESTMENTS LIMITED

### Notes to the Financial Statements For the Year Ended 31 December 2008

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

	<b>Group</b>		<b>Company</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans	2,767,094	3,083,284	-	-
Other loans	16,386	49,158	-	-
Net obligations under finance leases and hire purchase contracts	1,647,907	1,679,290	-	-
Other creditors	-	283,458	-	-
Accruals and deferred income	68,014	84,346	-	-
	<b>4,499,401</b>	<b>5,179,536</b>	<b>-</b>	<b>-</b>

Included within the above are amounts falling due as follows

	<b>Group</b>		<b>Company</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Between one and two years</b>				
Bank loans	290,284	280,026	-	-
Other loans	16,386	49,158	-	-
<b>Between two and five years</b>				
Bank loans	922,121	964,548	-	-
<b>Over five years</b>				
Bank loans	1,554,689	1,838,710	-	-

Creditors include amounts not wholly repayable within 5 years as follows

	<b>Group</b>		<b>Company</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Repayable by instalments	1,554,689	1,838,710	-	-

Other creditors due within and after more than one year respectively, include £nil (2007 - £81,842) and £nil (2007 - £283,458) relating to the deferred purchase of machines. These amounts are secured against the assets to which they relate.

The bank loans are secured by mortgage debentures and first legal charges over the property and assets of the group. The group has taken out a base rate swap covering its bank loans at rates of 5.2% and 5.7%.

Other loans due within and after more than one year are unsecured and non interest bearing.

## 0404 INVESTMENTS LIMITED

### Notes to the Financial Statements For the Year Ended 31 December 2008

#### 17 Creditors: Amounts falling due after more than one year (continued)

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

	<b>Group</b>		<b>Company</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Between 2 and 5 years	<b>1,647,907</b>	1,679,290	-	-

#### 18. Deferred taxation

	<b>Group</b>		<b>Company</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2008	<b>989,381</b>	740,852	-	-
(Released during)/charge for the year	<b>(339,144)</b>	248,529	-	-
Other movement	-	-	-	-
At 31 December 2008	<b>650,237</b>	989,381	-	-

The provision for deferred taxation is made up as follows

	<b>Group</b>		<b>Company</b>	
	<b>2008</b>	<b>2007</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Accelerated capital allowances	<b>650,237</b>	989,381	-	-

## 0404 INVESTMENTS LIMITED

### Notes to the Financial Statements For the Year Ended 31 December 2008

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#### 19. Financial risk management objectives and policies

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

##### 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 fulfill 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

#### 20. Operating lease commitments

At 31 December 2008 the Group had annual commitments under non-cancellable operating leases as follows

	Land and buildings		2008	Other
	2008	2007		
Group	£	£	£	£
Expiry date:				
Within 1 year	-	12,400	14,645	4,160
Between 2 and 5 years	-	-	67,729	2,312
After more than 5 years	331,545	196,965	-	-



# 0404 INVESTMENTS LIMITED

## Notes to the Financial Statements For the Year Ended 31 December 2008

### 21. Share capital

	2008 £	2007 £
<b>Authorised, allotted, called up and fully paid</b>		
1,000 Ordinary Shares shares of £1 each	<u>1,000</u>	<u>1,000</u>

### 22 Reserves

	Share premium account £	Profit and loss account £
<b>Group</b>		
At 1 January 2008	3,359,100	1,995,775
Profit for the year	-	876,209
Dividends Equity capital	-	(79,494)
At 31 December 2008	<u>3,359,100</u>	<u>2,792,490</u>
<b>Company</b>		
At 1 January 2008	3,359,100	842,796
Profit for the year	-	85,705
Dividends Equity capital	-	(79,494)
At 31 December 2008	<u>3,359,100</u>	<u>849,007</u>

