
Mars Horsecare UK Limited

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 DECEMBER 2012

SATURDAY



A2GXDU00

A09

14/09/2013

#29

COMPANIES HOUSE

Mars Horsecare UK Limited

CONTENTS

	Page
Directors' Report	1 - 3
Independent Auditors' Report	4 - 5
Profit and Loss Account	6
Balance Sheet	7
Notes to the Financial Statements	8 - 19

Mars Horsecare UK Limited

DIRECTORS' REPORT FOR THE PERIOD ENDED 29 DECEMBER 2012

The directors present their annual report on the affairs of the company together with the audited financial statements and auditors' report for the financial period ended 29 December 2012

PRINCIPAL ACTIVITIES

The principal activities of the company are the manufacture, distribution and marketing of horse and specialty feeds

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The performance for the period reflects the investment into the business as part of our ongoing strategy to reflect and adapt to anticipated changes in consumer attitudes and behaviour, as well as increase the focus on key areas of the market place. The business continues to concentrate its efforts so it is best placed to service the markets in which it operates. The directors consider that the company is well placed to take advantage of changes in the market place and return to profit in the future.

The financial statements ended 29 December 2012 include set up costs for a new ecommerce business, this business is expected to be loss making in the first year of operation.

RESULTS AND DIVIDENDS

The loss for the financial period, amounted to £265,000 (2011 loss £87,000)

The directors do not recommend payment of a dividend (2011 £nil)

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the execution of the company's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the company are considered to relate predominantly to the weather and its impact on grass growth, grass being the main competitor to commercially prepared feed. On the positive side, the UK equine population and the penetration of manufactured feeds is growing.

The business operates in a competitive market. In order to mitigate this, the market activity is monitored on a regular basis and there is a continual review of the product ranges and promotional packages to respond to changes in customer demands.

KEY PERFORMANCE INDICATORS ("KPIs")

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

FINANCIAL RISK MANAGEMENT

The company's operations expose it to a variety of financial risks that include the effects of changes in commodity prices, exchange risk, credit risk, liquidity risk and interest rate cash flow risk. The company seeks to limit the adverse effects on the financial performance of the company by monitoring the impact of these and addressing them accordingly.

Given the size of the company, the directors have not delegated the responsibility for monitoring financial risk management. The policies are implemented by the company's finance department. The department has a finance manual that set out specific policies and guidelines to manage financial risk.

Mars Horsecare UK Limited

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 29 DECEMBER 2012**

FINANCIAL RISK MANAGEMENT (continued)

Commodity price risk

The company is exposed to commodity price risk as a result of its operations. Suitable executory forward contracts are used to hedge such price risk within the guidelines approved by the board of directors.

Exchange risk

The company has a low level of foreign exchange risk through the purchases of raw materials and export sales. The risk is not hedged but managed in conjunction with the commodity price risk and regular review of pricing terms as appropriate.

Credit risk

The company has a strict policy that requires appropriate credit checks which are carried out on potential customers before sales are made, as well as operating a credit limit control on all accounts. The ongoing creditworthiness of customers is reviewed to ensure that prompt corrective action is taken where appropriate.

Liquidity risk

To the extent necessary, the company is supported by its intermediate parent company, Food Manufacturers (G B Company).

Interest rate cash flow risk

As the company has no external interest bearing debt, the main exposure to interest rate risk is the inter-company balances. The interest rate on these borrowings is based on the UK bank rate and is reviewed and monitored by management regularly.

DIRECTORS

The directors who served during the period and up to the date of signing these financial statements were

J Brereton
C Williams (appointed 6 July 2012)
T Robinson (resigned 12 October 2012)
R Clegg
S Guthrie-Brown
R McCombe (resigned 18 June 2012)
G Pilkington
M A Jordan (resigned 6 July 2012)
J Hedley (appointed 5 November 2012)

POLITICAL AND CHARITABLE CONTRIBUTIONS

The company made no political or charitable donations during the period (2011: £nil).

GOING CONCERN

The company has net current liabilities of £5,873,000 (2011: £5,891,000). The company has support from its parent company, Food Manufacturers (G B Company). Therefore, the directors believe it is appropriate to prepare the financial statements on a going concern basis.

