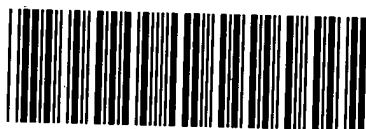


Company Registration No. 01047681 (England and Wales)

Pedigree Wholesale Limited

**Annual report and financial statements
for the period ended 27 December 2014**

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Pedigree Wholesale Limited

Company information

Directors	TW Brown SA Brown C Laud N Hamilton (Appointed 20 March 2015)
Secretary	C Laud
Company number	01047681
Registered office	Pedigree House Radcliffe Road Gamston Nottingham NG2 6NQ
Independent auditors	Saffery Champness Unex House Bourges Boulevard Peterborough Cambridgeshire PE1 1NG
Business address	Pedigree House Radcliffe Road Gamston Nottingham NG2 6NQ
Bankers	Barclays Bank plc Barclays Business Centre 15 Colmore Row Birmingham B3 2WN

Pedigree Wholesale Limited

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Pedigree Wholesale Limited

Strategic report

For the period ended 27 December 2014

The directors present their strategic report for the period ended 27 December 2014.

Review of the business

2014 has seen the company deliver a solid profitable performance against a background of ongoing changes in the market and substantial investment in the product offer and in the business infrastructure.

As expected, the full year impact of decisions by some of the UK's largest pet food manufacturers to withdraw from the wholesale channel over recent years has left turnover lower than in 2013. Outside of these suppliers, competition in the market remained tough and growth was subdued for much of the year. The company has responded by focusing on customer service and continuing to invest in developing its own brands and bringing new exclusive products to the UK market and performance towards the end of the year was encouraging. Management have been mindful of reaching the right balance between current year performance and investment in the future and are pleased to report another profitable year with a further strengthening of the balance sheet.

The changing mix of products sold during the year have led to gross profit margins strengthening slightly to from 21.5% to 21.8%, while operating margins have reflected the balance between control of ongoing operating costs and investment in the business infrastructure and have fallen to 2.5% from 2.7%. Overall, the directors were pleased with the company's performance in the year.

The company's strategy going forward remains unchanged and it aims to continue to build on its traditional strengths of customer service while driving operational efficiencies to deliver better value. The customer service offering will benefit from investment in a new specialist warehouse facility, from changes to make more efficient use of warehouse space, from new delivery vehicles and from a significant upgrade to the telephone network. At the same time customers will also benefit from continued investment in the product offering. The company believes that IT is a key enabler of efficiency and continues to invest in both its capability and infrastructure. The company also continues to strengthen its relationship with key suppliers and has, again, invested in bringing important new skills into its management team

The directors consider it likely that economic conditions will remain challenging during the year ahead but are confident that their strategy and the resources available provide a secure platform for future trading.

The company's balance sheet remains strong with shareholders' funds exceeding £10m for the first time. Net current assets have grown by 10% to £7.4m giving good liquidity. Cash flow in the year remained strong and was used, in part, to fund a significant increase in capital investment. The company has net cash on its balance sheet and fully paid down its bank debt during the year.

Pedigree Wholesale Limited

Strategic report (continued)

For the period ended 27 December 2014

The principal risks and uncertainties facing the company are:

- The risk of loss of turnover due to competitive pressure or unforeseen changes in the market or distribution channels to market
- Credit risk of default by one of its major customers
- Foreign exchange risk on products purchased overseas in local currency and sold in the UK

By order of the board

A handwritten signature in black ink, appearing to be 'C Laud', written over a circular stamp or seal.

C Laud

Secretary

30 March 2015

Pedigree Wholesale Limited

Directors' report

For the period ended 27 December 2014

The directors present their report and financial statements for the period ended 27 December 2014. The comparative period is 52 weeks ended 28 December 2013.

Principal activities

The principal activity of the company continued to be that of the wholesale, manufacture and distribution of pet foods and requisites.

Results and dividends

The results for the period are set out on page 7.

