

---

**Mars Horsecare UK Limited**

---

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 27 DECEMBER 2014**

FRIDAY



\*A4FQ136R\*

A15

11/09/2015

#5

COMPANIES HOUSE

---

**Mars Horsecare UK Limited**

---

**CONTENTS**

---

	Page
<b>Strategic Report</b>	1 - 2
<b>Directors' Report</b>	3 - 4
<b>Independent Auditors' Report</b>	5 - 6
<b>Profit and Loss Account</b>	7
<b>Balance Sheet</b>	8
<b>Notes to the Financial Statements</b>	9 - 19

---

## Mars Horsecare UK Limited

---

### STRATEGIC REPORT FOR THE YEAR ENDED 27 DECEMBER 2014

---

The directors present their strategic report on the group for the year ended 27 December 2014.

#### PRINCIPAL ACTIVITIES

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

#### BUSINESS REVIEW

The performance for the year 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 has invested in developing a range of equine supplements which are being sold via the internet. 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 loss for the financial year amounted to £142,000 (2013 - loss £430,000).

On 21 February 2014 Mars Horsecare UK Ltd acquired certain business assets from Mars Fishcare Europe S.A.S. As a consequence of this acquisition, Mars Horsecare UK LTD expanded its activities to include the distribution of Mars Fishcare products in Europe under the name "Mars Fishcare (a division of Mars Horsecare UK LTD)". This subsequent trading activity is included within the Mars Horsecare UK Ltd financial statements.

#### FINANCIAL KEY PERFORMANCE INDICATORS

The directors consider the following indicators to be key in measuring the performance of the business:

	27 December 2014	28 December 2013
	£'000s	£'000s
Turnover	25,654	22,597
Profit/(loss) before tax	(79)	(486)
Gross profit margin (%)	30	24
Operating profit/(loss) margin (%)	1	(1)

#### 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.

---

**Mars Horsecare UK Limited**

---

**STRATEGIC REPORT (continued)  
FOR THE YEAR ENDED 27 DECEMBER 2014**

---

**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.

**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.

**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 require 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.

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



**C Williams  
Director**

**Date: 29 April 2015**

---

## Mars Horsecare UK Limited

---

### **DIRECTORS' REPORT FOR THE YEAR ENDED 27 DECEMBER 2014**

---

The directors present their annual report and the affairs of the company together with the strategic report, audited financial statements and auditors' report for the financial year ended 27 December 2014.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, 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.

#### **RESULTS**

The loss for the financial year, after taxation, amounted to £142,000 (2013 - loss £430,000).

Directors do not propose payment of dividend (2013: Nil)

#### **DIRECTORS**

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

J Brereton  
C Williams  
I Langer (appointed 12 December 2014)  
R Clegg  
S Guthrie-Brown (resigned 12 December 2014)  
G Pilkington  
B Lachaud (appointed 10 October 2014)  
J Hedley  
K Brockman (appointed 12 December 2014)

#### **POLITICAL CONTRIBUTIONS**

The company made no political during the year (2013: £nil).

---

**Mars Horsecare UK Limited**

---

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 27 DECEMBER 2014**

---

**FINANCIAL RISK MANAGEMENT**

Details of financial risk management are shown in the strategic report.

**GOING CONCERN**

The company has net current liabilities of £7,023,000 (2013: £5,975,000) and shareholders' deficit of £440,000 (2013: shareholders' deficit of £298,000). The company has support from its intermediate parent company, Food Manufacturers' (G.B. Company). Therefore, the directors believe it is appropriate to prepare the financial statements on a going concern basis.

**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 relevant audit information 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.



**C Williams  
Director**

**Date: 29 April 2015**

---

## **Mars Horsecare UK Limited**

---

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

---

#### **Report on the financial statements**

---

##### **Our opinion**

In our opinion Mars Horsecare UK Limited's financial statements (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 loss 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.
- 

##### **What we have audited**

Mars Horsecare UK Limited's financial statements comprise:

- the balance sheet as at 27 December 2014;
- the profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

---

##### **Opinions on other matter prescribed by the Companies Act 2006**

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

---

##### **Other matters on which we are required to report by exception**

---

###### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

---

###### **Directors' remuneration**

Under the Companies Act 2006 we are required to report if, in our opinion, certain disclosures of directors' remuneration specified by law have not been made. We have no exceptions to report arising from this responsibility.