Mars Horsecare UK Limited

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 29 DECEMBER 2012**

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 prepared 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.

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

INDEPENDENT AUDITORS

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf by



C Williams
Director

Date: 25 April 2013

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MARS HORSECARE UK LIMITED

We have audited the financial statements of Mars Horsecare UK Limited for the period ended 29 December 2012 which comprise the Profit and Loss Account, the Balance Sheet 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).

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or any person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 Directors' Report to identify material inconsistencies with the audited financial statements. 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 29 December 2012 and of its loss 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 Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

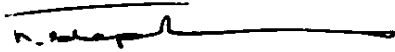
Mars Horsecare UK Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MARS HORSECARE UK 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



**Neil Stephenson (Senior statutory auditor)
For and behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands**

25 April 2013

Mars Horsecare UK Limited

**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 29 DECEMBER 2012**

		29 December 2012 £000	31 December 2011 £000
	Note		
TURNOVER	2	21,101	19,463
Cost of sales		<u>(16,167)</u>	<u>(15,413)</u>
GROSS PROFIT		4,934	4,050
Distribution costs		<u>(2,594)</u>	<u>(2,024)</u>
Administrative expenses		<u>(2,360)</u>	<u>(1,780)</u>
Other operating (charge)/income		<u>(2)</u>	<u>5</u>
OPERATING (LOSS)/PROFIT	3	(22)	251
Interest receivable and similar income	6	2	4
Interest payable and similar charges	7	<u>(260)</u>	<u>(275)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(280)	(20)
Tax on loss on ordinary activities	8	<u>15</u>	<u>(67)</u>
LOSS FOR THE FINANCIAL PERIOD	17	<u>(265)</u>	<u>(87)</u>

All amounts relate to continuing operations

There were no recognised gains or losses for the financial period ended 29 December 2012 or the financial period ended 31 December 2011 other than those included in the Profit and Loss Account and therefore no separate statement of total recognised gains or losses has been presented

There is no material difference between the loss on ordinary activities before taxation and the loss for the financial periods stated above and their historical cost equivalents

The notes on pages 8 to 19 form part of these financial statements

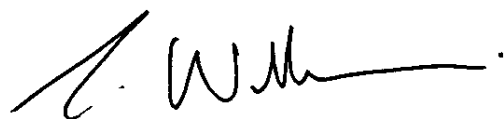
Mars Horsecare UK Limited
REGISTERED NUMBER: 03596340

BALANCE SHEET
AS AT 29 DECEMBER 2012

		29 December 2012 £000	31 December 2011 £000
	Note	£000	£000
FIXED ASSETS			
Intangible assets	9	776	906
Tangible assets	10	5,451	5,600
		<u>6,227</u>	<u>6,506</u>
CURRENT ASSETS			
Stocks	11	1,300	1,100
Debtors	12	2,644	2,544
Cash at bank and in hand		922	1,174
		<u>4,866</u>	<u>4,818</u>
CREDITORS: amounts falling due within one year	13	<u>(10,739)</u>	<u>(10,709)</u>
NET CURRENT LIABILITIES		<u>(5,873)</u>	<u>(5,891)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>354</u>	<u>615</u>
CREDITORS: amounts falling due after more than one year	14	(49)	-
PROVISIONS FOR LIABILITIES			
Deferred tax	15	(173)	(218)
NET ASSETS		<u>132</u>	<u>397</u>
CAPITAL AND RESERVES			
Called up share capital	16	1,750	1,750
Profit and loss account	17	(1,618)	(1,353)
TOTAL SHAREHOLDERS' FUNDS	18	<u>132</u>	<u>397</u>

The notes on pages 8 to 19 form part of these financial statements

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



C Williams
Director

Date: 25 April 2013

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 DECEMBER 2012**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, on a going concern basis, in accordance with the accounting policies set out below and applicable accounting and financial reporting standards in the United Kingdom and the Companies Act 2006, which have been consistently applied

1.2 Going concern

The company has net current liabilities of £5,873,000 (2011 £5,891,000). The company has support from its parent company, Food Manufacturers (G B Company). Therefore, the directors believe it is appropriate to prepare the financial statements on a going concern basis.