Particulars of dividends paid are detailed in note 6 to the financial statements.

Directors

The following directors have held office since 29 December 2013:

TW Brown

SA Brown

S Hendry

(Resigned 3 July 2014)

C Laud

N Hamilton

(Appointed 20 March 2015)

Auditors

Saffery Champness have expressed their willingness to remain in office as auditors of the company.

Directors' report (continued)

For the period ended 27 December 2014

Statement of directors' responsibilities

The directors are responsible for preparing 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:

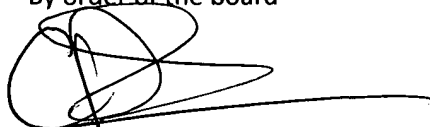
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors 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 auditors are aware of that information.

By order of the board



C Laud

Secretary

30 March 2015

Pedigree Wholesale Limited

Independent auditors' report

To the members of Pedigree Wholesale Limited

We have audited the financial statements of Pedigree Wholesale Limited for the period ended 27 December 2014 set out on pages 7 to 22. 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 auditors' 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 Directors' Responsibilities Statement set out on pages 3 - 4, 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 Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 27 December 2014 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

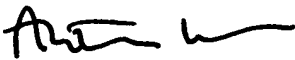
Pedigree Wholesale Limited

Independent auditors' report (continued)
To the members of Pedigree Wholesale Limited

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, 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.



Alistair Hunt (Senior Statutory Auditor)
for and on behalf of Saffery Champness

30 March 2015

Chartered Accountants
Statutory Auditors

Unex House
Bourges Boulevard
Peterborough
Cambridgeshire
PE1 1NG

Pedigree Wholesale Limited

Profit and loss account

For the period ended 27 December 2014

		Period ended 27 December 2014 £	Period ended 28 December 2013 £
	Notes		
Turnover	2	39,894,551	41,796,297
Cost of sales		<u>(31,203,242)</u>	<u>(32,789,735)</u>
Gross profit		8,691,309	9,006,562
Distribution costs		(4,552,461)	(4,644,574)
Administrative expenses		<u>(3,216,684)</u>	<u>(3,249,563)</u>
Operating profit	3	922,164	1,112,425
Interest payable and similar charges	4	<u>(36,026)</u>	<u>(40,787)</u>
Profit on ordinary activities before taxation		886,138	1,071,638
Tax on profit on ordinary activities	5	<u>(174,964)</u>	<u>(267,189)</u>
Profit for the period	15	<u><u>711,174</u></u>	<u><u>804,449</u></u>

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

There are no recognised gains and losses other than those passing through the profit and loss account.

The notes on pages 10 to 22 form part of these financial statements.

Pedigree Wholesale Limited

Balance sheet

As at 27 December 2014

		27 December 2014		28 December 2013	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	7	3,390,720		3,321,782	
Investments	8	-		-	
		<u>3,390,720</u>		<u>3,321,782</u>	
Current assets					
Stocks	9	5,937,770		6,107,458	
Debtors	10	4,323,422		4,131,367	
Cash at bank and in hand		398,628		478,553	
		<u>10,659,820</u>		<u>10,717,378</u>	
Creditors: amounts falling due within one year	11	<u>(3,434,508)</u>		<u>(4,003,456)</u>	
Net current assets		<u>7,225,312</u>		<u>6,713,922</u>	
Total assets less current liabilities		<u>10,616,032</u>		<u>10,035,704</u>	
Creditors: amounts falling due after more than one year	12	<u>(321,437)</u>		<u>(147,283)</u>	
		<u>10,294,595</u>		<u>9,888,421</u>	
Capital and reserves					
Called up share capital	14	90,001		90,001	
Other reserves	15	10,000		10,000	
Profit and loss account	15	10,194,594		9,788,420	
Shareholders' funds	16	<u>10,294,595</u>		<u>9,888,421</u>	

The notes on pages 10 to 22 form part of these financial statements.

