

# COMPANIES HOUSE COPY

## Rosewood Pet Products Limited

Report and Financial Statements

Year Ended

31 May 2014

Company Number 662785

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COMPANIES HOUSE



# **Rosewood Pet Products Limited**

## **Report and financial statements for the year ended 31 May 2014**

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### **Directors**

N Panter  
B Panter  
N Cruickshank  
M Bolland

### **Registered office**

45 Coalport Road, Broseley, Shropshire, TF12 5AN

### **Company number**

662785

### **Auditors**

BDO LLP, 125 Colmore Row, Birmingham, B3 3SD

# Rosewood Pet Products Limited

## Strategic report for the year ended 31 May 2014

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The directors present their strategic report together with the audited financial statements for the year ended 31 May 2014.

### **Principal activities, review of business and future developments**

The principal activity of the company continued to be the distribution of pet accessories.

The directors consider that the results for the year and the company's financial position at the end of the year were satisfactory.

Turnover has been in line with the directors' expectations during the year and the company remains in a strong financial position.

Sales have risen by 16.8% whilst the gross margin achieved has slightly decreased against that of the previous year.

Sales in to new retailers and sales channels reflect the markets' appetite for pet products during a period of economic recovery. This means reliance on traditional markets is diluted. Similarly, export markets remain a key target to help reduce dependence on the UK market.

The market in which the company operates continues to be challenging, however the directors are committed to continual market and product development.

Whilst there will continue to be risks and uncertainties in the market, affecting plans for future expansion, the directors believe that the developments in the business this year will provide a strong platform for future profitable growth.

### **Key performance indicators**

We consider that our key financial performance indicators are the operating profit performance and return on capital employed. Operating profit for the year has increased to £989,182 from £715,851. Return on Assets has increased compared to prior year. Return on Assets during the year is calculated as profit after tax divided by average total assets. The company's cash reserves have increased by £59,320 this year.

### **Principal risks and uncertainties**

The company's operations expose it to a variety of financial risks that include the effects of price risk, credit risk, liquidity risk and interest rate risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs.

#### *Price risk*

The company is exposed to changes in the market prices of its products. In order to protect against adverse price movements, the company uses forward agreements where possible to lock in the price of products, and periodically reviews its agreements with suppliers to ensure these are on commercially favourable terms.

#### *Credit risk*

Credit risk is managed by running credit checks on new customers and by monitoring payments against contractual agreements.

#### *Liquidity risk*

The company is financed with appropriate long term and short term finance to match the need of the business.

# Rosewood Pet Products Limited

## Strategic report for the year ended 31 May 2014 (*continued*)

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### Principal risks and uncertainties (*continued*)

#### *Interest rate risk*

The company's bank loan bears-interest, exposing the company to cashflow risk on adverse movements in the underlying base rate.

#### *Foreign exchange risk*

The company is exposed to foreign currency risk on its operations, by virtue of entering into transactions in currencies other than the company's functional currency of Sterling. In order to manage this risk, the company enters into forward currency arrangements to fix the exchange rate for known transactions. This mitigates the risk that the exchange rate may move unfavourably, resulting in adverse cash outflows.

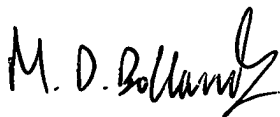
### Financial instruments

The company holds financial instruments to finance its operations and these are monitored as part of the day to day control procedures of the company.

The company maintains foreign currency bank accounts with sales and purchases made in foreign currencies. The company is therefore exposed to movements in the sterling exchange rate. The Board monitors the net exposure and uses appropriate bank facilities, such as forward exchange contracts or similar products, to limit such exposure.

In addition various financial instruments such as trade debtors and creditors arise directly from trading. Cashflow requirements are considered on a regular basis to ensure that appropriate facilities are available to be drawn upon as necessary.

### On behalf of the board



M Bollands  
**Director**

Date: 22/10/14

# **Rosewood Pet Products Limited**

## **Report of the directors for the year ended 31 May 2014**

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The directors present their report together with the audited financial statements for the year ended 31 May 2014.

### **Results and dividends**

The profit and loss account is set out on page 7 and shows the profit for the year.

A final dividend of £215,798, being £431.60 per 'A' ordinary share, was paid during the year.

A review of business and future developments, and principal risks and uncertainties, are set out within the strategic report.

### **Financial instruments**

Information regarding financial instruments is set out within the strategic report.