1.3 Cash flow statement

The company is a wholly owned subsidiary of Mars Horsecare Holdings UK Limited and is included in the consolidated financial statements of Effem Holdings Limited, which are publicly available. Consequently, the company has taken advantage of the exemption from the requirement to draw up a cash flow statement in accordance with Financial Reporting Standard 1 (Revised 1996) "Cash Flow Statements".

1.4 Related parties

The company is exempt under the terms of Financial Reporting Standard 8 "Related Party Disclosures" from disclosing related party transactions with other wholly owned group companies.

1.5 Turnover

Turnover comprises sales to customers (excluding value added tax) and is stated at amounts invoiced to customers after trade discounts. Consideration receivable from customers is only recorded as turnover when the company has completed full performance in respect of that consideration.

1.6 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and Loss Account.

1.7 Operating leases

Rentals under operating leases are charged to the Profit and Loss Account on an accruals basis as incurred over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 DECEMBER 2012**

1. ACCOUNTING POLICIES (continued)

1.8 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Freehold property	-	5%-10% per annum
Plant and machinery	-	10%-50% per annum
Fixtures and fittings	-	10%-50% per annum
Computer equipment	-	33 33% per annum

Freehold land is not depreciated

1.9 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and Loss Account over its estimated economic life of 20 years.

1.10 Impairments

Impairment charges are recorded where directors consider that the underlying value of an asset exceeds its recoverable amount, the latter being the higher of its net realisable value and value in use.

1.11 Pension costs

The company operated a defined contribution scheme. The pension cost represents contributions paid and payable by the company in the period to the individual defined contribution employee pension plans.

1.12 Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is determined on a first in first out basis and includes transport and handling costs. In the case of manufactured products, costs include all direct expenditure and production overheads, including a share of manufacturing depreciation, based on the normal level of activity. Where necessary, provision is made for obsolete, slow moving and defective stock.

1.13 Taxation

Corporation tax payable is provided on taxable profits at the current rate. The taxation liabilities of certain group companies are reduced wholly or in part by the surrender of losses by fellow group companies.

Deferred tax is measured at the average 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 that have been enacted or substantively enacted by the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 DECEMBER 2012**

1. ACCOUNTING POLICIES (continued)

1.14 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are discounted

1.15 Interest

Interest costs incurred represent charges from group undertakings and are recognised as a charge in the profit and loss on an accruals basis

1.16 Research and development

Expenditure on research and development is written off in the period in which it is incurred

2. TURNOVER

The company's activities consist of the manufacture, distribution and marketing of horse and specialty feeds with turnover and profit on ordinary activities for the year arising entirely from the company's principal activity

A geographical analysis of turnover is as follows

	29 December 2012 £000	31 December 2011 £000
United Kingdom	17,895	16,071
Rest of European Union	2,703	2,895
Rest of World	503	497
	<u>21,101</u>	<u>19,463</u>

Mars Horsecare UK Limited

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 DECEMBER 2012**

3. OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging

	29 December 2012 £000	31 December 2011 £000
Amortisation - intangible fixed assets	130	130
Depreciation of tangible fixed assets		
- owned by the company	675	629
Auditors' remuneration	33	32
Operating lease rentals		
- plant and machinery	232	246
- other operating leases	17	16
Research and development expenditure written off	76	-
Research and development costs	294	187
	=====	=====

4. ASSOCIATE INFORMATION

The aggregate costs of associates comprise

	29 December 2012 £000	31 December 2011 £000
Wages and salaries	3,273	3,088
Social security costs	322	338
Other pension costs (note 19)	101	98
	=====	=====
	3,696	3,524
	=====	=====

The average monthly number of employees, including the directors, during the period was as follows

	29 December 2012 No.	31 December 2011 No.
Production	40	40
Selling and distribution	25	30
Administration	20	16
	=====	=====
	85	86
	=====	=====

Mars Horsecare UK Limited

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 DECEMBER 2012**

5. DIRECTORS' EMOLUMENTS

	29 December 2012 £000	31 December 2011 £000
Aggregate emoluments	642	624
Pension contributions to money purchase schemes	26	25
	668	649

During the period, 5 (2011: 5) directors participated in money purchase schemes administered by the company