Approved by the Board and authorised for issue on 30 March 2015



SA Brown
Director

Company Registration No. 01047681

Pedigree Wholesale Limited

Cash flow statement

For the period ended 27 December 2014

		Period ended 27 December 2014	Period ended 28 December 2013
	Notes	£	£
Net cash inflow from operating activities	23	957,783	2,158,744
Returns on investments and servicing of finance			
Interest paid		(20,026)	(40,787)
Net cash outflow for returns on investments and servicing of finance		(20,026)	(40,787)
Taxation		(268,163)	(380,097)
Capital expenditure			
Payments to acquire tangible assets		(320,020)	(194,293)
Receipts from sales of tangible assets		116,464	103,163
Net cash outflow for capital expenditure		(203,556)	(91,130)
Equity dividends paid		(305,000)	(320,000)
Net cash inflow before management of liquid resources and financing		161,038	1,326,730
Financing			
Repayment of long term bank loan		(56,250)	(225,000)
Capital element of hire purchase contracts		(184,713)	(276,694)
Net cash outflow from financing		(240,963)	(501,694)
(Decrease)/increase in cash in the period	24, 25	(79,925)	825,036

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of Section 390 of the Companies Act 2006 and prepared financial statements to the last Saturday in the financial year without changing its 31 December accounting reference date.

1.2 Compliance with and departure from accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

The company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included in the consolidated financial statements of the parent. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.3 Turnover

Turnover represents sales to external customers at receivable amounts less value added tax.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	2% straight line per annum
Land and buildings Leasehold	2% straight line per annum
Plant and machinery	10 - 33% straight line per annum
Motor vehicles	20 - 25% straight line per annum

1.5 Leasing and hire purchase commitments

Where assets are financed by hire purchase contracts that give rights approximating to ownership, the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum payments payable during the term of the agreements. The corresponding commitments are shown as amounts payable during the term of the agreements. The corresponding commitments are shown as amounts payable to the contractor. Depreciation on the relevant assets is charged to the profit and loss account.

Payments are analysed between capital and interest components using the actuarial method. The interest is charged to the profit and loss account. The capital part reduces the amounts payable to the contractor.

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.

Notes to the financial statements (continued)
For the period ended 27 December 2014

1 Accounting policies

(continued)

1.6 Investments

Fixed asset investments are stated at cost less any provision for impairment in value.

Current asset investments are stated at the lower of cost and net realisable value.

1.7 Stock

Stock is valued at the lower of cost and net realisable value. Cost is calculated as follows;

Raw materials - cost of purchase on weighted average cost basis

Finished goods - cost of raw materials and, where appropriate, labour together with attributable productive overheads

Net realisable value is based on estimated selling price less further costs to disposal

1.8 Pensions

Contributions to the company's defined contribution schemes are charged to the profit and loss account in the period in which they become payable. The assets of the schemes are held separately from those of the company in independently administered funds.

1.9 Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exemptions. Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1.10 Foreign currency translation

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange rate differences are taken into account in arriving at the operating profit.

1.11 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, 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.

Notes to the financial statements (continued)
For the period ended 27 December 2014

1 Accounting policies

(continued)

1.12 Employee benefit trusts

The company has established trusts for the benefit of employees and certain of their dependants. Monies held in these trusts are held by independent trustees and managed at their discretion.

Where the company retains future economic benefit from, and has de facto control of the assets and liabilities of the trust, they are accounted for as assets and liabilities of the company until the earlier of the date that an allocation of trust funds to employees in respect of past services is declared and the date that assets of the trust vest in identified individuals.

Where monies held in a trust are determined by the company on the basis of employees' past services to the business and the company can obtain no future economic benefit from those monies, such monies, whether in the trust or accrued for by the company are charged to the profit and loss account in the period to which they relate.

