

NATUREDIET PET FOODS LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 MARCH 2023

NATUREDIET PET FOODS LIMITED
REGISTERED NUMBER: 02097854

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	5	48,158	55,322
Tangible assets	6	3,512,378	4,014,654
		<u>3,560,536</u>	<u>4,069,976</u>
Current assets			
Stocks	7	987,747	1,022,059
Debtors: amounts falling due within one year	8	1,717,718	1,286,926
Bank and cash balances		322,369	112,815
		<u>3,027,834</u>	<u>2,421,800</u>
Creditors: amounts falling due within one year	9	(3,566,264)	(2,339,726)
Net current (liabilities)/assets		<u>(538,430)</u>	<u>82,074</u>
Total assets less current liabilities		<u>3,022,106</u>	<u>4,152,050</u>
Creditors: amounts falling due after more than one year	10	(2,792,697)	(3,220,741)
Provisions for liabilities			
Other provisions	12	(10,000)	(10,000)
		<u>(10,000)</u>	<u>(10,000)</u>
Net assets		<u><u>219,409</u></u>	<u><u>921,309</u></u>

NATUREDIET PET FOODS LIMITED
REGISTERED NUMBER: 02097854

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Capital and reserves			
Called up share capital	13	6,500	6,500
Capital redemption reserve		150,000	150,000
Profit and loss account		62,909	764,809
		<u>219,409</u>	<u>921,309</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....
R A S Skinner
Director

.....
D A W Masters
Director

Date: 18 December 2023

The notes on pages 3 to 12 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. General information

Naturediet Pet Foods Limited is a private company, limited by shares and incorporated in England and Wales, registration number 02097854. The registered office is Swaffham Road, Ickburgh, Thetford, Norfolk, IP26 5HX.

The principal activity of the Company is the manufacture and sale of pet foods.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in sterling which is the functional currency of the Company and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2.2 Going concern

The Directors have considered the Company's financial position at the time of signing the financial statements, in the context of the current challenging economic climate. At the time of signing the financial statements, the Company continues to operate successfully.

The Director's have considered the Company's current financial position and future prospects in the context of the ongoing challenging economic climate. On the basis of the information currently available, including ongoing support from the parent company, the Directors have concluded that the Company should have adequate financial resources to continue to operate for the foreseeable future, being at least 12 months from the date of signing these financial statements. Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Sale of goods

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.5 Leased assets: the Company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.6 Research and development

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

2.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.8 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.10 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.11 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold property improvements	- 2% straight line
Plant and machinery	- 10%-20% straight line
Motor vehicles	- 25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.13 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.14 Debtors

Short term debtors are measured at transaction price, less any impairment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.15 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.16 Creditors

Short term creditors are measured at the transaction price.

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.18 Invoice discounting

Where debts are invoice discounted the separate presentation is shown with the gross amount of the debts included within trade debtors and the advances received from invoice discounting being shown as a liability within creditors.

2.19 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, and loans to related parties.

2.20 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.

3. Auditors' remuneration

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled £8,675 (2022 - £8,025).

4. Employees

The average monthly number of employees, including directors, during the year was 30 (2022 - 22).

NATUREDIET PET FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

5. Intangible assets

	Website £	Trademarks £	Total £
Cost			
At 1 April 2022	63,759	14,936	78,695
Additions	2,595	1,745	4,340
At 31 March 2023	66,354	16,681	83,035
Amortisation			
At 1 April 2022	22,224	1,149	23,373
Charge for the year	9,974	1,530	11,504
At 31 March 2023	32,198	2,679	34,877
Net book value			
At 31 March 2023	34,156	14,002	48,158
At 31 March 2022	41,535	13,787	55,322

NATUREDIET PET FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

6. Tangible fixed assets

	Leasehold property improvements £	Plant and machinery £	Total £
Cost or valuation			
At 1 April 2022	218,216	6,997,829	7,216,045
Additions	-	39,221	39,221
Disposals	-	(15,071)	(15,071)
At 31 March 2023	218,216	7,021,979	7,240,195
Depreciation			
At 1 April 2022	27,502	3,173,889	3,201,391
Charge for the year	4,364	535,626	539,990
Disposals	-	(13,564)	(13,564)
At 31 March 2023	31,866	3,695,951	3,727,817
Net book value			
At 31 March 2023	186,350	3,326,028	3,512,378
At 31 March 2022	190,714	3,823,940	4,014,654

The net book value of assets held under finance leases or hire purchase contracts, included in the above, total £2,516,727 (2022 - £2,733,012).

