

Company Registration No. 08593621 (England and Wales)

PET FOOD BRANDS (HOLDINGS) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017



PET FOOD BRANDS (HOLDINGS) LIMITED

COMPANY INFORMATION

Directors	Anthony Raeburn Hans-Jurgen Deuerer
Secretary	Scott Campbell
Company number	08593621
Registered office	Brentwood House Lower Philips Road Whitebirk Industrial Estate Blackburn Lancashire BB1 5UD
Auditors	Taylor Viney & Marlow Ingatestone Essex CM4 9DW

PET FOOD BRANDS (HOLDINGS) LIMITED

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PET FOOD BRANDS (HOLDINGS) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their annual report and financial statements for the year ended 31 December 2017.

Principal activities

The principal activity of the company was that of a holding company.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Anthony Raeburn
Hans-Jurgen Deuerer

Results and dividends

The results for the year are set out on page 5.

Interim dividends were paid amounting to £149,555. The directors do not recommend payment of a final dividend.

Auditor

In accordance with the company's articles, a resolution proposing that Taylor Viney & Marlow be reappointed as auditor of the company will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



Anthony Raeburn
Director
26 March 2018

26/3/18

PET FOOD BRANDS (HOLDINGS) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2017

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.

PET FOOD BRANDS (HOLDINGS) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PET FOOD BRANDS (HOLDINGS) LIMITED

Opinion

We have audited the financial statements of Pet Food Brands (Holdings) Limited (the 'company') for the year ended 31 December 2017 set out on pages 5 to 17. 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 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The 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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

PET FOOD BRANDS (HOLDINGS) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF PET FOOD BRANDS (HOLDINGS) LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

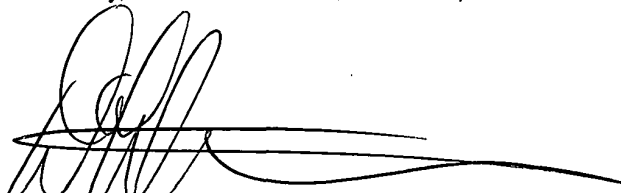
In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



David J. Stevens (Senior Statutory Auditor)
for and on behalf of Taylor Viney & Marlow

26 March 2018

Chartered Accountants
Statutory Auditor

46-54 High Street
Ingatestone
Essex
CM4 9DW

PET FOOD BRANDS (HOLDINGS) LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
Interest receivable and similar income	4	154,261	154,261
Interest payable and similar expenses	5	(121,943)	(116,137)
Profit before taxation		<u>32,318</u>	<u>38,124</u>
Taxation	6	-	-
Profit for the financial year	15	<u>32,318</u>	<u>38,124</u>
Retained earnings at 1 January 2017		83,043	194,474
Dividends	7	(149,555)	(149,555)
Retained earnings at 31 December 2017		<u>(34,194)</u>	<u>83,043</u>

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

PET FOOD BRANDS (HOLDINGS) LIMITED

STATEMENT OF COMPREHENSIVE INCOME **FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017	2016
	£	£
Profit for the year	32,318	38,124
Other comprehensive income	-	-
Total comprehensive income for the year	32,318	38,124

PET FOOD BRANDS (HOLDINGS) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Investments	8		6,641,210		6,641,210
Current assets					
Debtors	11	427,817		273,556	
Creditors: amounts falling due within one year					
Other creditors		3,288,032		577,666	
Net current liabilities			(2,860,215)		(304,110)
Total assets less current liabilities			3,780,995		6,337,100
Creditors: amounts falling due after more than one year					
Loans and overdrafts	12	-		2,438,868	
			-		(2,438,868)
Net assets			3,780,995		3,898,232
Capital and reserves					
Called up share capital	13		38,160		38,160
Share premium account	14		3,777,029		3,777,029
Profit and loss reserves	15		(34,194)		83,043
Total equity			3,780,995		3,898,232

The financial statements were approved by the board of directors and authorised for issue on 26 March 2018 and are signed on its behalf by:



Anthony Raeburn
Director

26/3/18

Company Registration No. 08593621

PET FOOD BRANDS (HOLDINGS) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 January 2016		38,160	3,777,029	194,474	4,009,663
Year ended 31 December 2016:					
Profit and total comprehensive income for the year		-	-	38,124	38,124
Dividends	7	-	-	(149,555)	(149,555)
Balance at 31 December 2016		38,160	3,777,029	83,043	3,898,232
Year ended 31 December 2017:					
Profit and total comprehensive income for the year		-	-	32,318	32,318
Dividends	7	-	-	(149,555)	(149,555)
Balance at 31 December 2017		38,160	3,777,029	(34,194)	3,780,995