## 0404 INVESTMENTS LIMITED

### Notes to the Financial Statements For the Year Ended 31 December 2008

#### 23. Reconciliation of movement in shareholders' funds

	2008 £	2007 £
<b>Group</b>		
Opening shareholders' funds	5,355,875	5,306,807
Profit for the year	876,209	826,459
Dividends (Note 10)	(79,494)	(777,391)
Closing shareholders' funds	<u>6,152,590</u>	<u>5,355,875</u>
<b>Company</b>		
Opening shareholders' funds	4,202,896	4,199,437
Profit for the year	85,705	780,849
Dividends (Note 10)	(79,494)	(777,390)
Closing shareholders' funds	<u>4,209,107</u>	<u>4,202,896</u>

The company has taken advantage of the exemption contained within section 230 of the Companies Act 1985 not to present its own profit and loss account

The profit for the year dealt with in the accounts of the company was £85,705 (2007 - £780,849)

#### 24. Net cash flow from operations

	2008 £	2007 £
Operating profit	2,092,918	1,904,968
Amortisation of intangible fixed assets	5,333	8,000
Depreciation of tangible fixed assets	1,923,219	1,658,331
Profit on disposal of tangible fixed assets	(5,222)	(55,174)
Increase in stocks	(492,105)	(601,714)
Increase in debtors	(1,112,596)	(1,072,566)
Increase/(decrease) in creditors	907,102	(1,733,504)
<b>Net cash inflow from operations</b>	<u>3,318,649</u>	<u>108,341</u>

#### 25. Analysis of cash flows for headings netted in cash flow statement

	2008 £	2007 £
<b>Returns on investments and servicing of finance</b>		
Interest received	7,480	9,091
Interest paid	(609,502)	(643,008)
Hire purchase interest	(199,597)	(132,622)
<b>Net cash outflow from returns on investments and servicing of finance</b>	<u>(801,619)</u>	<u>(766,539)</u>

## 0404 INVESTMENTS LIMITED

### Notes to the Financial Statements For the Year Ended 31 December 2008

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

	2008 £	2007 £
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(100,122)	(1,707,300)
Sale of tangible fixed assets	52,949	1,439,271
Purchase of unlisted and other investments	(91,710)	-
<b>Net cash outflow from capital expenditure</b>	<b>(138,883)</b>	<b>(268,029)</b>
	2008 £	2007 £
<b>Financing</b>		
New secured loans	-	98,343
Repayment of loans	(267,366)	(1,129,277)
Invoice discounting advances	26,267	1,201,000
Repayment of other loans	(32,772)	-
Repayment of finance leases	(1,143,140)	(574,321)
<b>Net cash outflow from financing</b>	<b>(1,417,011)</b>	<b>(404,255)</b>

#### 26. Analysis of changes in net debt

	1 January 2008 £	Cash flow £	Other non-cash changes £	31 December 2008 £
Cash at bank and in hand	40,870	(40,669)	-	201
Bank overdraft	(3,307,520)	868,977	-	(2,438,543)
	<b>(3,266,650)</b>	<b>828,308</b>	<b>-</b>	<b>(2,438,342)</b>
<b>Debt:</b>				
Finance leases	(2,913,549)	1,143,140	(969,665)	(2,740,074)
Debts due within one year	(4,424,542)	(75,091)	-	(4,499,633)
Debts falling due after more than one year	(3,132,442)	348,962	-	(2,783,480)
<b>Net debt</b>	<b>(13,737,183)</b>	<b>2,245,319</b>	<b>(969,665)</b>	<b>(12,461,529)</b>

#### 27. Derivatives

The group holds financial instruments that qualify as derivatives in order to manage the currency risks arising from its operations. At the year end, the company had entered into exchange contracts to purchase Euros totalling to €2,552,150 at rates between €1 27 to €1 29 maturing at various dates between 08 January 2009 and 04 February 2009.

## 0404 INVESTMENTS LIMITED

### Notes to the Financial Statements For the Year Ended 31 December 2008

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#### 28 Related party transactions

No transactions with group companies were undertaken such as are required to be disclosed under Financial Reporting Standard 8

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

	2008 £	2007 £
Balance outstanding at start of the year	139,344	166,799
Balance outstanding at end of the year	521,214	139,344
Maximum balance outstanding during the year	525,813	663,425

During the year, the group paid rent of £121,302 (2007 - 66,939) to the What More UK Self Administered Pension Fund, a scheme in which A M Holt and J M Holt are trustees

#### 29. 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