---

---

**Mars Horsecare UK Limited**

---

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

---

**Responsibilities for the financial statements and the audit**

---

**Our responsibilities and those of the directors**

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 & Ireland) ("ISAs (UK & 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 to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**What an audit of financial statements involves**


We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements 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.

  
**Daniel Brew (Senior Statutory Auditor)**  
**for and on behalf of PricewaterhouseCoopers LLP**  
**Chartered Accountants and Statutory Auditors**  
**Milton Keynes**

**29 April 2015**



**Mars Horsecare UK Limited**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 27 DECEMBER 2014**

	Note	2014 £000	2013 £000
<b>TURNOVER</b>			
Continuing operations	2	20,842	22,597
Acquisitions		4,812	
<b>Total turnover</b>		<u>25,654</u>	<u>22,597</u>
 Cost of sales		 (18,034)	 (17,182)
<b>GROSS PROFIT</b>		<u>7,620</u>	<u>5,415</u>
Distribution costs		(4,642)	(3,473)
Administrative expenses		(2,783)	(2,227)
Other operating income	3	38	54
Continuing operations		383	(231)
Acquisitions		(150)	
<b>OPERATING PROFIT/(LOSS)</b>	3	<u>233</u>	<u>(231)</u>
Interest receivable and similar income	6	2	2
Interest payable and similar charges	7	(314)	(257)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>(79)</u>	<u>(486)</u>
Tax on loss on ordinary activities	8	(63)	56
<b>LOSS FOR THE FINANCIAL YEAR</b>		<u><u>(142)</u></u>	<u><u>(430)</u></u>

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and Loss Account.

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

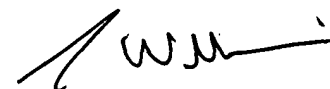
The notes on pages 9 to 19 form part of these financial statements.

**Mars Horsecare UK Limited**  
**REGISTERED NUMBER: 03596340**

**BALANCE SHEET**  
**AS AT 27 DECEMBER 2014**

			27 December 2014		28 December 2013
	Note	£000	£000	£000	£000
<b>FIXED ASSETS</b>					
Intangible assets	9		1,697		646
Tangible assets	10		5,020		5,178
			<u>6,717</u>		<u>5,824</u>
<b>CURRENT ASSETS</b>					
Stocks	11	2,381		1,349	
Debtors	12	3,518		2,620	
Cash at bank and in hand		1,303		969	
		<u>7,202</u>		<u>4,938</u>	
<b>CREDITORS: amounts falling due within one year</b>	13	<u>(14,225)</u>		<u>(10,913)</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(7,023)</u>		<u>(5,975)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>(306)</u>		<u>(151)</u>
<b>CREDITORS: amounts falling due after more than one year</b>	14		(32)		(42)
<b>PROVISIONS FOR LIABILITIES</b>					
Deferred tax	15		(102)		(105)
<b>NET LIABILITIES</b>			<u>(440)</u>		<u>(298)</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		1,750		1,750
Profit and loss account	17		(2,190)		(2,048)
<b>TOTAL SHAREHOLDERS' DEFICIT</b>	18		<u>(440)</u>		<u>(298)</u>

The financial statements on pages 7 to 19 were approved and authorised for issue by the board and were signed on its behalf by:



**C Williams**  
**Director**

**Date: 29 April 2015**

The notes on pages 9 to 19 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 27 DECEMBER 2014**

---

**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting 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 £7,023,000 (2013: £5,975,000) and shareholders' deficit of £440,000 (2013: shareholders' deficit of £298,000). The company has support from its parent intermediate 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 year until the date the rent is expected to be adjusted to the prevailing market rate.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 27 DECEMBER 2014**

---

**1. ACCOUNTING POLICIES (continued)**

**1.8 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less 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.

**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 Acquisitions**

On the acquisition of a business, fair values are attributed to the net assets and liabilities acquired. Where the cost of acquisition exceeds the fair value of these assets is recognised as goodwill.

**1.12 Pension costs**

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

**1.13 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.

**1.14 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 27 DECEMBER 2014**

---

**1. ACCOUNTING POLICIES (continued)**

**1.15 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.

**1.16 Interest**

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

**1.17 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 fish specialty feeds and supplements with turnover and profit on ordinary activities for the year arising entirely from the company's principal activity.