### **Post balance sheet events**

There have been no events since the balance sheet date which materially affect the position of the company.

### **Research and development**

The company continues to invest in research and development. This has resulted in improvements in the product offering.

### **Directors**

The directors of the company during the year were:

N Panter  
B Panter  
N Cruickshank  
M Bolland

# Rosewood Pet Products Limited

## Report of the directors for the year ended 31 May 2014 (continued)

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### Directors' responsibilities

The directors are responsible for preparing the strategic report, the directors' 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;
- 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.

### Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

### On behalf of the board



M Bollands  
Director

Date: 22/11/14

# **Rosewood Pet Products Limited**

## **Independent auditor's report**

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### **To the members of Rosewood Pet Products Limited**

We have audited the financial statements of Rosewood Pet Products Limited for the year ended 31 May 2014 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's 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.

### **Respective responsibilities of directors and auditors**

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

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2014 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.

### **Opinion on other matters prescribed by the Companies Act 2006**

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

# Rosewood Pet Products Limited

## Independent auditor's report (*continued*)

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### Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, 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.

*BDO LLP*

Stephen Waro (*senior statutory auditor*)  
For and on behalf of BDO LLP, statutory auditor  
Birmingham  
United Kingdom

Date: *29 October 2014*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



# Rosewood Pet Products Limited

## Profit and loss account for the year ended 31 May 2014

	Note	2014 £	2013 £
Turnover	2	19,672,469	16,844,230
Cost of sales		15,671,143	13,231,276
<b>Gross profit</b>		<b>4,001,326</b>	<b>3,612,954</b>
Distribution costs		1,503,849	1,420,847
Administrative expenses		1,508,295	1,476,256
<b>Operating profit</b>	3	<b>989,182</b>	<b>715,851</b>
Other interest receivable and similar income		4,671	4,694
Interest payable and similar charges	6	(91,821)	(76,922)
<b>Profit on ordinary activities before taxation</b>		<b>902,032</b>	<b>643,623</b>
Taxation on profit on ordinary activities	7	208,072	161,885
<b>Profit on ordinary activities after taxation</b>		<b>693,960</b>	<b>481,738</b>

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the profit and loss account.

The notes on pages 10 to 23 form part of these financial statements.

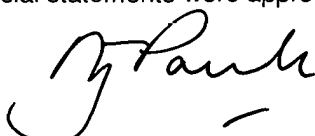
# Rosewood Pet Products Limited

## Balance sheet at 31 May 2014

<i>Company number 662785</i>	Note	2014 £	2014 £	2013 £	2013 £
<b>Fixed assets</b>					
Intangible assets	9		66,165		-
Tangible assets	10		623,223		708,439
Fixed asset investments	11		30,100		30,100
			<hr/>		<hr/>
			719,488		738,539
<b>Current assets</b>					
Stocks	12	2,778,533		2,788,742	
Debtors	13	4,621,594		3,425,363	
Cash at bank and in hand		86		140	
		<hr/>		<hr/>	
		7,400,213		6,214,245	
<b>Creditors: amounts falling due within one year</b>	14	4,140,868		3,407,521	
		<hr/>		<hr/>	
<b>Net current assets</b>			3,259,345		2,806,724
			<hr/>		<hr/>
<b>Total assets less current liabilities</b>			3,978,833		3,545,263
<b>Creditors: amounts falling due after more than one year</b>	15	404,590		444,660	
<b>Provisions for liabilities</b>	16	-		4,522	
		<hr/>		<hr/>	
			404,590		449,182
			<hr/>		<hr/>
			3,574,243		3,096,081
			<hr/>		<hr/>
<b>Capital and reserves</b>					
Called up share capital	18		3,000		3,000
Share premium account	19		109,500		109,500
Capital redemption reserve	19		11,900		11,900
Profit and loss account	19		3,449,843		2,971,681
			<hr/>		<hr/>
<b>Shareholders' funds</b>	20		3,574,243		3,096,081
			<hr/>		<hr/>

The financial statements were approved by the board of directors and authorised for issue on 22-10-14

N Panter  
Director



The notes on pages 10 to 23 form part of these financial statements.