2 Turnover

Geographical market

	Turnover	
	2014	2013
	£	£
United Kingdom	39,616,601	41,158,106
Rest of the world	277,950	638,191
	<u>39,894,551</u>	<u>41,796,297</u>

Pedigree Wholesale Limited

Notes to the financial statements (continued)
For the period ended 27 December 2014

3	Operating profit	2014	2013
		£	£
	Operating profit is stated after charging:		
	Depreciation of tangible assets	582,261	648,898
	Operating lease rentals	805,967	833,585
	and after crediting:		
	Profit on disposal of tangible assets	(62,345)	(66,895)
		<u> </u>	<u> </u>
	Auditors' remuneration		
	Audit	20,500	20,000
	Accountancy	3,600	3,500
	Taxation	4,100	4,000
		<u> </u>	<u> </u>
		28,200	27,500
		<u> </u>	<u> </u>
4	Interest payable	2014	2013
		£	£
	On bank loans and overdrafts	735	16,792
	Hire purchase interest	19,291	23,995
	Other interest	16,000	-
		<u> </u>	<u> </u>
		36,026	40,787
		<u> </u>	<u> </u>

Pedigree Wholesale Limited

Notes to the financial statements (continued)
For the period ended 27 December 2014

5	Taxation	2014	2013
		£	£
	Domestic current year tax		
	U.K. corporation tax	174,000	267,189
	Adjustment for prior years	964	-
	Total current tax	174,964	267,189
	Factors affecting the tax charge for the period		
	Profit on ordinary activities before taxation	886,138	1,071,638
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.00% (2013 - 23.00%)	186,089	246,477
	Effects of:		
	Non deductible expenses	3,610	4,547
	Depreciation in excess of capital allowances	(18,919)	32,587
	Qualifying profit/loss on disposal	(13,092)	(15,386)
	Adjustments to previous periods	964	-
	Other tax adjustments	16,312	(1,036)
		(11,125)	20,712
	Current tax charge for the period	174,964	267,189
6	Dividends	2014	2013
		£	£
	Ordinary interim paid	305,000	320,000

After the year end a dividend of £250,000 was paid by Pedigree Wholesale Limited, a subsidiary, of Gamston Kennels and Farms Limited.

Pedigree Wholesale Limited

Notes to the financial statements (continued)
For the period ended 27 December 2014

7 Tangible fixed assets

	Land and buildings Freehold	Land and buildings Leasehold	Plant and machinery	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 29 December 2013	254,730	2,917,176	3,285,460	1,564,338	8,021,704
Additions	-	205,511	99,928	399,879	705,318
Disposals	-	-	(423,425)	(443,875)	(867,300)
At 27 December 2014	254,730	3,122,687	2,961,963	1,520,342	7,859,722
Depreciation					
At 29 December 2013	718	858,014	2,718,358	1,122,832	4,699,922
On disposals	-	-	(407,487)	(405,694)	(813,181)
Charge for the period	473	63,112	281,515	237,161	582,261
At 27 December 2014	1,191	921,126	2,592,386	954,299	4,469,002
Net book value					
At 27 December 2014	253,539	2,201,561	369,577	566,043	3,390,720
At 28 December 2013	254,012	2,059,162	567,102	441,506	3,321,782

Included within freehold property is land valued at a historic cost of £250,000 which is not being depreciated.

Hire purchase agreements

Included within the net book value of £3,390,720 is £610,012 (2013 - £552,785) relating to assets held under hire purchase agreements. The depreciation charge to the financial statements in the period in respect of such assets amounted to £546,007 (2013 - £233,273).