The directors are of the opinion that disclosure of turnover and operating result by geographical location would be seriously prejudicial to the interests of the group, and therefore segmental analysis as required by Statement of Standard Account Practice 25 "Segmental reporting" has not been made.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 27 DECEMBER 2014**

**3. OPERATING PROFIT/(LOSS)**

The profit/(loss) is stated after charging:

	<b>29 December 2014 £000</b>	<b>28 December 2013 £000</b>
Amortisation - intangible fixed assets	182	130
Depreciation of tangible fixed assets:		
- owned by the company	624	683
Auditors' remuneration	48	35
Auditors' remuneration - non-audit	16	-
Operating lease rentals:		
- plant and machinery	273	172
- other operating leases	-	17
Research and development expenditure written off	15	43
Research and development costs	176	216
	<u>          </u>	<u>          </u>

**4. ASSOCIATE INFORMATION**

Staff costs were as follows:

	<b>27 December 2014 £000</b>	<b>28 December 2013 £000</b>
Wages and salaries	3,562	3,456
Social security costs	327	322
Other pension costs (note 20)	143	104
	<u>          </u>	<u>          </u>
	<u>4,032</u>	<u>3,882</u>

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

	<b>27 December 2014 No.</b>	<b>28 December 2013 No.</b>
Production	39	39
Selling and distribution	40	30
Administration	22	18
	<u>          </u>	<u>          </u>
	<u>101</u>	<u>87</u>

---

**Mars Horsecare UK Limited**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 27 DECEMBER 2014**

---

**5. DIRECTORS' EMOLUMENTS**

	27 December 2014 £000	28 December 2013 £000
Aggregate emoluments	691	624
Pension contributions to money purchase schemes	32	25
	<u>723</u>	<u>649</u>

During the year 4, (2013: 4) directors participated in money purchase schemes administered by the company.

**Highest paid director**

	27 December 2014 £000	28 December 2013 £000
Aggregate emoluments	284	286
Pension contributions to money purchase schemes	14	10
	<u>298</u>	<u>296</u>

**6. INTEREST RECEIVABLE AND SIMILAR INCOME**

	27 December 2014 £000	28 December 2013 £000
Bank interest receivable	<u>2</u>	<u>2</u>

**7. INTEREST PAYABLE AND SIMILAR CHARGES**

	27 December 2014 £000	28 December 2013 £000
Interest payable to group undertakings	<u>314</u>	<u>257</u>

**Mars Horsecare UK Limited**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 27 DECEMBER 2014**

**8. TAX ON LOSS ON ORDINARY ACTIVITIES**

	<b>27 December 2014 £000</b>	<b>28 December 2013 £000</b>
<b>Analysis of tax charge/(credit) in the year</b>		
<b>Current tax</b>		
UK corporation tax charge on loss for the year	66	12
<b>Deferred tax</b>		
Origination and reversal of timing differences	(7)	(44)
Effect of decreased tax rate on opening liability	1	(15)
Adjustments in respect of prior years	3	(9)
<b>Total deferred tax (see note 15)</b>	<b>(3)</b>	<b>(68)</b>
<b>Tax charge/(credit) on loss on ordinary activities</b>	<b>63</b>	<b>(56)</b>

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2013 - higher than) the standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%). The differences are explained below:

	<b>27 December 2014 £000</b>	<b>28 December 2013 £000</b>
Loss on ordinary activities before tax	(79)	(486)
Loss on ordinary activities multiplied by standard average rate of corporation tax in the UK of 21.5% (2013 - 23.25%)	(17)	(113)
<b>Effects of:</b>		
Depreciation for year in excess of capital allowances	12	32
Adjustments to tax charge in respect of prior years	(3)	9
Permanent differences	74	84
<b>Current tax charge for the year</b>	<b>66</b>	<b>12</b>

**Factors that may affect future tax charges**

The main rate of corporation tax in the United Kingdom reduced from 23% to 21% effective 1 April 2014. The Finance Act 2013 included legislation to reduce the rate to 20% from 1 April 2015 and the deferred taxation balances have been remeasured at 20% as substantively enacted by the year end.