# Rosewood Pet Products Limited

## Cashflow statement for the year ended 31 May 2014

	Note	2014 £	2014 £	2013 £	2013 £
<b>Net cash inflow from operating activities</b>	24		333,757		1,069,043
<b>Returns on investments and servicing of finance</b>					
Interest received		4,671		4,694	
Interest paid: bank loans		(15,499)		(17,706)	
Interest paid: other loans		(71,782)		(57,880)	
Interest paid: hire purchase		(4,540)		(1,336)	
<b>Net cash outflow from returns on investments and servicing of finance</b>			(87,150)		(72,228)
<b>Taxation</b>					
Corporation tax paid			(161,649)		(179,856)
<b>Capital expenditure and financial investment</b>					
Payments to acquire intangible fixed assets		(72,180)		-	
Payments to acquire tangible fixed assets		(70,761)		(172,379)	
Payments to acquire fixed asset investments		-		(30,100)	
Receipts from sale of tangible fixed assets		14,000		19,781	
<b>Net cash outflow from capital expenditure and financial investment</b>			(128,941)		(182,698)
<b>Dividends paid</b>			(215,798)		(346,393)
<b>Cash (outflow)/inflow before use of financing</b>			(259,781)		287,868
<b>Financing</b>					
Advances from/(repayment to) invoice discounters		341,582		(275,323)	
New finance leases		40,163		31,778	
Loans repaid		(50,004)		(50,004)	
Capital element of finance leases repaid		(12,640)		(2,222)	
<b>Net cash inflow/(outflow) from financing</b>			319,101		(295,771)
<b>Increase/(Decrease) in cash</b>	25		59,320		(7,903)

The notes on pages 10 to 23 form part of these financial statements.

# Rosewood Pet Products Limited

## Notes forming part of the financial statements for the year ended 31 May 2014

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### 1 Accounting policies

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

The following principal accounting policies have been applied:

#### *Going concern*

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

#### *Turnover*

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales.

#### *Depreciation*

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, except for investment properties and freehold land, evenly over their expected useful lives. It is calculated at the following rates:

Freehold property	- 2% straight line
Plant and machinery	- 25% straight line
Motor vehicles	- 25% reducing balance
Fixtures and fittings	- 25% straight line

#### *Impairment of fixed assets*

The need for any fixed asset impairment write-down is assessed by comparison of the carrying value of the asset against the higher of realisable value and value in use.

#### *Valuation of investments*

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

#### *Stocks*

Stocks are valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Cost is based on purchase price and includes amounts in relation to freight and duty where applicable. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

#### *Foreign currency*

Foreign currency transactions are translated into sterling at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the profit and loss account.

# Rosewood Pet Products Limited

## Notes forming part of the financial statements for the year ended 31 May 2014 (*continued*)

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### 1 Accounting policies (*continued*)

#### *Operating leases*

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

#### *Leased assets*

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account over the shorter of estimated useful economic life and the period of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

#### *Deferred taxation*

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

#### *Pension costs*

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

#### *Dividends*

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

#### *Research and development*

Development costs are also charged to the profit and loss account in the year of expenditure, unless individual projects satisfy all of the following criteria:

- the project is clearly defined and related expenditure is separately identifiable;
- the project is technically feasible and commercially viable;
- current and future costs are expected to be exceeded by future sales; and
- adequate resources exist for the project to be completed.

In such circumstances the costs are carried forward and amortised over a period not exceeding five years commencing in the year the company starts to benefit from the expenditure.

# Rosewood Pet Products Limited

Notes forming part of the financial statements  
for the year ended 31 May 2014 (*continued*)

## 2 Turnover

	2014 £	2013 £
Analysis by geographical market:		
United Kingdom	17,544,635	14,250,293
Europe	1,355,635	1,824,549
Rest of the world	772,199	769,388
	<u>19,672,469</u>	<u>16,844,230</u>

Turnover is wholly attributable to the principal activity of the company.

## 3 Operating profit

	2014 £	2013 £
This is arrived at after charging/(crediting):		
Amortisation of other intangible fixed assets	6,015	-
Hire of plant and equipment	2,709	3,606
Motor vehicle leasing	75,175	76,649
Rent	125,628	126,108
Auditors' remuneration	10,000	10,000
Depreciation of owned tangible fixed assets	120,606	169,835
Depreciation of assets held under hire purchase contracts	23,125	8,684
Profit on disposal of tangible fixed assets	(1,754)	(7,872)
	<u>19,672,469</u>	<u>16,844,230</u>

## 4 Employees

Staff costs (including directors) consist of:

	2014 £	2013 £
Wages and salaries	1,445,992	1,509,344
Social security costs	138,019	129,349
Other pension costs	21,789	19,929
	<u>1,605,800</u>	<u>1,658,622</u>

# Rosewood Pet Products Limited

## Notes forming part of the financial statements for the year ended 31 May 2014 (continued)

### 4 Employees (continued)

The average number of employees (including directors) during the year was as follows:

	2014 Number	2013 Number
Office and management	17	17
Sales and distribution	42	43
	<u>59</u>	<u>60</u>

### 5 Directors' remuneration

	2014 £	2013 £
Directors' emoluments	268,075	277,285
Company contributions to money purchase pension schemes	14,688	14,745
	<u>282,763</u>	<u>292,030</u>

There were 4 directors in the company's defined contribution pension scheme during the year (2013 - 4).

The total amount payable to the highest paid director in respect of emoluments was £112,039 (2013 - £109,178). Company pension contributions of £4,774 (2013 - £4,729) were made to a money purchase scheme on their behalf.

### 6 Interest payable and similar charges

	2014 £	2013 £
Bank overdraft	15,499	17,706
Bank loan	-	468
Finance leases and hire purchase contracts	4,540	1,336
Commercial mortgage	9,231	8,305
Invoice discounting	62,551	49,107
	<u>91,821</u>	<u>76,922</u>

# Rosewood Pet Products Limited

Notes forming part of the financial statements  
for the year ended 31 May 2014 (continued)

## 7 Taxation on profit on ordinary activities

	2014 £	2013 £
<i>UK Corporation tax</i>		
Current tax on profits of the year	218,672	161,650
Adjustment in respect of previous periods	-	2,970
	<hr/>	<hr/>
Total current tax	218,672	164,620
	<hr/>	<hr/>
<i>Deferred tax</i>		
Origination and reversal of timing differences	(10,011)	(2,435)
Effect of changes in tax rate	(589)	(300)
	<hr/>	<hr/>
Movement in deferred tax provision	(10,600)	(2,735)
	<hr/>	<hr/>
Taxation on profit on ordinary activities	208,072	161,885
	<hr/>	<hr/>

The tax assessed for the year is higher than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	902,032	643,623
	<hr/>	<hr/>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 22.67% (2013 - 24.00%)	204,491	153,375
Effect of:		
Expenses not deductible for tax purposes	3,324	6,558
Depreciation for period in excess of capital allowances	11,488	2,668
Adjustment to tax charge in respect of previous periods	-	2,970
Other timing differences	(631)	(291)
Marginal relief	-	(660)
	<hr/>	<hr/>
Current tax charge for the year	218,672	164,620
	<hr/>	<hr/>



# Rosewood Pet Products Limited

Notes forming part of the financial statements  
for the year ended 31 May 2014 (*continued*)

## 8 Dividends

	2014 £	2013 £
'A' ordinary shares		
Final dividend paid of 431.60 (2013 - 692.79) per share	215,798	346,393

## 9 Intangible fixed assets

	Research and development £
<i>Cost or valuation</i>	
Additions and at 31 May 2014	72,180
<i>Amortisation</i>	
Provided for the year and at 31 May 2014	6,015
<i>Net book value</i>	
At 31 May 2014	66,165
At 31 May 2013	-

# Rosewood Pet Products Limited

Notes forming part of the financial statements  
for the year ended 31 May 2014 (*continued*)

## 10 Tangible fixed assets

	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<i>Cost or valuation</i>					
At 1 June 2013	548,538	974,792	86,745	213,328	1,823,403
Additions	-	29,286	41,043	432	70,761
Disposals	-	-	(27,959)	-	(27,959)
At 31 May 2014	<u>548,538</u>	<u>1,004,078</u>	<u>99,829</u>	<u>213,760</u>	<u>1,866,205</u>
<i>Depreciation</i>					
At 1 June 2013	144,773	755,165	26,384	188,642	1,114,964
Provided for the year	10,971	101,616	20,124	11,020	143,731
Disposals	-	-	(15,713)	-	(15,713)
At 31 May 2014	<u>155,744</u>	<u>856,781</u>	<u>30,795</u>	<u>199,662</u>	<u>1,242,982</u>
<i>Net book value</i>					
At 31 May 2014	<u>392,794</u>	<u>147,297</u>	<u>69,034</u>	<u>14,098</u>	<u>623,223</u>
At 31 May 2013	<u>403,765</u>	<u>219,627</u>	<u>60,361</u>	<u>24,686</u>	<u>708,439</u>

Freehold land and buildings includes land costing £119,000 which is not depreciated.