Pedigree Wholesale Limited

Notes to the financial statements (continued)
For the period ended 27 December 2014

8 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 29 December 2013 & at 27 December 2014	1,100
Provisions for diminution in value	
At 29 December 2013 & at 27 December 2014	1,100
Net book value	
At 27 December 2014	-
At 28 December 2013	-

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Pet Products International Ltd	England and Wales	Ordinary	100.00
Yorkshire Pet Supplies (Wholesale) Ltd	England and Wales	Ordinary	100.00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

		Capital and reserves 2014 £	Profit/(loss) for the year 2014 £
	Principal activity		
Pet Products International Ltd	Dormant	1,000	-
Yorkshire Pet Supplies (Wholesale) Ltd	Dormant	100	-

Pedigree Wholesale Limited

Notes to the financial statements (continued)
For the period ended 27 December 2014

9	Stocks	2014	2013
		£	£
	Raw materials and consumables	445,604	765,449
	Finished goods and goods for resale	5,492,166	5,342,009
		<u>5,937,770</u>	<u>6,107,458</u>
10	Debtors	2014	2013
		£	£
	Trade debtors	3,519,952	3,344,236
	Other debtors	454,731	471,658
	Prepayments and accrued income	348,739	315,473
		<u>4,323,422</u>	<u>4,131,367</u>
11	Creditors: amounts falling due within one year	2014	2013
		£	£
	Bank loans and overdrafts	-	56,250
	Net obligations under hire purchase contracts	202,901	176,470
	Trade creditors	2,219,091	2,248,466
	Amounts owed to parent and fellow subsidiary undertakings	74,013	74,013
	Corporation tax	174,000	267,199
	Other taxes and social security costs	310,288	339,766
	Other creditors	62,259	71,833
	Accruals and deferred income	391,956	769,459
		<u>3,434,508</u>	<u>4,003,456</u>

At 27 December 2014, outstanding contributions payable to defined contribution pension schemes amounted to £14,489 (2013 £13,132).

Pedigree Wholesale Limited

Notes to the financial statements (continued)
For the period ended 27 December 2014

12 Creditors: amounts falling due after more than one year	2014	2013
	£	£
Net obligations under hire purchase contracts	<u>321,437</u>	<u>147,283</u>
Net obligations under hire purchase contracts		
Repayable within one year	202,901	176,470
Repayable between one and five years	<u>321,437</u>	<u>147,283</u>
	524,338	323,753
Included in liabilities falling due within one year	<u>(202,901)</u>	<u>(176,470)</u>
	<u>321,437</u>	<u>147,283</u>

The hire purchase assets are secured against the assets to which they relate.

13 Pension and other post-retirement benefit commitments
Defined contribution

	2014	2013
	£	£
Contributions payable by the company for the period	<u>154,192</u>	<u>157,067</u>

14 Share capital

	2014	2013
	£	£
Allotted, called up and fully paid		
90,000 Ordinary shares of £1 each	90,000	90,000
1 Ordinary B shares of £1 each	<u>1</u>	<u>1</u>
	<u>90,001</u>	<u>90,001</u>

Pedigree Wholesale Limited

Notes to the financial statements (continued)
For the period ended 27 December 2014

15 Statement of movements on reserves

	Other reserves (see below) £	Profit and loss account £
Balance at 29 December 2013	10,000	9,788,420
Profit for the period	-	711,174
Dividends paid	-	(305,000)
	<u>10,000</u>	<u>10,194,594</u>
Balance at 27 December 2014	<u>10,000</u>	<u>10,194,594</u>

Other reserves

Capital redemption reserve

Balance at 29 December 2013 & at 27 December 2014

10,000

16 Reconciliation of movements in shareholders' funds

	2014 £	2013 £
Profit for the financial period	711,174	804,449
Dividends	(305,000)	(320,000)
	<u>406,174</u>	<u>484,449</u>
Net addition to shareholders' funds	<u>9,888,421</u>	<u>9,403,972</u>
Opening shareholders' funds	<u>10,294,595</u>	<u>9,888,421</u>
Closing shareholders' funds	<u>10,294,595</u>	<u>9,888,421</u>

17 Contingent liabilities

Bank overdraft facilities are available on a group basis. Security is provided jointly by all companies within the Gamston Kennels and Farms Group by way of cross guarantees and debentures. The companies included in this arrangement are Gamston Kennels & Farms Limited and Pedigree Wholesale. A liability of £nil was covered by these guarantees at 27 December 2014 (2013 £nil).