PET FOOD BRANDS (HOLDINGS) LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from operations	17	2,556,105		43,497	
Interest paid		(121,943)		(116,137)	
Income taxes paid		-		(48,203)	
Net cash inflow/(outflow) from operating activities		2,434,162		(120,843)	
Investing activities					
Dividends received		154,261		154,261	
Net cash generated from investing activities		154,261		154,261	
Financing activities					
Repayment of borrowings		(2,438,868)		116,137	
Dividends paid		(149,555)		(149,555)	
Net cash used in financing activities		(2,588,423)		(33,418)	
Net increase in cash and cash equivalents		-		-	
Cash and cash equivalents at beginning of year		-		-	
Cash and cash equivalents at end of year		-		-	

PET FOOD BRANDS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

Company information

Pet Food Brands (Holdings) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Brentwood House, Lower Philips Road, Whitebirk Industrial Estate, Blackburn, Lancashire, BB1 5UD.

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 £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Pet Food Brands (Holdings) Limited's ultimate parent company is P.F.I. Vitakraft GmbH, a company incorporated in Germany and the results of Pet Food Brands (Holdings) Limited are included in the consolidated financial statements of P.F.I. Vitakraft GmbH.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.4 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.

PET FOOD BRANDS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.5 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.

PET FOOD BRANDS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

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.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

	2017 £	2016 £
Other significant revenue		
Dividends received	154,261	154,261

PET FOOD BRANDS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

4 Interest receivable and similar income

	2017 £	2016 £
Income from fixed asset investments		
Income from shares in group undertakings	154,261	154,261

5 Interest payable and similar expenses

	2017 £	2016 £
Other finance costs:		
Other interest	121,943	116,137
	121,943	116,137

6 Taxation

	2017 £	2016 £
Profit before taxation	32,318	38,124
Expected tax charge based on the standard rate of corporation tax in the UK of 19.25% (2016: 20.00%)	6,221	7,625
Tax effect of income not taxable in determining taxable profit	(29,695)	(30,852)
Group relief	23,474	23,227
Taxation charge for the year	-	-

7 Dividends

	2017 £	2016 £
Interim paid	149,555	149,555

8 Fixed asset investments

	Notes	2017 £	2016 £
Investments in subsidiaries	9	6,641,210	6,641,210

PET FOOD BRANDS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

8 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 January 2017 & 31 December 2017	6,641,210
Carrying amount	
At 31 December 2017	6,641,210
At 31 December 2016	6,641,210

9 Subsidiaries

Details of the company's subsidiaries at 31 December 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Pet Food Brands Limited	England & Wales	Holding Company	Ordinary	100.00	

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Pet Food Brands Limited	355,239	1,357,318

10 Financial instruments

	2017 £	2016 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	427,817	273,556
Carrying amount of financial liabilities		
Measured at amortised cost	3,288,032	3,016,534

11 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Amounts due from group undertakings	427,817	273,556

PET FOOD BRANDS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

12 Loans and overdrafts

	2017 £	2016 £
Other loans	-	2,438,868
Payable after one year	-	2,438,868

13 Share capital

	2017 £	2016 £
Ordinary share capital Issued and fully paid		
1,946,600 Ordinary A shares of 1p each	19,466	19,466
1,869,400 Ordinary B shares of 1p each	18,694	18,694
	<u>38,160</u>	<u>38,160</u>

14 Share premium account

	2017 £	2016 £
At beginning and end of year	<u>3,777,029</u>	<u>3,777,029</u>

PET FOOD BRANDS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

15 Profit and loss reserves

	2017 £	2016 £
At the beginning of the year	83,043	194,474
Profit for the year	32,318	38,124
Dividends	(149,555)	(149,555)
At the end of the year	(34,194)	83,043

16 Related party transactions

Transactions with related parties

At the year end the company owed May and Raeburn Ltd, a company controlled by Mr A P Raeburn, £1,254,979 (2016: £1,254,979).

At the year end the company owed P.F.I. Vitakraft GmbH, the company's ultimate parent company, £1,306,014 (2016: £1,306,014).

Both the above loans were five year loans at inception, with no interest being charged. As such, under FRS102 the above balances have been restated to net present value using an interest rate of 5%.

The restated balances are:

May and Raeburn Ltd £1,254,797 (2016: £1,195,045)

P.F.I. Vitakraft GmbH £1,306,014 (2016: £1,243,823)

At the year end the company was owed £427,817 (2016 £273,555) by Pet Food Brands Ltd, a subsidiary.

At the year end the company owed £727,221 (2016: £577,666) to Pets Choice Ltd, a subsidiary.

PET FOOD BRANDS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

17 Cash generated from operations

	2017 £	2016 £
Profit for the year after tax	32,318	38,124
Adjustments for:		
Finance costs	121,943	116,137
Investment income	(154,261)	(154,261)
Movements in working capital:		
(Increase) in debtors	(154,261)	(154,261)
Increase in creditors	2,710,366	197,758
Cash generated from operations	<u>2,556,105</u>	<u>43,497</u>