The net book value of tangible fixed assets includes an amount of £75,223 (2013 - £44,116) in respect of assets held under finance leases and hire purchase contracts. The related depreciation charge on these assets for the year was £23,125 (2013 - £8,684).

## 11 Fixed asset investments

	Other investments £
<i>Cost or valuation</i>	
At 1 June 2013 and 31 May 2014	<u>30,100</u>

# Rosewood Pet Products Limited

Notes forming part of the financial statements  
for the year ended 31 May 2014 (*continued*)

## 12 Stocks

	2014 £	2013 £
Finished goods and goods for resale	<u>2,778,533</u>	<u>2,788,742</u>

There is no material difference between the replacement cost of stocks and the amounts stated above.

## 13 Debtors

	2014 £	2013 £
Amounts receivable within one year		
Trade debtors	4,062,645	2,877,135
Director's loan account	25,000	-
Prepayments and accrued income	<u>219,729</u>	<u>232,757</u>
	<u>4,307,374</u>	<u>3,109,892</u>
Amounts receivable after more than one year		
Other debtors	308,142	315,471
Deferred taxation (see note 16)	<u>6,078</u>	<u>-</u>
	<u>314,220</u>	<u>315,471</u>
Total debtors	<u>4,621,594</u>	<u>3,425,363</u>

# Rosewood Pet Products Limited

Notes forming part of the financial statements  
for the year ended 31 May 2014 (*continued*)

## 14 Creditors: amounts falling due within one year

	2014 £	2013 £
Bank overdraft (secured - see note (a) below)	60,760	120,134
Bank loan (secured - see notes (a) and (b) below)	50,004	50,004
Trade creditors	1,375,234	1,256,299
Corporation tax	208,682	151,659
Other taxation and social security	273,786	158,120
Obligations under finance lease and hire purchase contracts	30,589	13,000
Invoice discounting (secured - see note (c) below)	1,644,881	1,303,299
Accruals and deferred income	496,932	355,006
	<u>4,140,868</u>	<u>3,407,521</u>

(a) The bank loan and overdraft are secured by a fixed and floating charge over the assets of the company.

(b) The bank loan of £750,000 was drawn down in May 2007. The loan is repayable by equal monthly installments finishing in May 2022. Interest is charged at 1.15 per cent over Lloyds TSB bank base rate.

(c) The amount due to the invoice discounting company is secured by a first legal charge over debtors.

# Rosewood Pet Products Limited

Notes forming part of the financial statements  
for the year ended 31 May 2014 (continued)

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

	2014 £	2013 £
Bank loans (secured - see notes 13 (a) and (b))	375,878	425,882
Obligations under finance lease and hire purchase contracts	28,712	18,778
	<u>404,590</u>	<u>444,660</u>

Maturity of debt:

	Loans and overdrafts 2014 £	Loans and overdrafts 2013 £	Finance leases 2014 £	Finance leases 2013 £
In one year or less, or on demand	<u>110,764</u>	<u>170,138</u>	<u>30,589</u>	<u>13,000</u>
In more than one year but not more than two years	50,004	50,004	23,728	13,000
In more than two years but not more than five years	150,012	150,012	4,984	5,778
In more than five years	<u>175,862</u>	<u>225,866</u>	<u>-</u>	<u>-</u>
	<u>375,878</u>	<u>425,882</u>	<u>28,712</u>	<u>18,778</u>

Included in creditors due after more than one year are the following amounts repayable in more than five years:

	2014 £	2013 £
Loans	<u>175,862</u>	<u>225,866</u>

# Rosewood Pet Products Limited

Notes forming part of the financial statements  
for the year ended 31 May 2014 (*continued*)

## 16 Provisions for liabilities

	Deferred taxation £	
At 1 June 2013	4,522	
Credited to profit and loss account	(10,600)	
	<hr/>	
	(6,078)	
Transferred to debtors (see note 13)	6,078	
	<hr/>	
At 31 May 2014	-	
	<hr/>	
<i>Deferred taxation</i>		
	2014 £	2013 £
Accelerated capital allowances	(6,078)	4,668
Other timing differences	-	(146)
	<hr/>	<hr/>
	(6,078)	4,522
	<hr/>	<hr/>

## 17 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge amounted to £21,789 (2013 - £19,929). Contributions amounting to £775 (2013 - £637) were payable to the fund and are included in creditors.