Pedigree Wholesale Limited

Notes to the financial statements (continued)
For the period ended 27 December 2014

18 Financial commitments

At 27 December 2014 the company was committed to making the following payments under non-cancellable operating leases in the year to 27 December 2015:

	Land and buildings		Other	
	2014	2013	2014	2013
	£	£	£	£
Operating leases which expire:				
Within one year	-	59,670	36,532	14,422
Within two to five years	267,761	264,321	75,569	64,720
In over five years	204,113	204,113	-	-
	<u>471,874</u>	<u>528,104</u>	<u>112,101</u>	<u>79,142</u>

19 Capital commitments

2014
£

2013
£

At 27 December 2014 the company had capital commitments as follows:

Contracted for but not provided in the financial statements	<u>31,843</u>	<u>-</u>
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20 Directors' remuneration

2014
£

2013
£

Remuneration for qualifying services	408,748	445,600
Company pension contributions to defined contribution schemes	<u>37,046</u>	<u>57,140</u>
	<u>445,794</u>	<u>502,740</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2013 - 3).

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	142,669	145,209
Company pension contributions to defined contribution schemes	<u>12,350</u>	<u>12,350</u>

Pedigree Wholesale Limited

Notes to the financial statements (continued)
For the period ended 27 December 2014

21 Employees

Number of employees

The average monthly number of employees (including directors) during the period was:

	2014	2013
	Number	Number
Wholesaling of pet foods and requisites	152	155

Employment costs

	2014	2013
	£	£
Wages and salaries	3,619,237	3,748,618
Social security costs	291,040	297,797
Other pension costs	154,192	157,067
	<u>4,064,469</u>	<u>4,203,482</u>

22 Control

At 27 December 2014 the company's immediate and ultimate parent company was Gamston Kennels and Farms Limited, which is the parent of both the smallest and largest groups of which the company is a member. This company is controlled by Mr SA Brown. Copies of the consolidated financial statements of Gamston Kennels and Farms Limited are available from Companies House.

23 Reconciliation of operating profit to net cash inflow from operating activities	2014	2013
	£	£
Operating profit	922,164	1,112,425
Depreciation of tangible assets	582,261	648,898
Profit on disposal of tangible assets	(62,345)	(66,895)
Decrease in stocks	169,688	261,188
(Increase)/decrease in debtors	(192,055)	887,921
Decrease in creditors within one year	(461,930)	(684,793)
Net cash inflow from operating activities	<u>957,783</u>	<u>2,158,744</u>

Pedigree Wholesale Limited

Notes to the financial statements (continued)
For the period ended 27 December 2014

24 Analysis of net funds/(debt)	29 December 2013	Cash flow	Other non- cash changes	27 December 2014
	£	£	£	£
Net cash:				
Cash at bank and in hand	478,553	(79,925)	-	398,628
Debt:				
Finance leases	(323,753)	184,714	(385,299)	(524,338)
Debts falling due within one year	(56,250)	56,250	-	-
Net funds/(debt)	98,550	161,039	(385,299)	(125,710)

25 Reconciliation of net cash flow to movement in net (debt)/funds	2014	2013
	£	£
(Decrease)/increase in cash in the period	(79,925)	825,036
Cash outflow from decrease in debt and lease financing	240,964	501,694
Change in net debt resulting from cash flows	161,039	1,326,730
New finance lease	(385,299)	(38,835)
Movement in net (debt)/funds in the period	(224,260)	1,287,895
Opening net funds/(debt)	98,550	(1,189,345)
Closing net (debt)/funds	(125,710)	98,550

26 Related party relationships and transactions

a) During the year the company rented property of which Mr SA Brown, Mrs W Brown and Ms E Gasson-Hargreaves had an interest. Rent of £87,500 (2013 £87,500) was paid during the year.

All transactions took place under normal commercial terms and on an arms' length basis.