
Mars Melton UK Holdings Limited

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 DECEMBER 2013

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Mars Melton UK Holdings Limited

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Mars Melton UK Holdings Limited

**DIRECTORS' REPORT
FOR THE YEAR ENDED 28 DECEMBER 2013**

The directors present their annual report on the affairs of the company together with the audited financial statements for the year ended 28 December 2013.

PRINCIPAL ACTIVITIES

The company is an investment holding company.

BUSINESS REVIEW

Both the level of activity and the year end financial position remain satisfactory. The directors expect that these will be sustained for the foreseeable future both for the company and its subsidiary undertakings. Under s414B of the Companies Act 2006 the company has taken exemption from preparing a Strategic Report.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,424,000 (2012: £1,403,000).

No dividends have been proposed or paid in the year (2012: £nil).

PRINCIPAL RISKS AND UNCERTAINTIES

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 has no exposure to price or liquidity risk.

Interest rate risk

The main exposure to interest rate risk is inter-company balances. Interest is charged as a rate of up to 1% above the UK base rate and is regularly reviewed and monitored by management. Given the nature of this, the directors do not believe it is appropriate to use any instruments to manage this exposure.

Credit risk

Credit risk is the risk that the company is exposed to loss if another company fails to perform its financial obligations to the company. Intra group lending is reviewed regularly by management and is not perceived to be a significant risk to the company.

**DIRECTORS' REPORT
FOR THE YEAR ENDED 28 DECEMBER 2013**

DIRECTORS

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

S Guthrie-Brown
M Gallacher
C Williams

DIRECTORS' INDEMNITIES

The company maintains liability insurance for its directors and officers, which is a qualifying third party indemnity provision for the purpose of the Companies Act 2006.

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 year. 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.

Mars Melton UK Holdings Limited

**DIRECTORS' REPORT
FOR THE YEAR ENDED 28 DECEMBER 2013**

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 financial statements with the registrar, whichever is earlier.

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



**C Williams
Director**

Date: 28 April 2014

Mars Melton UK Holdings Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MARS MELTON UK HOLDINGS LIMITED

We have audited the financial statements of Mars Melton UK Holdings Limited for the year ended 28 December 2013 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 2, 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 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.

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 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 28 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

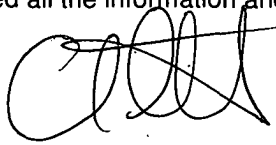
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MARS MELTON UK HOLDINGS 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.



Christopher Hibbs (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands

28 April 2014

Mars Melton UK Holdings Limited

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 28 DECEMBER 2013**

	Note	28 December 2013 £000	29 December 2012 £000
Interest receivable and similar income	4	1,424	1,403
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,424	1,403
Tax on profit on ordinary activities	5	-	-
PROFIT FOR THE FINANCIAL YEAR	9	1,424	1,403

All amounts relate to continuing operations.

There were no recognised gains and losses for the financial year ended 28 December 2013 or financial year ended 29 December 2012 other than those included in the Profit and Loss Account and therefore no separate statement of total recognised gains and losses has been presented.

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

The notes on pages 8 to 11 form part of these financial statements.


Mars Melton UK Holdings Limited
REGISTERED NUMBER: 06650121

BALANCE SHEET
AS AT 28 DECEMBER 2013

			28 December 2013 £000	29 December 2012 £000
	Note	£000	£000	£000
FIXED ASSETS				
Investments	6		1,004	1,004
CURRENT ASSETS				
Debtors	7	96,611		95,187
Cash at bank		2		2
			<u>96,613</u>	<u>95,189</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>97,617</u>	<u>96,193</u>
CAPITAL AND RESERVES				
Called up share capital	8		93,094	93,094
Profit and loss account	9		4,523	3,099
TOTAL SHAREHOLDERS' FUNDS	10		<u>97,617</u>	<u>96,193</u>

The notes on pages 8 to 11 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: 28 April 2014

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 DECEMBER 2013**

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.

The company is itself a subsidiary company and is exempt from the requirement to prepare group financial statements by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Cash flow statement

The company is a wholly owned subsidiary of Mars Slough UK Holdings 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".

1.3 Related party disclosures

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.

1.4 Investments in subsidiary companies

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

1.5 Taxation

Corporation tax 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.

1.6 Dividends

Dividends are recognised on a paid basis.

2. DIRECTORS' EMOLUMENTS

The company has no employees (2012: none) other than the directors who received emoluments for their services to the company of £nil (2012: £nil), which are borne by other group companies, Mars Chocolate UK Limited and Mars Petcare UK.

Mars Melton UK Holdings Limited

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 DECEMBER 2013

3. AUDITORS' REMUNERATION

	28 December 2013 £000	29 December 2012 £000
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	2	2

Audit fees are borne by other group companies, Mars Chocolate UK Limited, Mars Petcare UK Mars Food UK Limited, Mars Drinks UK Limited and Horsecare UK Limited. No non-audit fees incurred in the year (2012: none)

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	28 December 2013 £000	29 December 2012 £000
Interest receivable from group companies	1,424	1,403

5. TAXATION

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2012 - lower than) the standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%). The differences are explained below:

	28 December 2013 £000	29 December 2012 £000
Profit on ordinary activities before tax	1,424	1,403
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.25% (2012 - 24.5%)	331	344
Effects of:		
Group relief surrendered for £nil consideration	(331)	(344)
Current tax charge for the year	-	-

Factors that may affect future tax charges

The main rate of corporation tax in the United Kingdom reduced from 24% to 23% effective 1 April 2013. The Finance Act 2013 included legislation to reduce the rate to 21% from 1 April 2014 and to 20% from 1 April 2015.

There are no provided or unprovided deferred tax assets/(liabilities) in the year (2012: £nil).

Mars Melton UK Holdings Limited

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 DECEMBER 2013**

6. FIXED ASSET INVESTMENTS

The directors believe the carrying value of the investments is supported by their net assets.

	Investments in subsidiary companies £000
Cost or valuation	
At 30 December 2012 and 28 December 2013	1,004
Net book value	
At 28 December 2013	1,004
At 29 December 2012	1,004

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Mars Food UK Limited*	Ordinary shares	100%
Mars Peterborough UK Holdings Limited*	Ordinary shares	100%
Mars Petcare UK	Ordinary shares	100%
* Directly held		

Mars Peterborough UK Holdings Limited, Mars Petcare UK and Mars Food UK Limited are registered in England and Wales.

7. DEBTORS

	28 December 2013 £000	29 December 2012 £000
Amounts owed by group undertakings	96,611	95,187

The amounts owed by group undertakings relate to unsecured loans. Interest is charged on unsecured loans at a rate of up to 1% above the UK base rate.

Inter-company loans are renewable annually unless 30 days' notice is given of cancellation.

Mars Melton UK Holdings Limited

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 DECEMBER 2013**

8. SHARE CAPITAL

	28 December 2013 £000	29 December 2012 £000
Allotted, called up and fully paid		
93,094,001 Ordinary shares of £1 each	<u>93,094</u>	<u>93,094</u>

9. RESERVES

	Profit and loss account £000
At 30 December 2012	3,099
Profit for the year	1,424
	<u>4,523</u>
At 28 December 2013	

10. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	28 December 2013 £000	29 December 2012 £000
Opening shareholders' funds	96,193	94,790
Profit for the year	1,424	1,403
	<u>97,617</u>	<u>96,193</u>
Closing shareholders' funds		

11. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's ultimate parent undertaking and controlling party Mars, Incorporated, a company incorporated in the state of Delaware, USA. The company's immediate parent undertaking is Mars Slough UK Holdings 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.