Company Registration No. 08593621 (England and Wales)

PET FOOD BRANDS (HOLDINGS) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

PET FOOD BRANDS (HOLDINGS) LIMITED

COMPANY INFORMATION

Directors	Anthony Raeburn Hans-Jurgen Deuerer
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

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

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

Fair review of the business

Pet Food Brands (Holdings) Limited is an intermediate investment holding company and part of the Vitakraft Group. Its' 100% indirectly owned trading subsidiary, Pets Choice Limited, manufactures and distributes a wide range of pet foods and related products.

The key financial performance indicators of the company were as follows;

	31/12/2018	31/12/2017
	£	£
Dividends receivable	**200,000**	**154,261**
Profit before tax	**200,000**	**32,318**
Net Assets	**3,831,440**	**3,780,995**

The principal risks and uncertainties facing the business include:

- Fluctuations in values of investments. The company holds investments operating in an industry with year on year growth. An experienced management team with a well defined business strategy has been implemented within investees focused on maximising investment growth.

A more detailed review of the business for subsidiary companies can be found in their individual financial statements.

Anthony Raeburn
Director
11 April 2019

PET FOOD BRANDS (HOLDINGS) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

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

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 6.

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 directors' responsibilities
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.

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
11 April 2019

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 2018 which comprise the statement of income and retained earnings, the balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

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

11 April 2019

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 2018

	Notes	2018 £	2017 £
Interest receivable and similar income	**5**	200,000	154,261
Interest payable and similar expenses	**6**	-	(121,943)
Profit before taxation		200,000	32,318
Tax on profit	**7**	-	-
Profit for the financial year		200,000	32,318
Retained earnings brought forward		(34,194)	83,043
Dividends	**8**	(149,555)	(149,555)
Retained earnings carried forward		16,251	(34,194)

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

PET FOOD BRANDS (HOLDINGS) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Investments	**9**		6,641,210		6,641,210
Current assets					
Debtors	**11**	627,817		427,817	
Creditors: amounts falling due within one year					
Other creditors	**12**	3,437,587		3,288,032	
Net current liabilities			(2,809,770)		(2,860,215)
Total assets less current liabilities			3,831,440		3,780,995
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**		16,251		(34,194)
Total equity			3,831,440		3,780,995

The financial statements were approved by the board of directors and authorised for issue on 11 April 2019 and are signed on its behalf by:

Anthony Raeburn
Director

Company Registration No. 08593621

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 a mounts 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.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of P.F.I. Vitakraft GmbH. These consolidated financial statements are available from the German company register.

The company has taken advantage of the exemption under section 402 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.

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.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

1 Accounting policies **(Continued)**

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 at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.5 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.

1 **Accounting policies** **(Continued)**

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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 though 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 Auditor's remuneration

	2018	2017
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the company	1,500	1,500

4 Directors' remuneration

Directors are remunerated by the company's subsidiary, Pets Choice Ltd. Remuneration for the year ended 31 December 2018 was £102,751 (2017:£102,877).

5 Interest receivable and similar income

	2018	2017
	£	£
Income from fixed asset investments		
Income from shares in group undertakings	200,000	154,261

6 Interest payable and similar expenses

	2018	2017
	£	£
Other interest	-	121,943

7 Taxation

	2018	2017
	£	£
Profit before taxation	200,000	32,318
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%)	38,000	6,221
Tax effect of income not taxable in determining taxable profit	(38,000)	(29,695)
Group relief	-	23,474
Taxation charge for the year	-	-

8 Dividends

	2018	2017
	£	£
Interim paid	149,555	149,555

9 Fixed asset investments

	Notes	2018	2017
		£	£
Investments in subsidiaries	10	6,641,210	6,641,210

Movements in fixed asset investments

	Shares in group undertakings
	£
Cost or valuation	
At 1 January 2018 & 31 December 2018	6,641,210
Carrying amount	
At 31 December 2018	6,641,210
At 31 December 2017	6,641,210

10 Subsidiaries

Details of the company's subsidiaries at 31 December 2018 are as follows:

Name of undertaking	Registered office key	Nature of business	Class of shares held	% Held Direct	% Held Indirect
Pet Food Brands Limited	1	Holding Company	Ordinary	100.00	
Pets Choice Ltd	2	Manufacture and sale of Pet Food	Ordinary		100.00
The Tasty Bone Co. Ltd	3	Dormant	Ordinary		100.00

Registered Office addresses:

1,2,3 Brentwood House Lower Philips Road, Whitebirk Industrial Estate, Blackburn, Lancashire, United Kingdom, BB1 5UD

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	124,944	1,282,262
Pets Choice Ltd	1,579,983	12,432,280
The Tasty Bone Co. Ltd	-	2

The investments in subsidiaries are all stated at cost.

11 Debtors

Amounts falling due within one year:	2018 £	2017 £
Amounts owed by group undertakings	627,817	427,817

12 Other creditors falling due within one year

	2018 £	2017 £
Amounts due to group undertakings	876,776	727,221
Other creditors	2,560,811	2,560,811
	3,437,587	3,288,032

13 Share capital

	2018	2017
	£	£
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
	38,160	38,160

14 Share premium account

	2018	2017
	£	£
At beginning and end of year	3,777,029	3,777,029

15 Profit and loss reserves

	2018	2017
	£	£
At the beginning of the year	(34,194)	83,043
Profit for the year	200,000	32,318
Dividends	(149,555)	(149,555)
At the end of the year	16,251	(34,194)

16 Related party transactions

Amounts owed to/by related parties

The following amounts were outstanding at the reporting end date:

	Amount owed to		Amounts owed by	
	2018	2017	2018	2017
	£	£	£	£
Entities over which the entity has control, joint control or significant influence	876,776	727,221	627,817	427,817
Entities with control, joint control or significant influence over the company	1,306,014	1,306,014	-	-
Other related parties	1,254,797	1,254,797	-	-

The company has provided a guarantee limited to £7,500,000 in favour of National Westminster Bank Plc for all amounts due from its subsidiaries.

17 Controlling party

The ultimate parent undertaking is P.F.I. Vitakraft GmbH, a company incorporated in Germany. The registered office address of P.F.I. Vitakraft GmbH is at Mahndorfer Heerstr. 928307 Bremen.

At the balance sheet date, P.F.I. Vitakraft GmbH was the parent undertaking of the largest and smallest group within which the subsidiary belonged and for which consolidated financial statements were prepared. The consolidated financial statements are available from the German company register.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.