Mars Horsecare UK Limited

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 27 DECEMBER 2014

9. INTANGIBLE ASSETS

	Goodwill £000
<b>Historical cost</b>	
At 29 December 2013	2,580
Additions	1,233
At 27 December 2014	3,813
<b>Accumulated amortisation</b>	
At 29 December 2013	1,934
Charge for the year	182
At 27 December 2014	2,116
<b>Net book value</b>	
At 27 December 2014	1,697
At 28 December 2013	646

10. TANGIBLE ASSETS

	Freehold property £000	Plant & machinery £000	Fixtures & fittings £000	Computer equipment £000	Total £000
<b>Cost</b>					
At 29 December 2013	4,750	6,438	51	136	11,375
Additions	36	409	-	21	466
Disposals	-	(350)	-	-	(350)
At 27 December 2014	4,786	6,497	51	157	11,491
<b>Accumulated depreciation</b>					
At 29 December 2013	1,666	4,402	41	88	6,197
Charge for the year	206	376	10	32	624
Disposals	-	(350)	-	-	(350)
At 27 December 2014	1,872	4,428	51	120	6,471
<b>Net book value</b>					
At 27 December 2014	2,914	2,069	-	37	5,020
At 28 December 2013	3,084	2,036	10	48	5,178

Freehold property for the company includes £1,630,372 (2013: £1,630,372) in respect of freehold land.

**Mars Horsecare UK Limited**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 27 DECEMBER 2014**

**11. STOCKS**

	<b>27 December</b>	<b>28 December</b>
	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Raw materials	563	780
Packaging and consumable goods	246	232
Finished goods and goods for resale	1,572	337
	<u>2,381</u>	<u>1,349</u>

**12. DEBTORS**

	<b>27 December</b>	<b>28 December</b>
	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	3,071	2,328
Amounts owed by group undertakings	54	15
Other debtors	65	6
Prepayments and accrued income	328	271
	<u>3,518</u>	<u>2,620</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**

	<b>27 December</b>	<b>28 December</b>
	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	2,574	2,140
Amounts owed to group undertakings	10,690	7,942
Corporation tax	-	8
Other taxation and social security	136	135
Accruals and deferred income	825	688
	<u>14,225</u>	<u>10,913</u>

The amounts 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 YEAR ENDED 27 DECEMBER 2014**

**14. CREDITORS:**

*Amounts falling due after more than one year*

	27 December 2014 £000	28 December 2013 £000
Accruals and deferred income	32	42

**15. DEFERRED TAX PROVISION**

	27 December 2014 £000	28 December 2013 £000
At beginning of year	105	173
Credit for the year	(3)	(68)
At end of year	102	105

The provision for deferred taxation is made up as follows:

	27 December 2014 £000	28 December 2013 £000
Accelerated capital allowances	111	124
Other timing differences	(9)	(19)
	102	105

The company has no unprovided deferred taxation.

**16. CALLED UP SHARE CAPITAL**

	27 December 2014 £000	28 December 2013 £000
<b>Allotted and fully paid</b>		
1,750,000 (2013: 1,750,000) Ordinary shares of £1 each	1,750	1,750

**17. PROFIT AND LOSS ACCOUNT**

	£000
At 29 December 2013	(2,048)
Loss for the financial year	(142)
At 27 December 2014	(2,190)

---

Mars Horsecare UK Limited

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 27 DECEMBER 2014

---

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' (DEFICIT)/FUNDS

	27 December 2014 £000	28 December 2013 £000
Opening shareholders' (deficit)/funds	(298)	132
Loss for the financial year	(142)	(430)
Closing shareholders' deficit	<u>(440)</u>	<u>(298)</u>

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 year was £143,000 (2013: £104,000). There are £nil (2013: £nil) amounts prepaid or outstanding at the end of the period.

20. OPERATING LEASE COMMITMENTS

At 27 December 2014 and 28 December 2013 the company had annual commitments under non-cancellable operating leases as follows:

	27 December 2014 £000	28 December 2013 £000
<b>Expiry date:</b>		
Within 1 year	41	162
Between 2 and 5 years	198	248
Total	<u>239</u>	<u>410</u>

As at 27 December 2014 Mars Horsecare UK Limited held forward contracts for the purchase of raw materials with a total value of £3,388,143 (2013: £4,241,086). The directors are satisfied that these commitments are in line with their expectations of future trading.

21. Acquisitions

On 21 February 2014 the company purchased the trade and assets of a fellow subsidiary, Mars Fishcare Europe S.A.S. for total cash consideration, payable immediately, of £1.2m. No tangible assets were recognised on acquisition and therefore the purchase price has been recognised as purchased goodwill. Management have assessed the carrying value of the goodwill recognised and consider that no impairment charge is due in the year.

---

**Mars Horsecare UK Limited**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 27 DECEMBER 2014**

---

**22. 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, Maindy, 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.