Highest paid director

	29 December 2012 £000	31 December 2011 £000
Aggregate emoluments	276	244
Pension contributions to money purchase schemes	12	11

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	29 December 2012 £000	31 December 2011 £000
Bank interest receivable	2	4

7. INTEREST PAYABLE AND SIMILAR CHARGES

	29 December 2012 £000	31 December 2011 £000
Interest payable to group undertakings	260	275

Mars Horsecare UK Limited

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 DECEMBER 2012**

8. TAX ON LOSS ON ORDINARY ACTIVITIES

	29 December 2012 £000	31 December 2011 £000
Analysis of tax charge in the period		
Current tax		
UK corporation tax charge on loss for the period	37	108
Adjustments in respect of prior periods	(7)	4
Total current tax	<u>30</u>	<u>112</u>
Deferred tax		
Origination and reversal of timing differences	(29)	(29)
Effect of decreased tax rate on opening liability	(17)	(17)
Adjustments in respect of prior periods	1	1
Total deferred tax (see note 15)	<u>(45)</u>	<u>(45)</u>
Tax on loss on ordinary activities	<u>(15)</u>	<u>67</u>

Factors affecting tax charge for the period

The tax assessed for the period is higher than (2011 higher than) the average standard rate of corporation tax in the UK of 24.5% (2011 26.5%). The differences are explained below

	29 December 2012 £000	31 December 2011 £000
Loss on ordinary activities before tax	<u>(280)</u>	<u>(20)</u>
Loss on ordinary activities multiplied by standard average rate of corporation tax in the UK of 24.5% (2011 26.5%)	(69)	(5)
Effects of:		
Capital allowances for period in excess of depreciation	29	21
Adjustments to tax charge in respect of prior periods	(7)	4
Other timing differences leading to an increase/(decrease) in taxation	-	10
Permanent differences	77	82
Current tax charge for the period	<u>30</u>	<u>112</u>

Factors that may affect future tax charges

The main rate of corporation tax in the United Kingdom reduced from 26% to 24% effective 1 April 2012. The Finance Act 2012 included legislation to reduce the rate to 23% from 1 April 2013. Further reductions to the main rate have been announced and are expected to reduce the rate to 21% on 1 April 2014 and to 20% from 1 April 2015. These further reductions have not been substantively enacted at the balance sheet date and therefore is not reflected in these financial statements.

Mars Horsecare UK Limited

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 DECEMBER 2012**

9. INTANGIBLE ASSETS

	Goodwill £000
Historical cost	
At 1 January 2011 and 31 December 2011	2,580
Accumulated amortisation	
At 1 January 2012	1,674
Charge for the period	130
At 29 December 2012	1,804
Net book value	
At 29 December 2012	776
At 31 December 2011	906

Mars Horsecare UK Limited

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 DECEMBER 2012**

10. TANGIBLE ASSETS

	Freehold property £000	Plant & machinery £000	Fixtures & fittings £000	Computer equipment £000
Cost				
At 1 January 2012	4,669	5,850	48	109
Additions	81	394	3	48
Disposals	-	(190)	-	(29)
At 29 December 2012	<u>4,750</u>	<u>6,054</u>	<u>51</u>	<u>128</u>
Accumulated depreciation				
At 1 January 2012	1,259	3,720	24	73
Charge for the period	201	437	9	28
Disposals	-	(190)	-	(29)
At 29 December 2012	<u>1,460</u>	<u>3,967</u>	<u>33</u>	<u>72</u>
Net book value				
At 29 December 2012	<u>3,290</u>	<u>2,087</u>	<u>18</u>	<u>56</u>
At 31 December 2011	<u>3,410</u>	<u>2,130</u>	<u>24</u>	<u>36</u>
				Total £000
Cost				
At 1 January 2012				10,676
Additions				526
Disposals				(219)
At 29 December 2012				<u>10,983</u>
Accumulated depreciation				
At 1 January 2012				5,076
Charge for the period				675
Disposals				(219)
At 29 December 2012				<u>5,532</u>
Net book value				
At 29 December 2012				<u>5,451</u>
At 31 December 2011				<u>5,600</u>

Freehold land and buildings for the company includes £1,630,372 (2011 £1,630,372) in respect of freehold land