## 18 Share capital

	2014 £	2013 £
<i>Allotted, called up and fully paid</i>		
500 'A' Ordinary shares of £1 each	500	500
2500 'C' Ordinary shares of £1 each	2,500	2,500
	<hr/>	<hr/>
	3,000	3,000
	<hr/>	<hr/>

The aggregate voting rights of the 'C' Ordinary shares are restricted to 49.9% in any shareholder vote.

# Rosewood Pet Products Limited

Notes forming part of the financial statements  
for the year ended 31 May 2014 (continued)

## 19 Reserves

	Share premium account £	Capital redemption reserve £	Profit and loss account £
At 1 June 2013	109,500	11,900	2,971,681
Profit for the year	-	-	693,960
Dividends	-	-	(215,798)
At 31 May 2014	<u>109,500</u>	<u>11,900</u>	<u>3,449,843</u>

## 20 Reconciliation of movements in shareholders' funds

	2014 £	2013 £
Profit for the year	693,960	481,738
Dividends	(215,798)	(346,393)
Net additions to shareholders' funds	<u>478,162</u>	<u>135,345</u>
Opening shareholders' funds	<u>3,096,081</u>	<u>2,960,736</u>
Closing shareholders' funds	<u>3,574,243</u>	<u>3,096,081</u>

## 21 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2014 £	Other 2014 £	Land and buildings 2013 £	Other 2013 £
Operating leases which expire:				
Within one year	-	15,683	-	15,694
In two to five years	<u>109,784</u>	<u>72,396</u>	<u>109,784</u>	<u>69,126</u>
	<u>109,784</u>	<u>88,079</u>	<u>109,784</u>	<u>84,820</u>

# Rosewood Pet Products Limited

## Notes forming part of the financial statements for the year ended 31 May 2014 (continued)

### 22 Related party disclosures

In March 2012 Rosewood Pet Products Limited advanced funds totalling £310,000 to Isabels House Limited, a company in which N Panter and B Panter are directors. Interest is payable on the loan at 1% above base rate. At 31 May 2014 an amount of £308,142 (2013 - £315,471) was due from Isabels House Limited.

A short-term loan amounting to £25,000 (2013 - £nil) was granted to B Panter. The amount due to Rosewood Pet Products Limited at 31 May 2014 was £25,000 (2013 - £nil).

### 23 Ultimate controlling party

The company is controlled by N Panter and B Panter, who have 25.05 per cent of the voting rights each.

### 24 Reconciliation of operating profit to net cash inflow from operating activities

	2014 £	2013 £
Operating profit	989,182	715,851
Amortisation of intangible fixed assets	6,015	-
Depreciation of tangible fixed assets	143,731	178,519
Profit on sale of tangible fixed assets	(1,754)	(7,872)
Decrease in stocks	10,209	101,842
Increase in debtors	(1,190,153)	(37,349)
Increase in creditors	376,527	118,052
	<hr/>	<hr/>
Net cash inflow from operating activities	333,757	1,069,043
	<hr/>	<hr/>

### 25 Reconciliation of net cash flow to movement in net debt

	2014 £	2013 £
Increase/(decrease) in cash	59,320	(7,903)
Cash (outflow)/inflow from changes in debt	(319,101)	295,771
	<hr/>	<hr/>
Movement in net debt	(259,781)	287,868
Opening net debt	(1,930,957)	(2,218,825)
	<hr/>	<hr/>
Closing net debt	(2,190,738)	(1,930,957)
	<hr/>	<hr/>



# Rosewood Pet Products Limited

Notes forming part of the financial statements  
for the year ended 31 May 2014 (*continued*)

## 26 Analysis of net debt

	At 1 June 2013 £	Cash flow £	Other non- cash items £	At 31 May 2014 £
Cash at bank and in hand	140	(54)	-	86
Bank overdrafts	(120,134)	59,374	-	(60,760)
		<u>59,320</u>		
Debt due within one year	(1,353,303)	(291,578)	(50,004)	(1,694,885)
Debt due after one year	(425,882)	-	50,004	(375,878)
Finance leases	(31,778)	(27,523)	-	(59,301)
		<u>(319,101)</u>		
Total	<u>(1,930,957)</u>	<u>(259,781)</u>	<u>-</u>	<u>(2,190,738)</u>