7. Stocks

	2023 £	2022 £
Raw materials and consumables	452,901	580,722
Finished goods and goods for resale	534,846	441,337
	987,747	1,022,059

NATUREDIET PET FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

8. Debtors

	2023 £	2022 £
Trade debtors	1,465,725	929,459
Amounts owed by group undertakings	-	6,637
Other debtors	1,272	82,927
Prepayments and accrued income	173,245	190,427
Deferred taxation	77,476	77,476
	<u>1,717,718</u>	<u>1,286,926</u>

9. Creditors: Amounts falling due within one year

	2023 £	2022 £
Advances from invoice discounting	1,112,069	521,922
Trade creditors	1,019,024	879,619
Amounts owed to group undertakings	592,010	356,392
Other taxation and social security	201,517	122,517
Obligations under finance lease and hire purchase contracts	456,158	296,083
Other creditors	7,040	5,830
Accruals and deferred income	178,446	157,363
	<u>3,566,264</u>	<u>2,339,726</u>

Advances from invoice discounting are secured on the Company's trade debtors.

Obligations under finance leases and hire purchase contracts are secured on the related assets.

10. Creditors: Amounts falling due after more than one year

	2023 £	2022 £
Net obligations under finance leases and hire purchase contracts	2,111,926	2,461,114
Amounts owed to group undertakings	680,771	759,627
	<u>2,792,697</u>	<u>3,220,741</u>

Obligations under finance leases and hire purchase contracts are secured on the related assets.

NATUREDIET PET FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

11. Deferred taxation

	2023 £	2022 £
At beginning of year	77,476	(74,734)
Credited/(charged) to profit or loss	-	152,210
At end of year	77,476	77,476

The deferred tax asset is made up as follows:

	2023 £	2022 £
Accelerated capital allowances	(482,552)	(405,937)
Tax losses carried forward	556,781	480,396
Other timing differences	3,247	3,017
	77,476	77,476

12. Provisions

	Dilapidations £
At 1 April 2022	10,000
At 31 March 2023	10,000

Provision is made for the cost of making good dilapidations when the Company vacates the property.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

13. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
4,000 (2022 - 4,000) Ordinary A shares of £1 each	4,000	4,000
2,500 (2022 - 2,500) Ordinary C shares of £1 each	2,500	2,500
	<u>6,500</u>	<u>6,500</u>

Share capital represents the nominal value of shares issued, shares carry voting rights and an entitlement to dividends. The Ordinary A and C shares rank pari passu in all respects.

14. Contingent liabilities

The Company has entered into a cross guarantee with other group companies in respect of bank

borrowings totalling £5,832,790 (2022: £5,871,213).

15. Pension commitments

The Company contributes to the defined contribution pension plans of certain employees. The pension cost charge represents contributions payable by the Company and amounted to £28,037 (2022 - £24,141).

The Company operates an approved defined contribution pension scheme for other employees. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £20,968 (2022 - £16,781). At the year end there were contributions amounting to £7,040 (2022 - £5,830) payable.

16. Controlling party

The Immediate Parent Undertaking is Skinner's Pet Food Holdings Limited, a Company registered in England and Wales. Consolidated accounts are available from Companies House, Cardiff, CF14 3UZ.

The Ultimate Parent Undertaking is Roger Skinner Holdings Limited, a Company registered in England and Wales. Consolidated accounts are available from Companies House, Cardiff, CF14 3UZ.

The Ultimate Controlling Party is Mr R A S Skinner by virtue of his beneficial shareholding in the Ultimate Parent Company.

17. Auditors' information

The auditors' report on the financial statements for the year ended 31 March 2023 was unqualified.

The audit report was signed on 21 December 2023 by Charles Savory FCA (Senior statutory auditor) on behalf of Larking Gowen LLP.

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.