Mars Horsecare UK Limited

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 DECEMBER 2012**

11. STOCKS

	29 December 2012 £000	31 December 2011 £000
Raw materials	708	581
Packaging and consumable goods	214	191
Finished goods and goods for resale	378	328
	<u>1,300</u>	<u>1,100</u>

At 29 December 2012, depreciation of £13,000 (2011 £13,000) has been included in the stock valuation

12. DEBTORS

	29 December 2012 £000	31 December 2011 £000
Trade debtors	2,361	2,264
Amounts owed by group undertakings	55	31
Other debtors	1	68
Prepayments and accrued income	227	181
	<u>2,644</u>	<u>2,544</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand

**13. CREDITORS:
Amounts falling due within one year**

	29 December 2012 £000	31 December 2011 £000
Trade creditors	2,229	2,085
Amounts owed to group undertakings	7,687	7,904
Corporation tax	32	38
Social security and other taxes	131	131
Accruals and deferred income	660	551
	<u>10,739</u>	<u>10,709</u>

The amount owed to group undertakings represents an intercompany loan amount account with Food Manufacturers (G B Company) This debt is unsecured, repayable on demand and bears interest at 3% above the Bank of England base rate There are no set repayment terms

Mars Horsecare UK Limited

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 DECEMBER 2012

14. CREDITORS

Amounts falling due after more than one year

	29 December 2012 £000	31 December 2011 £000
Accruals and deferred income	49	-

15. DEFERRED TAX

	29 December 2012 £000	31 December 2011 £000
At beginning of period	218	263
Credit for the period	(45)	(45)
At end of period	173	218

The provision for deferred taxation is made up as follows

	29 December 2012 £000	31 December 2011 £000
Accelerated capital allowances	183	230
Other timing differences	(10)	(12)
	173	218

The company has no un-provided deferred taxation

16. CALLED UP SHARE CAPITAL

	29 December 2012 £000	31 December 2011 £000
Allotted and fully paid		
1,750,000 (2011 1,750,000) Ordinary shares shares of £1 each	1,750	1,750

Mars Horsecare UK Limited

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 DECEMBER 2012**

17. PROFIT AND LOSS RESERVE

	Profit and loss account £000
At 1 January 2012	(1,353)
Loss for the financial period	(265)
	<hr/>
At 29 December 2012	(1,618)
	<hr/>

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	29 December 2012 £000	31 December 2011 £000
Opening shareholders' funds	397	484
Loss for the financial period	(265)	(87)
	<hr/>	<hr/>
Closing shareholders' funds	132	397
	<hr/>	<hr/>

19. PENSION COMMITMENTS

Defined contribution scheme

The group operates a defined contribution pension scheme for the benefit of certain employees. The assets of the scheme are administered by trustees in a fund independent from those of the company. The pension charge for the period was £101,000 (2011: £98,000). There are £nil (2011: £nil) amounts prepaid or outstanding at the end of the period.

20. OPERATING LEASE COMMITMENTS

At 29 December 2012 the company had annual commitments under non-cancelable operating leases for assets other than land and buildings as follows:

	29 December 2012 £000	31 December 2011 £000
Expiry date:		
Within 1 year	36	34
Between 2 and 5 years	134	180
	<hr/>	<hr/>
Total	170	214
	<hr/>	<hr/>

As at 29 December 2012 Mars Horsecare UK Limited held forward contracts for the purchase of raw materials with a total value of £6,154,610 (2011: £2,530,285). The directors are satisfied that these commitments are in line with their expectations of future trading.

Mars Horsecare UK Limited

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 DECEMBER 2012**

21. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's ultimate parent undertaking and controlling party is Mars, Incorporated, a company incorporated in the State of Delaware, USA. The company's immediate parent undertaking is Mars Horsecare Holdings UK Limited, a company registered in England and Wales. The company is a wholly owned subsidiary of Effem Holdings Limited, a company registered in England and Wales, and is included in the consolidated financial statements of that company, which may be obtained from The Registrar of Companies, Companies Registration Office, Companies House, Crown Way, Mandy, Cardiff, CF4 3UZ.

The company's ultimate parent undertaking, controlling party and largest group to consolidate these financial statements is Mars Incorporated, a company incorporated in the State of Delaware, USA.